

Annual Comprehensive Financial Report

County of New Kent, Virginia | Fiscal Year Ended June 30, 2025

2025



County of New Kent, Virginia

Annual Comprehensive Financial Report

June 30, 2025

Prepared By:

Department of Financial Services

County of New Kent, Virginia

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Introductory Section

County of New Kent, Virginia

Principal Officials

June 30, 2025

Board of Supervisors

Thomas W. Evelyn, Chair.....	District 1
John P. Moyer	District 2
Amy M. Pearson	District 3
Ronald P. Stiers, Vice-Chair	District 4
Jordan T. Stewart	District 5

Constitutional Officers

Amy Crump.....	Clerk of the Circuit Court
Laura M. Ecimovic	Commissioner of the Revenue
T. Scott Renick.....	Commonwealth’s Attorney
Lee S. Bailey.....	Sheriff
Charles Evelyn III	Treasurer

County Administrative Officers

Rodney A. Hathaway	County Administrator
Duane Goss	Airport Manager
Vacant	County Attorney
Lindsay Hurt	Economic Development Director
Josh Airaghi	Environmental Director
Richard E. Lawrence III	Financial Services Director
Richard A. Opett	Fire Chief and Emergency Management Coordinator
Gary Martin	General Services Director
Korita Jones	Human Resources Director
Jonathan Stanger	Information Technology Director
Kim Turner	Parks and Recreation Director
Amy Inman	Planning Director
Mike Lang	Public Utilities Director
Suzanne Grable	Social Services Director

County of New Kent, Virginia

Principal Officials

June 30, 2025

School Board Members

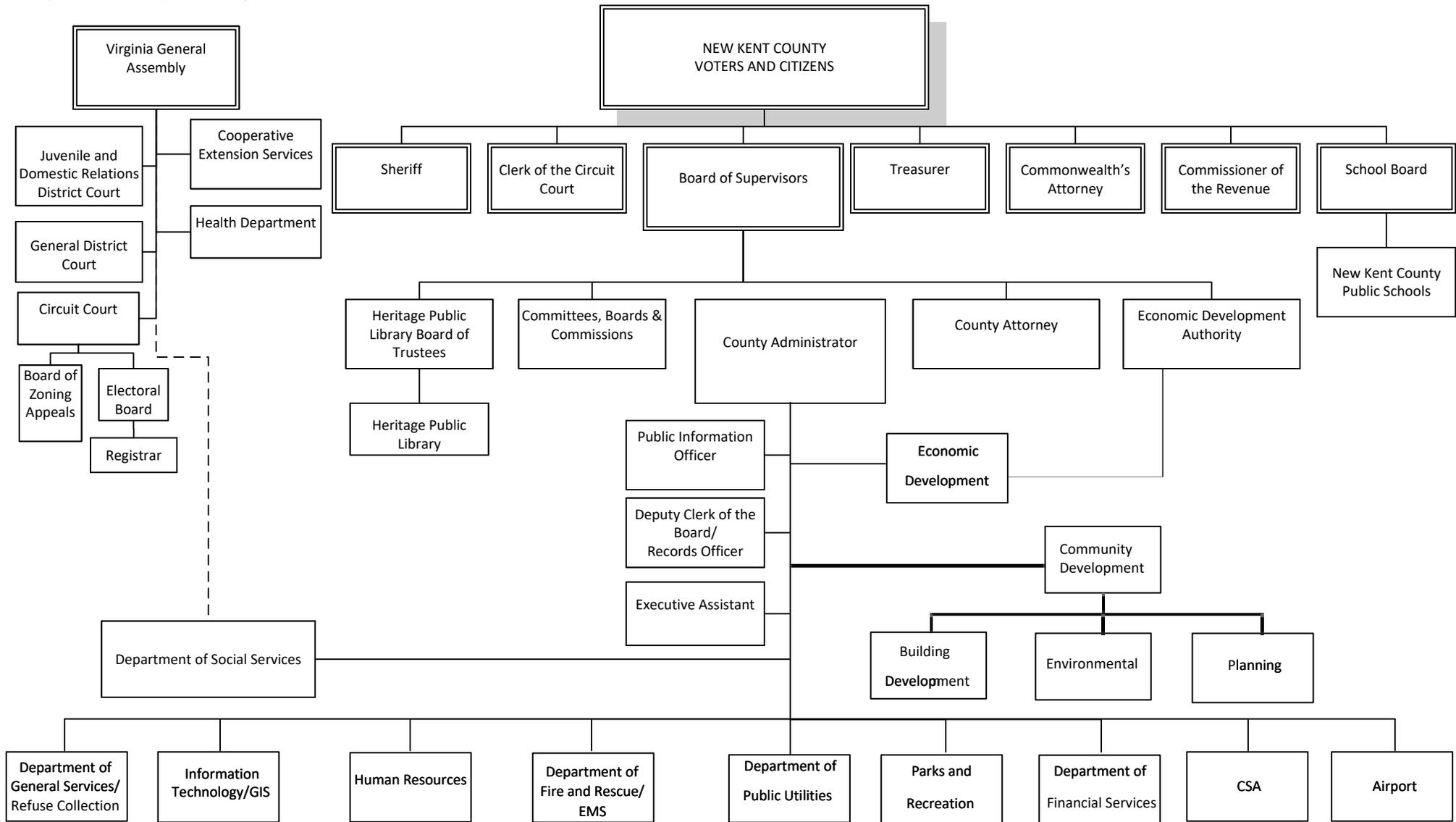
Keith A. Pagano	District 1
Helena Cunha	District 2
Heather Mae Donbrosky	District 3
Ron Vaught, Vice-Chair	District 4
Gregory B. Reimer, Chair	District 5

School Board Administrative Staff

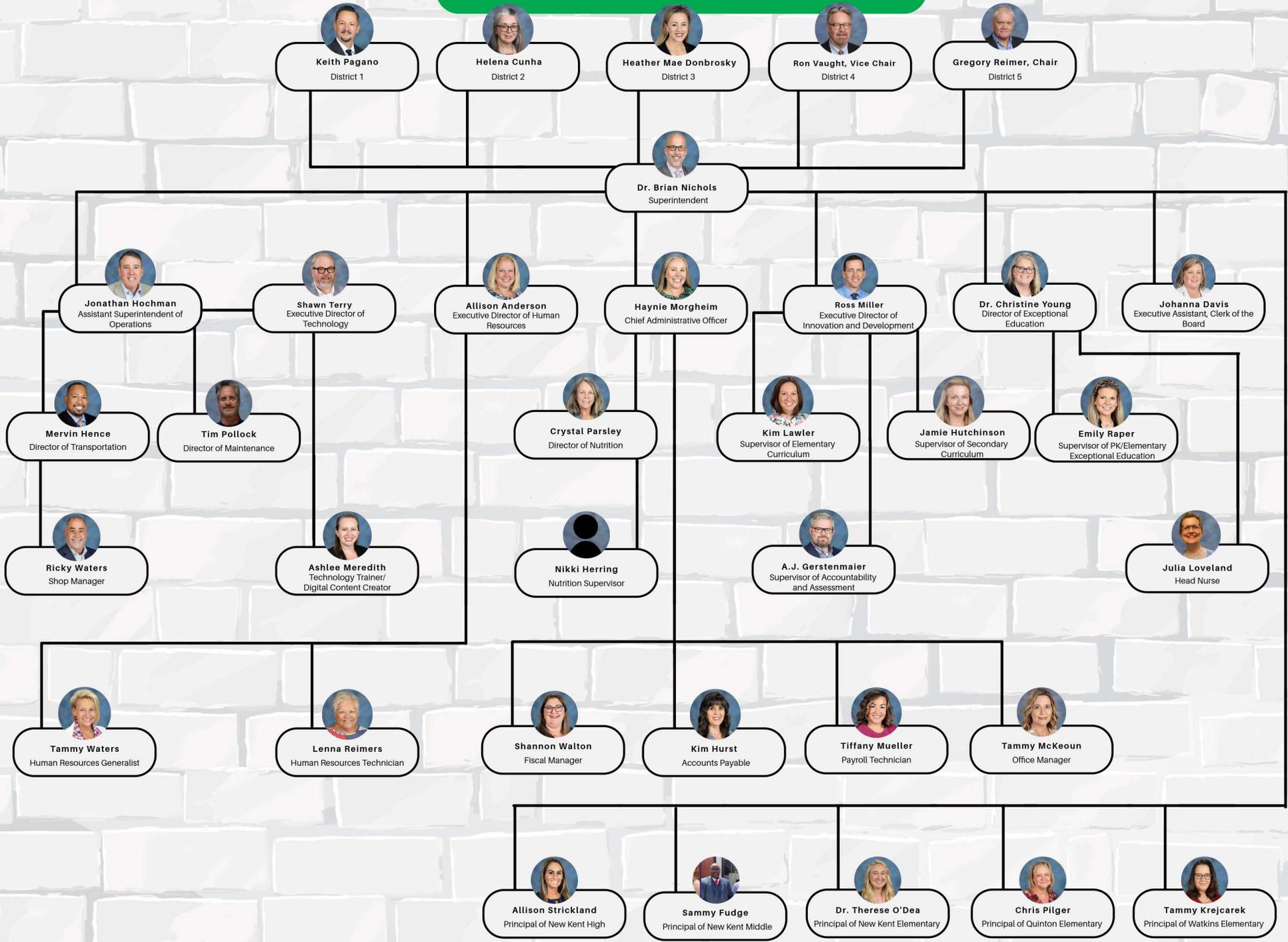
Brian Nichols	Superintendent of Schools
Jonathan Hochman	Assistant Superintendent of Operations
Haynie Morgheim	Chief Administrative Officer
Allison Anderson	Executive Director of Human Resources
Ross Miller	Executive Director of Innovation and Development
Tim Pollock	Director of Maintenance
Dr. Christine Young	Director of Student Services
Shawn Terry	Executive Director of Technology
Mervin Hence	Director of Transportation
Crystal Parsley	Director of School Nutrition



Organization of General Government Administrative Functions FY25



NKCPS Organizational Chart





Government Finance Officers Association

Certificate of
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**New Kent County
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For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Board of Supervisors

Thomas W. Evelyn	District 1
John P. Moyer	District 2
Amy. M Pearson	District 3
Ron Stiers	District 4
Jordan T. Stewart	District 5

Rodney A. Hathaway
County Administrator

December 8, 2025

To the Honorable Members of the Board of Supervisors and the Citizens of County of New Kent:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of New Kent County (the County) for the fiscal year ended June 30, 2025. The *Code of Virginia* requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report has been prepared by the County of New Kent Department of Financial Services in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), where applicable, and the Virginia Auditor of Public Accounts (APA).

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the County's financial statements in conformity with GAAP. Considering 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. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

The County's financial statements have been audited by Brown, Edwards & Company L.L.P., an independent, third-party firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the 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 financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the County's financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

Accounting principles generally accepted in the United States 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 auditor.

PROFILE OF THE COUNTY

As of July 1, 2024, the County is home to approximately 27,218 people according to the United States Census Bureau, Population Estimates of the Resident Population for Counties of Virginia. At the time of the 2020 census, the population of the County totaled 22,946. Since 2021, New Kent's population has grown 18.6%, making it the number one fastest growing jurisdiction in the Commonwealth. Even though the population density is at approximately 129 persons per square mile, demonstrating the County still remains primarily rural, the County has undergone significant development over the past several years with growth spread fairly evenly throughout the County.

The County is comprised of about 210 square miles and is located directly between two of the nation's most dynamic Metropolitan Statistical Areas (MSA): Richmond-Petersburg and Williamsburg-Hampton Roads. At the heart of the Central East Coast, New Kent is within 750 miles of over 55% of the nation's population and nearly 60% of its personal income and consumer expenditures. It's bisected east to west by I-64 with four high-traffic count exits; for north and south movement Interstate 295 is within three miles. While the County's rural atmosphere has been preserved, the I-64 corridor with its utilities, business sites, and amenities is growing with commercial and residential activity.

The County of New Kent has a County Administrator form of Government with five voter-elected members of the Board of Supervisors (the "Board") who serve four-year concurrent terms and represent five distinct election districts. The County Administrator serves at the pleasure of the Board and is the County's chief administrative officer. The duties of the County Administrator include implementing the approved ordinances and policies of the Board of Supervisors, appointing the County's Department Directors, and overseeing the daily administration of the County Government. The Board has overall administrative and legislative responsibilities including levying County taxes, appropriating funds, and approving and enforcing the County's Comprehensive Plan and ordinances. A Chairman and Vice Chairman are selected by the Board on an annual basis from among the members of the Board. In addition to the Board, other elected County officials include the Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff and Treasurer. There is also an elected five-member School Board.

The County government is responsible for providing a wide array of governmental services for its citizens including animal control, building inspections, planning and community development, economic development, tourism, water and wastewater services, disposal of refuse, parks and recreation, libraries/cultural, police and fire services, emergency medical services, and health and social services. Other services provided by the County, which receive partial funding from the State and Federal governments, include: 1) public education for grades kindergarten through twelve; 2) certain technical, vocational and special education programs; 3) mental health assistance; 4) agricultural services; 5) judicial and detention services; and 6) airport services. The Commonwealth of Virginia is responsible for the construction and maintenance of highways, streets, and related infrastructure.

In accordance with the requirements of the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the County is financially accountable. Discretely presented component units qualifying for inclusion in this report are the New Kent County School Board (the "School Board"), the New Kent County Economic Development Authority (the "EDA"), and the New Kent Farms Community Development Authority (the "CDA"). Discretely presented component units

are reported separately in the financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial positions, results of operation and cash flows from those of the primary government.

The annual budget serves as the foundation of the County's financial planning and control. The County Administrator conducts an annual budget kick-off meeting in October. Each year, budget submission packages are sent to County departments and outside agencies, and are due to the Department of Financial Services in December. The County Administrator uses these requests as the starting point for developing a proposed budget. The proposed budget is reviewed by the Budget Team made up of the County Administrator, Director of Financial Services, Assistant Director of Financial Services and a departmental Director selected on a rotating basis. The Budget Team meets with Department Heads to discuss individual requests, goals and objectives and service requirements. Budget cuts and sometimes additions are made as the departments justify their requests by aligning departmental goals with the County's key performance areas designated in the County's Strategic Plan.

In early February, the County Administrator submits a draft budget to the Board of Supervisors for consideration. The draft budget is a working document intended to facilitate Board work sessions to establish a blueprint for a funding and expenditure plan. The draft budget is simply a printout of departmental line-item budgets and does not include the wide array of information reflected in the adopted budget. A proposed budget is issued in March, and a public hearing is held in March-April to obtain citizen comments and input. The Board of Supervisors is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the County's fiscal year. Board approved Ordinances impose tax levies on real estate and personal property for the tax year, amend fees in the New Kent County Code and any changes in utility fund fees/rates. Final budgets are legally adopted and appropriated through passage of a Resolution no later than June 30 for a fiscal year commencing on July 1. The Resolution motion establishes budgetary appropriation amounts at the functional level (e.g., General Fund).

The Board reviews its Bylaws at the January meeting and any necessary amendments are adopted at the February meeting. Included in the Bylaws are procedures for financial control. Budgets are monitored and reported to the Board of Supervisors on a monthly basis. The Bylaws effectively establish a legal level of budgetary control, the lowest level at which the County Administrator may reallocate resources without Board approval. With the exception of capital projects, the County Administrator is authorized to transfer line item amounts within departmental budgets. All other budget transfers must be approved by the Board of Supervisors as well as additional appropriations. The Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories unless the transfer crosses functions. Any transfer that crosses functions or supplemental appropriation that increases the School's total appropriated budget requires subsequent Board of Supervisors approval. All transfers are reported to the Board of Supervisors on a monthly basis.

Budget-to-actual comparisons are provided in this report. These comparisons are presented in the Required Supplementary Information section and Supporting Schedules under Other Supplementary Information of the financial statements.

The County maintains an encumbrance accounting system as another method of maintaining budgetary control. Appropriations and encumbered amounts lapse at year-end. However, outstanding encumbrances and reserved fund balances outstanding at June 30 generally are re-appropriated on a case-by-case basis to the following fiscal year through supplemental appropriations.

ECONOMIC OVERVIEW

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

Local economy: Recognized as one of the 100 fastest growing localities in the United States, New Kent County is a modern and dynamic community. The County offers a beautiful setting for living and working in an uncongested environment. Despite challenging national economic conditions, New Kent has maintained population growth, business investment, and positive economic activity. The local housing market is very strong and the local economy continues to be positioned to weather tough economic conditions better than most localities. However, as fiscal conservatives, New Kent County remains cautious and continually prepares for the potential of economic downturn. Management of infrastructure and employee-related costs and volatilities such as gas and oil prices, inflation, and intergovernmental aid will continue to be a challenge.

While the County continues to be largely a bedroom community, it has maintained a moderate unemployment rate compared to the rates of the surrounding region, Virginia, and the United States. The County has seen a slight increase in unemployment rates during FY 2025. Currently the County has an unemployment rate of 3.4%, which is closer to pre-pandemic rates and is substantially less than the 3.9% and 4.1% unemployment rates for Virginia and the United States, respectively. (Source: US Bureau Of Labor Statistics June 2025)

In FY 2025, New Kent County issued 399 single family dwelling permits, maintaining the pace of previous years, along with 12 commercial building permits, a slight decrease from the previous fiscal year. (Source: New Kent County Community Development Department). The County has experienced a slower start to FY26; however, this is believed to be a natural ebb and flow as old projects finish and new infrastructure is constructed to support future development. Overall, the County maintains a positive growth outlook over the coming years.

Growth in the County continues to present challenges in funding critical service and infrastructure needs, in terms of additional schools, law enforcement, inmate housing, social services and fire protection. All of these services come with significant capital and operating costs. As a result, the County must look to its largest revenue source, real estate taxes, for the funds necessary to provide critical County services citizens request of their government.

Economic development update: New Kent County is predominately rural in nature with approximately 60% of the County covered in pine and hardwood trees, yet is the fastest growing locality in the Commonwealth (Source: Weldon Cooper Center for Public Service). Agriculture, forestry, fishing and hunting were prominent to the New Kent County economy for many years. However, trends are changing, as the agricultural and forestry industries have declined significantly. By the end of fiscal year 2025, the largest employment industries were entertainment, government (federal, state and local), construction, retail trade and health care/social assistance. (Source: Virginia Employment Commission) The County's convenient access to surrounding metropolitan areas via four interchanges of Interstate 64, the extension of public water and sewer infrastructure and a business-friendly environment, have all contributed to the dynamic shift towards the commercial, industrial and entertainment.

The school and other public service demands resulting from a growing residential population have required the County to take positive steps toward the promotion of economic development and the maximization of the economic potential of its interstate interchanges. In order to address this potential challenge, the County leadership has proactively undertaken the following steps to position New Kent for continued economic growth:

On the residential community development, the County has the following major projects-

- The Farms of New Kent Planned Unit Development (PUD) at exit 211 consists of approximately 1,665 acres, and includes commercial, residential and recreational development. Residential development will include age-restricted cottages, non-age-restricted and age-restricted dwelling units. Viniterra, a luxury homes community planned around New Kent Winery, Rees Jones Golf Course and the Club at Viniterra, is growing and has approximately 115 homes completed with more under construction. The third phase of construction is currently underway in The Arbors, and The Groves, a 55+ community consisting of single-family homes and townhomes, is the fastest growing neighborhood in New Kent County.
- The Kentland Planned Unit Development (PUD) at exit 214 occupies an approximate acreage of 3,165 and is located within the southeast quadrant of the Route 155/I-64 interchange. The Kentland Community will consist of a variety of residential office, retail and recreational uses designed to complement the Colonial Downs racetrack and the two golf courses. New housing starts within the Brickshire community are at an all-time high and a new national builder has entered the local market with the purchase of a townhome tract of land.
- The Patriots Landing PUD consists of 253 acres in the western portion of the County located at the I-64 and Route 60 intersection. This development was planned for up to 640 residential units and new commercial and office uses located on both sides of the Food Lion grocery store, continuing along the Route 33/I-64 frontage totaling 29.5 acres. Patriots Landing is now nearing build-out completion with the anticipated start of 214 rental apartments in the near future.
- Several cluster subdivisions are also approved and in varying stages of construction. These neighborhoods combine for approximately an additional 330 lots and include public water extensions to service these areas.

On the commercial and industrial development, the County's public utility department has extended public water and sewer infrastructure across the county with a focus on the four interchanges along I-64 to enable future commercial and industrial development in the county. The following industrial and commercial projects are currently being developed –

- The Forge Logistics site to the southwest of the New Kent City Center site closed on a 1.4 million square foot distribution facility for Target. The development company is beginning improvements to the site for water and sewer upgrades. Peak daily traffic counts will be 482 cars and 52 trucks once the new distribution center is fully operational. The company plans to begin construction in 2026.
- Matan is in the site plan approval process for a 1 million square foot logistics facility located adjacent to the AutoZone distribution center.
- The Forge Logistics site is under review for an additional 300,000 and 200,000 square foot industrial/distribution facility.
- New Kent is in the design process for an industrial road to provide access to 612 acres of industrially zoned property on the eastern portion of New Kent City Center. Full design is on track for completion by Spring 2026.
- Buc-ee's intends to construct a 75,000SF store in Land Bay 5 of the Farms of New Kent with anticipated project completion in late Fall of 2029. This project includes \$60 million investment and creation of 175 new jobs.

- AutoZone completed construction for an 805,000 square foot distribution center in New Kent City Center at exit 211. The company began full operations on January 30, 2025 and has created over 450 new full-time positions.
- CarMax began operations for a new auto dealer auction warehouse in Weir Creek Commerce Park. The facility entails the rehab of used cars prior to distributing them to CarMax dealerships across the region, along with an auction facility to sell unused vehicles under a total of 78,000 square feet of space across multiple buildings on-site.
- LaRS Group, a site development services company, built a new warehouse and office building on Route 33 across from Weir Creek Commerce Park. The company invested \$3.5 million and opened the new facility in early November 2025.

To internally assess our financial health, the County has traditionally tracked State-published indicators of fiscal stress and median adjusted gross income. The most recent State report (2022) shows that New Kent's ranking level for fiscal stress is 113 out of 133 Virginia localities. The County is considered to have low fiscal stress and is listed as having the 21st lowest of the 22 low stress localities in Virginia comprised of 3 cities and 19 counties. The fiscal stress index is a locality's tax rate compared to State-wide averages, with low tax rate jurisdictions assigned a lower stress as they would appear to have the greater capacity to raise their taxes. New Kent County's growth does place some stress upon our budgetary process as the services sought by many residents in the County are similar to services offered by higher taxing localities. The preceding economic highlights are indicators of the County's good fiscal health. They are also indicative that the County's economic position has improved over many years and has weathered the effect of the downturn in the economy. (Source: Commission on Local Government's Report on the *Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, for FY 2022*)

Major initiatives and accomplishments:

The County has aligned its professionalism, goals, and standards of operation with those of jurisdictions with much larger populations. New Kent is positioned to accommodate projected growth and changing demographics. Below are some of the actions the County has undertaken to provide and maintain high quality services.

- Implementation of Envision New Kent, the County's strategic plan, through intensive analysis of data, public engagement, strategic assessment and visioning
- Implementation of the New Kent 2045 Comprehensive Plan development process to identify short and long-term growth and service goals for the community through the use of various forms of public engagement to include public meetings, surveys, and focus groups.
- Continued progress with Cox Communications Hampton Roads to provide every home and business in the County with fiber-optic broadband service.
- Additional Public Safety infrastructure such as a new Animal Shelter and Fire Stations 4 & 6.
- Research for and use of numerous federal, state, private and foundation grant opportunities for County programs, services, and capital programs
- Continually funding energy savings programs and policies
- Annually purchase Sheriff's vehicles enabling the department to keep its fleet current

- Fund computer and copier replacements on a five-year rotating basis
- Annually provide funding for new school buses on a rotating basis to meet state guidelines
- Fundings continued in 2025 for the school's Technology One-to-One Learning Initiative
- Support to the operations and future growth plan for New Kent Airport

In addition, the county has most recently completed the following accomplishments and initiatives:

- AutoZone Distribution Center has nearly completed the construction of an 800,000 square-foot warehouse facility and distribution center located in the county. The distribution center will be the first tenant to locate in the 1600-acre industrial-zoned New Kent City Center. The Governor announced in February 2022 that AutoZone, Inc., the nation's leading auto parts retailer and distributor of automotive replacement parts and accessories, would invest \$185.2 million and bring 352 jobs to New Kent.
- NEWKENT2045 - New Kent County is currently working on residents, businesses, landowners, and other community members to update its Comprehensive Plan. This effort is an extension of the County's Envision New Kent Strategic Plan, adopted in 2021. The Comprehensive Plan is a long-range guide for growth and development, establishing a vision of what New Kent County could look like in twenty years. The Plan addresses a variety of topics, including land use, housing, economic development, and natural resources. It identifies objectives and strategies that can be implemented to realize the community's vision.
- County approved a Public Safety Pay Plan to assist in retention of our Sheriff's Office and Fire & Rescue staff.
- County completed the construction of a new Fire Station in the Bottom's Bridge area of the County
- New Kent County received the GFOA's Certificate of Achievement for Excellence in Financial Reporting dated June 30, 2024. In order to be awarded a certificate of Achievement, the government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe this annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

Relevant financial policies: The County Treasurer is responsible for investing County funds. Allowable investments include savings accounts, certificates of deposit, U. S. agency securities, corporate notes, banker's acceptances, commercial paper, money market accounts, mutual funds, state bonds, local bonds, mortgage-backed securities and repurchase agreements. The County Treasurer seeks to safeguard principal, meet liquidity objectives and seek fair value rates of return. The County believes that sound financial management principles require that sufficient funds be retained by the County to provide a stable financial base at all times. To retain this stable financial base, the County maintains a General Fund balance sufficient to fund all cash flows of the County, to provide financial reserves for unanticipated expenditures and revenue shortfalls, and to provide funds for all existing encumbrances. Policy guidelines have established this amount at 15% of governmental fund budgeted revenues.

The County recognizes the need to monitor revenue estimates to identify any shortfalls and potential trends that would significantly affect the various revenue sources in the current budget. A significant emphasis is placed on controlling departmental expenditures through accounts payable and purchasing

policies and procedures. Also, expenditures are monitored through monthly reporting and monitoring of departments actual expenditures to budget.

The County continues to maintain its conservative approach toward debt management. The portion of the County's operating budget dedicated for repayment of debt is set by policy at 12% of governmental fund expenditures.

Many capital purchases are made with pay-as-you-go funding to ensure the County ends each fiscal year in sound financial condition. The Board of Supervisors has fostered this environment through consistently demanding innovation, effective planning, and financial prudence when allocating public resources.

Long-term financial planning: The County uses financial advisors to guide it through the long-term financial planning needed to address the growth of the County. Davenport & Company LLC has served as the County's financial advisor on a contractual basis for eighteen years.

The Capital Improvements Program (CIP) is the County's plan for investing in facilities, equipment, and vehicles and includes those items with a unit cost greater than \$25,000. The CIP serves as a planning tool for the efficient, effective, and equitable distribution of public improvements throughout the County. The County has long practiced a non-debt funding strategy for the CIP. The Board members recognized that there was a need to improve and build new infrastructure and provide safe, reliable emergency management vehicles, therefore, they increased borrowing and the debt ratios increased accordingly in recent years. As a strategy to offset the County's increased debt due to larger capital projects such as school renovations or the need of additional schools, the Board has historically voted to set aside a portion of funding for future capital debt expenditures.

The County's Capital Improvement Fund has accumulated funds due to the Board's policy requiring any funds in excess of 15% of budgeted revenues to be transferred from the General Fund into the Capital Fund. This plan was designed to reserve County savings for capital improvement projects that may have otherwise been debt financed.

The Five-Year Capital Improvements Plan represents the County's attempt to quantify the impacts of future needs matched with a projection of available resources. Each year this plan is reviewed, updated and adopted by the Board, thereby indicating the priority of projects, etc. The County's CIP policy requires that the County ensures that all operating costs arising from approved capital projects are accounted for in the operating budget, will maintain its physical assets at a level adequate to protect the County's capital investment and will minimize future maintenance and replacement costs.

The projects that may require debt service within the next five years include:

- Schools – New Kent Elementary School - \$65,000,000
- County – New County Courthouse - \$65,000,000
- County – Brickshire Water Tower - \$10,500,000

The County recognizes that some of these projects will have an impact on future operating costs, and has built estimates into our affordability models.

The County is strategically positioned to take advantage of a large and diversified workforce ranging from industrial laborers to high tech specialists. The County's EDA offers free assistance to companies wishing to establish, relocate, or expand their businesses in New Kent. New Kent County has completed the ninth operational year of the Bridging Communities Regional Technical Center. The partnering

school divisions include Charles City, King William, King and Queen, Middlesex, West Point and New Kent.

ACKNOWLEDGEMENTS

The County utilizes its Website www.newkent-va.us for a variety of purposes, which include presentation of the proposed budget document and the Annual Comprehensive Financial Report. The budget document serves as the best source for the variety of accomplishments of County functions, new initiatives and changes in service levels. In addition, the website provides many other topics of interest including the minutes of the Board of Supervisors meetings. While many of those accomplishments could also be shared in this report, it is the County's current intention to focus this report on the results of operations and analysis of the financial statements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Services Department. I would like to express my appreciation to all members of the department who worked tirelessly throughout the year and assisted and contributed heavily to the preparation of this report. Thanks also to the Office of the Commissioner of the Revenue, the Office of the Treasurer, the Planning Department, Building Codes and Compliance Department, the Human Resources Department, and the School Board Office. Special thanks must also be given to our independent accounting firm, Brown, Edwards & Company, L.L.P, for their support and assistance in conducting the audit and for their insights and guidance on improving our financial reporting. In addition, credit also must be given to the Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of the County finances.

Respectfully submitted,



Rodney A. Hathaway
County Administrator



Richard E. Lawrence III
Director of Financial Services

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Financial Section



Independent Auditor's Report

To the Honorable Members of the Board of Supervisors
County of New Kent, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of New Kent, Virginia (the "County") 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of 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.

We did not audit the financial statements of the Farms of New Kent Community Development Authority, which represents 8.24%, 81.78%, and 10.78%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Farms of New Kent Community Development Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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.



Change in Accounting Principle

As described in Note 20 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 about shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- 
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
 - Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 8, 2025

County of New Kent, Virginia Management’s Discussion and Analysis (unaudited)

This section of the County of New Kent’s (the “County”) annual comprehensive financial report offers a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025 (FY 2025). Please read it in conjunction with the Letter of Transmittal at the front of this report and with the County’s basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS

- The County’s total net position, excluding component units and business-type activities, when compared to FY 2024, reflects an increase of \$17,737,535. The County operates a water and wastewater utility department, its one business-type activity. FY 2025 business-type activities net position reflects an increase of \$2,110,039.
- The assets and deferred outflows of resources of the County, on a government-wide basis excluding component units, exceeded liabilities and deferred inflows of resources by \$232,684,633, an increase of \$18,373,488 over the FY 2024 total of \$214,311,154 (prior to GASB 101 restatement). Of this amount, \$86,143,571 (*unrestricted net position*) may be used to meet the County’s ongoing obligations to citizens and creditors. Net investment in capital assets, which is not immediately available to satisfy ongoing obligations, totals \$134,016,122; a \$11,679,420 increase over the FY 2024 total of \$122,336,702. (See Exhibit 1)
- The Statement of Activities reflects net governmental program expenses totaling \$62,470,863, which consist of total expenses of \$75,180,991 minus program-related revenues of \$12,710,128. The \$62,470,863 that was not funded by program revenues, such as charges for services (\$2,244,491), and grants (\$10,465,637), must be funded by local taxes and other miscellaneous revenues totaling \$80,208,398. This calculation is an excellent indicator of the County’s reliance on local sources of revenues (especially general property taxes of \$44,232,212) to fund daily governmental operations. The \$44,232,212 of general property taxes (real estate & personal property) reflects 71% of the \$62,470,863 funded by local sources of revenues. (See Exhibit 2)

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management Discussion and Analysis is intended to serve as an introduction to the County’s basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains other supplementary information, including budgetary and statistical information. It also includes details regarding individual funds and component units.

GOVERNMENT-WIDE STATEMENTS

One of the most important questions asked about the County’s finances is, “Is the County as a whole in better or worse financial condition as a result of this year’s activities?” The Statement of Net Position and the Statement of Activities, which make up the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. Governments report all capital assets in the government-wide Statement of Net Position and report depreciation expense – the cost of “using up” capital assets – in the Statement of Activities.

The Statement of Net Position and the Statement of Activities report the County's net position and the changes that occurred in the current year. The County's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the County's financial health, or financial position. Over time, increases and decreases in the County's net position indicate whether its financial health is improving or deteriorating. In addition, other nonfinancial factors such as changes in the County's property tax base and the condition of the County's infrastructure will need to be considered to assess overall financial health.

In the Statement of Net Position and the Statement of Activities, we divide the County into three types of activities:

- **Governmental Activities** – Most of the County's basic services are reported here: general government administration, judicial administration, public safety, public works, health and welfare, education, parks, recreation and cultural, environmental management and community development. Property taxes, other local taxes, and revenue from the state and federal government finance most of these activities. See Exhibits 1 and 2 of this report.
- **Business-Type Activities** – The County's operation, maintenance, and construction of the County-owned water and wastewater (sewer) utility are reported here as the County charges a fee to customers to cover all or most of the cost of the services these operations provide. The County provides no financial support to the water and sewer fund. See Exhibits 7 & 8 of this report.
- **Component Units** – The County includes three separate legal entities in its report – the County of New Kent School Board (the School Board), the Economic Development Authority (the EDA), and the Farms of New Kent Community Development Authority (CDA). Although legally separate, these "component units" are important because the County is financially accountable and the County has influence over their budget activities. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found in Exhibits 1 and 2 of this report.

FUND FINANCIAL STATEMENTS

The *fund financial statements* focus on the County's most significant funds, not the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability and budgetary control. All of the funds of the County can be divided into four types of funds:

- **Governmental Funds** – The County maintains six individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Airport Fund, Debt Service Fund, Colonial Downs Fund, Central Virginia Transportation Authority Fund, and the County Capital Improvements Fund, all of which are considered major funds. The Human Services Fund is considered to be a non-major fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance County programs. Since this information does not

encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds' statements that explains the relationship (or reconciles the differences) between the two types of statements. The basic governmental funds financial statements are located in Exhibits 3 through 6.

- **Internal Service Funds** – Accounts for the financing of goods and services provided to other departments or agencies of the government, or other governments, on a cost reimbursement basis. The Internal Service Fund consists of the Self-Insurance Fund reported in the Component Unit School Board. See Exhibit 33 through 35 of this report.
- **Proprietary Funds** – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide both long and short-term financial information.

The County's Enterprise Funds (one type of proprietary fund) are the same as the business-type activities included in the government-wide statements, but the fund financial statements provide more detail and additional information, such as cash flow. The Enterprise Funds account for the operation of the County's water and wastewater utility system. The Proprietary Fund financial statements are located in Exhibits 7 through 9 of this report.

- **Fiduciary Funds** – The County is the trustee, or fiduciary, for Custodial Funds which include Special Welfare and Supplemental Security Income benefits for Department of Social Services clients. The County is responsible for ensuring that the assets reported in these Funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a combined Statement of Changes in Assets and Liabilities – Custodial Funds. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its own operations. The fiduciary fund financial statements can be found in Exhibits 10A, 10B, 25, 26, 31 and 32 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after Exhibit 10B of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons of the General Fund and Airport Fund and the County's progress in funding its obligation to provide pension benefits to its employees as well as its progress in funding the schools' retiree healthcare plan. The footnotes and other required supplementary information reflect additional schedules and exhibits about to the County's pension liability as it relates to the Virginia Retirement System as well as other post-employment benefits.

Other Supplementary Information contains the schedule of revenues, expenditures and changes in fund balances (budget and actual) for the Debt Service Fund, County Capital Improvements Fund, and the Special Revenue Funds. Also included are the Combining Statement of Fiduciary Net Position – Custodial Funds, and the Combining Statement of Changes in Assets and Liabilities – Custodial Funds.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Overall, it was another strong year for the County. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the County, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$232,684,633 at the close of the most recent fiscal year. A \$18,373,488 increase over the prior year’s total of \$214,311,154 (prior to GASB 101 restatement).

A large portion of the County’s net position (\$134,016,122, 58% of total) reflects its net investment in capital assets (e.g., land, building, machinery, and equipment less related debt). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future expenditure. Although the County’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate related liabilities (i.e., the County’s investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life). (See Exhibit 1)

The table on the following page reflects a summary of condensed information on the County’s net position on June 30, 2025 and 2024.

Description	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2025	2024	2025	2024	2025	2024	2025	2024
Current and other Assets	\$ 102,142,977	\$ 106,359,454	\$ 23,786,509	\$ 24,622,261	\$ 125,929,486	\$ 130,981,715	\$ 16,445,326	\$ 18,136,632
Capital Assets	114,808,528	108,732,265	78,786,295	77,290,568	193,594,823	186,022,833	47,193,647	44,802,529
Total Assets	\$ 216,951,505	\$ 215,091,719	\$ 102,572,804	\$ 101,912,829	\$ 319,524,309	\$ 317,004,548	\$ 63,638,973	\$ 62,939,161
Deferred Outflows of Resources	\$ 3,374,031	\$ 2,931,761	\$ 625,459	\$ 653,414	\$ 3,999,490	\$ 3,585,175	\$ 10,424,534	\$ 9,368,415
Total Assets and Deferred Outflows of Resources	\$ 220,325,536	\$ 218,023,480	\$ 103,198,263	\$ 102,566,243	\$ 323,523,799	\$ 320,589,723	\$ 74,063,507	\$ 72,307,576
Current and other Liabilities	\$ 15,182,646	\$ 23,180,795	\$ 2,645,368	\$ 2,776,853	\$ 17,828,014	\$ 25,957,648	\$ 32,979,596	\$ 10,272,495
Long-term Liabilities	52,146,274	58,576,465	17,610,088	18,894,123	69,756,362	77,470,588	110,281,630	97,287,814
Total Liabilities	\$ 67,328,920	\$ 81,757,260	\$ 20,255,456	\$ 21,670,976	\$ 87,584,376	\$ 103,428,236	\$ 143,261,226	\$ 107,560,309
Deferred Inflows of Resources	\$ 3,125,107	\$ 2,754,491	\$ 129,685	\$ 95,842	\$ 3,254,792	\$ 2,850,333	\$ 29,748,009	\$ 31,009,482
Total Liabilities and Deferred Inflows of Resources	\$ 70,454,027	\$ 84,511,751	\$ 20,385,141	\$ 21,766,818	\$ 90,839,168	\$ 106,278,569	\$ 173,009,235	\$ 138,569,791
Net Position								
Net Investment in Capital Assets	\$ 65,946,443	\$ 56,630,940	\$ 68,069,679	\$ 65,705,762	\$ 134,016,122	\$ 122,336,702	\$ 45,118,196	\$ (29,095,997)
Restricted For:								
Net other post employment benefit asset	8,244	-	734	-	8,978	-	-	-
Net Pension Asset	-	-	-	-	-	-	202,483	-
Revenue amount not yet spent on specific purp	12,349,969	9,904,970	-	-	12,349,969	9,904,970	-	-
E-911 Wireless	59,418	51,457	-	-	59,418	51,457	-	-
Asset Forfeiture	30,573	37,349	-	-	30,573	37,349	-	-
Litter Control	6,813	5,408	-	-	6,813	5,408	-	-
Grants	69,189	(130)	-	-	69,189	(130)	-	-
Treasury Bonds	-	-	-	-	-	-	4,667,092	6,068,442
Social Services	-	(2,840)	-	-	-	(2,840)	-	-
Unrestricted (deficit)	71,400,861	66,884,575	14,742,710	15,093,663	86,143,571	81,978,238	(148,933,499)	(43,234,390)
Total Net Position	\$ 149,871,510	\$ 133,511,729	\$ 82,813,123	\$ 80,799,425	\$ 232,684,633	\$ 214,311,154	\$ (98,945,728)	\$ (66,261,945)
Net position - FY25 restatement**	-	(1,377,754)	-	(96,341)	-	(1,474,095)	-	(3,617,438)
Total Net position - restated	\$ 149,871,510	\$ 132,133,975	\$ 82,813,123	\$ 80,703,084	\$ 232,684,633	\$ 212,837,059	\$ (98,945,728)	\$ (69,879,383)

**Please see Note 20 for detail regarding restatement of Net Position

Statement of Net Position – Primary Government

The net position of the primary government, which totals \$232,684,633, increased \$19,847,574 (9.3%) when compared to the restated FY 2024 total of \$212,837,059. Governmental activities reflect an increase in net position totaling \$17,737,535, while business-type activities reflect an increase of \$2,110,039. This change is summarized in the following schedule.

Primary Government							
Category	Fiscal Year 2025			Fiscal Year 2024			Total Increase (Decrease)
	Governmental	Business-Type	Total	Governmental	Business-Type	Total	
Current & Other Assets	\$ 102,142,977	\$ 23,786,509	\$ 125,929,486	\$ 106,359,454	\$ 24,622,261	\$ 130,981,715	\$ (5,052,229)
Capital Assets	114,808,528	78,786,295	193,594,823	108,732,265	77,290,568	186,022,833	7,571,990
Deferred Outflows of Resources	3,374,031	625,459	3,999,490	2,931,761	653,414	3,585,175	414,315
Total Assets and Deferred Outflows	\$ 220,325,536	\$ 103,198,263	\$ 323,523,799	\$ 218,023,480	\$ 102,566,243	\$ 320,589,723	\$ 2,934,076
Current & Other Liabilities	15,182,645	2,645,367	17,828,012	23,180,795	2,776,853	25,957,648	(8,129,636)
Long-term Liabilities	52,146,274	17,610,088	69,756,362	58,576,465	18,894,123	77,470,588	(7,714,226)
Deferred Inflows of Resources	3,125,107	129,685	3,254,792	2,754,491	95,842	2,850,333	404,459
Total Liabilities and Deferred Inflows	\$ 70,454,026	\$ 20,385,140	\$ 90,839,166	\$ 84,511,751	\$ 21,766,818	\$ 106,278,569	\$ (15,439,403)
Net position - FY25 restatement	-	-	-	(1,377,754)	(96,341)	(1,474,095)	1,474,095
Total Net Position	\$ 149,871,510	\$ 82,813,123	\$ 232,684,633	\$ 132,133,975	\$ 80,703,084	\$ 212,837,059	\$ 19,847,574

**Please see Note 20 for detail regarding restatement of Net Position

Current and other assets for the primary government decreased \$5,052,229, compared to an increase of \$8,569,547 for the prior year. Of this amount, governmental activities reflect a decrease of \$4,216,477; and, business-type activities reflect a decrease of \$835,752. Of the \$5,052,229 overall decrease in governmental activities, cash and cash equivalents reflect a decrease of \$4,815,161, when compared to FY 2024. Overall, capital assets for the primary government reflect an increase of \$7,571,990, which consists of a \$6,076,263 increase in governmental assets and a \$1,495,727 increase in business-type assets.

In FY 2025, total primary government and component unit long-term liabilities of \$180,037,992 reflect an overall increase of \$5,279,590 when compared to the prior fiscal year total of \$174,758,402. Of this amount, large change factors included accounts payable reflected a net decrease of \$9,838,205 and the accrued liabilities increased \$21,072,677, most of which is reflected in the CDA component unit in the County's financial report. No new debt was issued in FY 2025.

Regarding the pension liability, the County and School Board contribute 100% of the required annual contribution as certified by the Virginia Retirement System.

Statement of Net Position – Component Units, Internal Service Fund and Fiscal Agent

The net position of the three component units totals (\$98,945,728). The information for FY 2025 is summarized in the following schedule:

Component Units - Net Position									
Category	Fiscal Year 2025				Fiscal Year 2024				Total Increase (Decrease)
	School	EDA	Farms of New Kent CDA	Total	School	EDA	Farms of New Kent CDA	Total	
Current & Other Assets	\$ 10,660,257	\$ 1,095,851	\$ 4,689,218	\$ 16,445,326	\$ 10,390,389	\$ 1,654,100	\$ 6,092,413	\$ 18,136,902	\$ (1,691,576)
Capital Assets	46,638,208	-	555,439	47,193,647	41,476,640	2,749,087	576,802	44,802,529	2,391,118
Deferred Outflows of Resources	10,424,534	-	-	10,424,534	9,368,415	-	-	9,368,415	1,056,119
Total Assets	\$ 67,722,999	\$ 1,095,851	\$ 5,244,657	\$ 74,063,507	\$ 61,235,444	\$ 4,403,187	\$ 6,669,215	\$ 72,307,846	\$ 1,755,661
Current & Other Liabilities	\$ 8,049,388	\$ 11	\$ 24,930,197	\$ 32,979,596	\$ 7,159,815	\$ 455,035	\$ 2,657,645	\$ 10,272,495	\$ 22,707,101
Long-term Liabilities	27,786,395	-	82,495,235	110,281,630	27,583,959	-	69,703,855	97,287,814	12,993,816
Deferred Inflows of Resources	4,610,748	-	25,137,261	29,748,009	3,516,217	-	27,493,265	31,009,482	(1,261,473)
Total Liabilities	\$ 40,446,531	\$ 11	\$ 132,562,693	\$ 173,009,235	\$ 38,259,991	\$ 455,035	\$ 99,854,765	\$ 138,569,791	\$ 34,439,444
Net position - FY25 restatement					(868,351)	(2,749,087)	-	(3,617,438)	3,617,438
Total Net Position	\$ 27,276,468	\$ 1,095,840	\$ (127,318,036)	\$ (98,945,728)	\$ 22,107,102	\$ 1,199,065	\$ (93,185,550)	\$ (69,879,383)	\$ (29,066,345)

In FY 2013, an **internal service fund** was established to account for the School Board's self-funding of employee healthcare benefits. On June 30, 2025, this fund reflected a net position of \$2,311,132, a

\$382,460 increase over the FY 2024 total of \$1,928,672. Of this amount, cash and cash held by the plan administrator total \$2,351,203. (Exhibit 33)

The School Board also has **fiscal agent** responsibilities for the Bridging Communities Regional Career and Technical Center which opened in September 2013 in New Kent County. The opening of the Bridging Communities Regional Career and Technical Center represents a remarkable collaborative effort among the counties of Charles City, King William, King and Queen, Middlesex and New Kent. This was the first regional career and technical education center to be established in Virginia in twenty-five years. For FY 2025, net position totaled \$598,178, an increase of \$30,240 from FY 2024. (Exhibits 31 & 32)

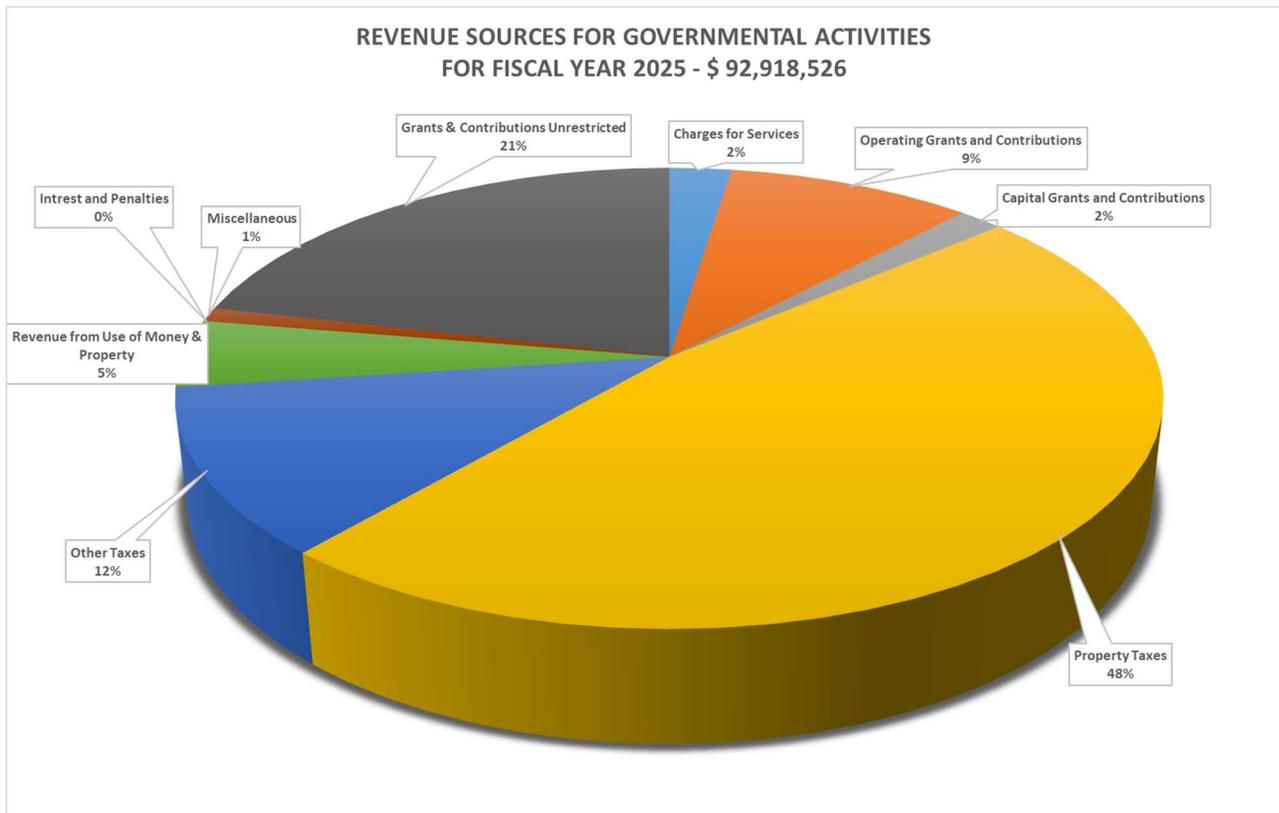
Statement of Activities

The statement of activities, which also uses the full accrual basis of accounting, illustrates the cost of governmental activities net of related revenues. It also reflects the general revenue sources that fund governmental operations. The following table summarizes the revenue and expenses of government-wide activities for the fiscal years ended June 30, 2025 and 2024:

Description	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenues:								
Program revenues:								
Charges for services	\$ 2,244,491	\$ 2,264,758	\$ 8,121,493	\$ 7,485,149	\$ 10,365,984	\$ 9,749,907	\$ 12,695,377	\$ 11,846,360
Operating grants and contributions	8,865,286	8,739,421	-	40,000	8,865,286	8,779,421	30,212,878	28,526,766
Capital grants and contributions	1,600,351	4,205,637	-	-	1,600,351	4,205,637	-	-
General revenues:								
Property taxes	44,232,212	41,389,188	-	6	44,232,212	41,389,194	-	-
Other taxes	10,774,931	9,489,521	-	-	10,774,931	9,489,521	-	-
Unrestricted revenues from use of money and property	4,426,739	4,271,008	-	-	4,426,739	4,271,008	269,143	290,851
Interest and penalties	7,041	7,915	747,409	757,478	754,450	765,393	16,958	25,614
Gain (loss) on sale of property	-	-	-	(12,234)	-	(12,234)	2,400	14,086
Miscellaneous	934,579	411,247	-	112,439	934,579	523,686	113,116	109,122
Grant and contributions not restricted to specific programs	19,832,896	15,648,398	-	-	19,832,896	15,648,398	-	-
Payment from New Kent County	-	-	-	-	-	-	20,581,044	19,400,051
Total Revenues	\$ 92,918,526	\$ 86,427,093	\$ 8,868,902	\$ 8,382,838	\$ 101,787,428	\$ 94,809,931	\$ 63,890,916	\$ 60,212,850
Expenses:								
General government administration	\$ 6,840,512	\$ 6,086,210	\$ -	\$ -	\$ 6,840,512	\$ 6,086,210	\$ -	\$ -
Judicial administration	2,575,678	2,363,647	-	-	2,575,678	2,363,647	-	-
Public safety	20,411,007	18,302,856	-	-	20,411,007	18,302,856	-	-
Public works	3,746,163	3,450,104	-	-	3,746,163	3,450,104	-	-
Health and welfare	3,909,921	3,416,891	-	-	3,909,921	3,416,891	-	-
Education	28,929,450	26,031,397	-	-	28,929,450	26,031,397	-	-
Parks, recreation, and cultural	957,583	989,225	-	-	957,583	989,225	-	-
Community development	6,448,892	12,714,668	-	-	6,448,892	12,714,668	-	-
Interest on long-term debt	1,361,785	1,590,923	-	-	1,361,785	1,590,923	-	-
Business type activities:								
Water & Sewer	-	-	6,215,423	5,990,831	6,215,423	5,990,831	-	-
Bottoms Bridge	-	-	543,440	546,141	543,440	546,141	-	-
Component Units:								
School Board	-	-	-	-	-	-	47,524,958	44,721,112
Economic Development Authority	-	-	-	-	-	-	307,683	285,734
Community Development Authority	-	-	-	-	-	-	45,124,620	1,660,603
Total Expenses	\$ 75,180,991	\$ 74,945,921	\$ 6,758,863	\$ 6,536,972	\$ 81,939,854	\$ 81,482,893	\$ 92,957,261	\$ 46,667,449
Transfers	-	-	-	-	-	-	-	-
Change in net position:	\$ 17,737,535	\$ 11,481,172	\$ 2,110,039	\$ 1,845,866	\$ 19,847,574	\$ 13,327,038	\$ (29,066,345)	\$ 13,545,401
Net position - beginning	133,511,729	122,030,557	80,799,425	78,953,559	214,311,154	200,984,116	(66,261,945)	(79,807,346)
Net position - ending	\$ 151,249,264	\$ 133,511,729	\$ 82,909,464	\$ 80,799,425	\$ 234,158,728	\$ 214,311,154	\$ (95,328,290)	\$ (66,261,945)
Net position - FY25 restatement	(1,377,754)	-	(96,341)	-	(1,474,095)	-	(3,617,438)	-
Adjusted Total - Net Position	\$ 149,871,510	\$ 133,511,729	\$ 82,813,123	\$ 80,799,425	\$ 232,684,633	\$ 214,311,154	\$ (98,945,728)	\$ (66,261,945)

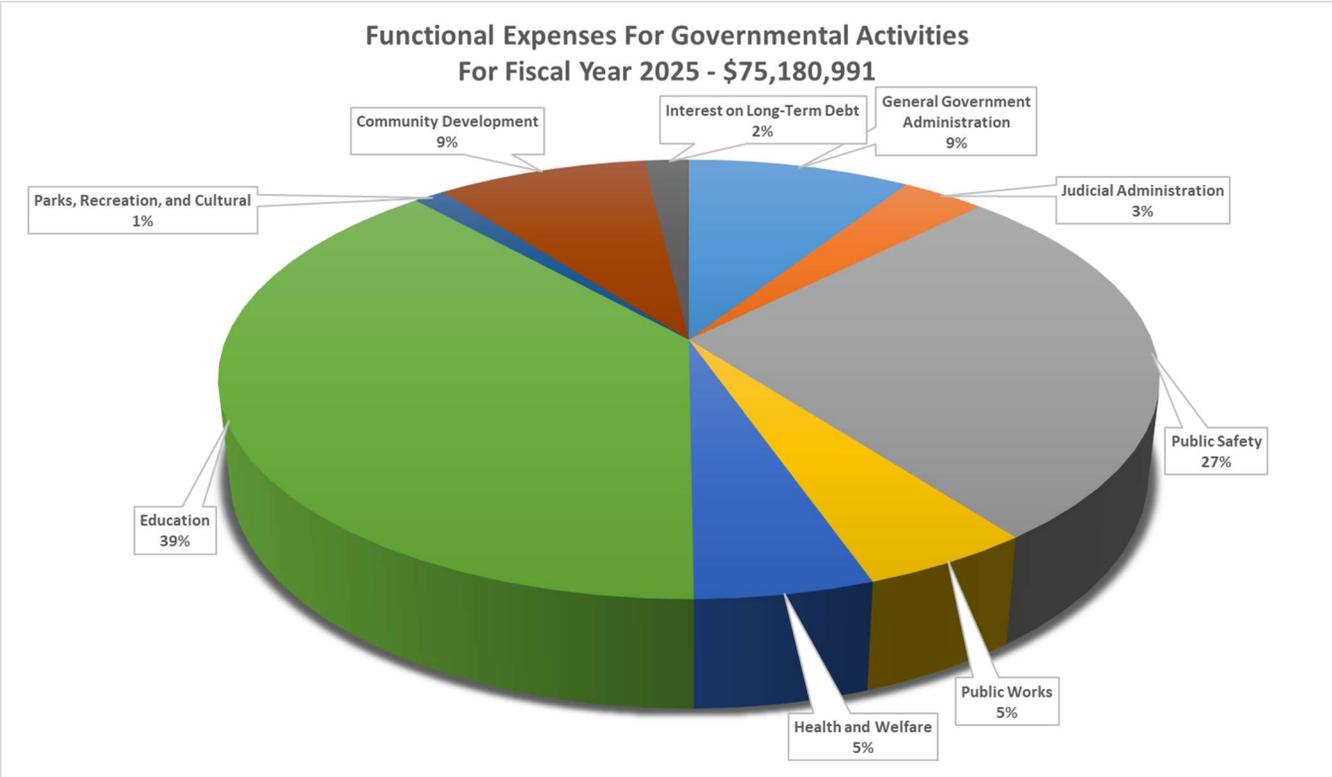
Governmental Activities –

For the fiscal year ended June 30, 2025, revenues for governmental activities totaled \$92,918,526, an increase of \$6,491,433 when compared to the FY 2024 revenue total of \$86,427,093. The following chart summarizes the major sources of revenues for governmental activities.



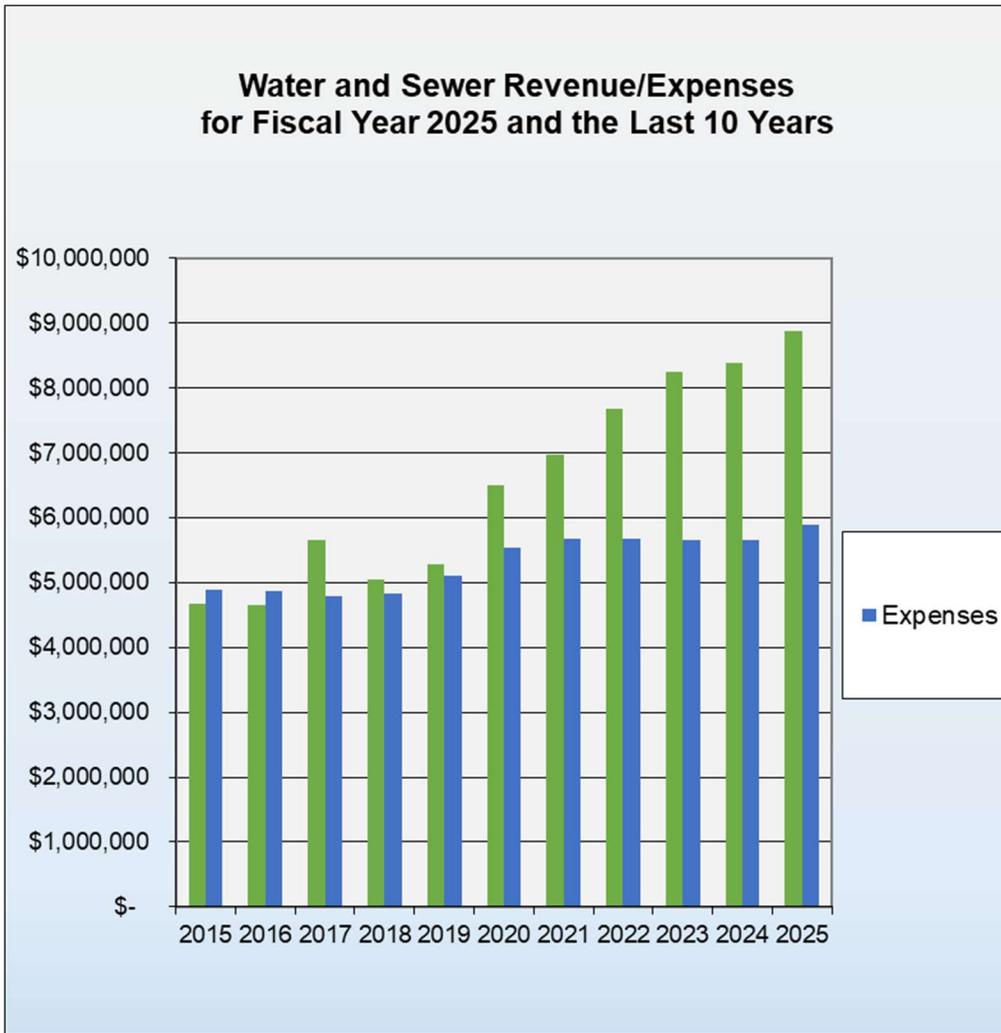
Revenue totals \$92,918,526; of which, property taxes comprise 48%. While the Board of Supervisors has statutory authority to increase property tax rates, there is very little opportunity for additional revenues relative to other taxes as these rates and fees are restricted by the Code of Virginia in many cases. One penny on the real estate tax rate for FY 2025 equates to approximately \$517,306. Combined, operating and capital grants and contributions make up 32% of County revenues; however, future receipts are uncertain due to fiscal stress at the federal and state levels. Colonial Downs receipts are uncertain due to the possibility that the Virginia General Assembly may allow additional casinos to be located in the Commonwealth. As a result of this uncertainty, these funds will be expended for one-time projects or programs that do not require future funding.

Expenses for FY2025 totaled \$75,180,991, which increased \$235,070 (0.31%) compared to FY 2024 expenses of \$74,945,921. Of the \$75,180,991 total expenses, \$2,244,491 was financed with charges for services and \$10,465,637 from operating and capital grants and contributions. The remaining \$62,470,863 was primarily funded with tax revenues totaling \$55,007,143 the major sources of expenses for governmental activities.



Business-Type Activities –

Business-type activities related to the County’s water and wastewater operations reflect an increase in net position of \$2,110,039 for FY 2025. Unlike governmental activities, which primarily rely on general tax revenue to finance operations, business-type activities are financed to a significant extent by fees charged for goods and services provided. Although the Ad valorem tax was eliminated for FY 2024, operating revenues still increased \$582,521 (9.6%) which is a reflection of population growth, and a resulting increase in customer connections as well as a 4% rate increase. Non-operating revenues decreased \$96,458 mainly due to a \$152,439 decrease in miscellaneous and grant revenues tied to one time projects. Operating expenses increased \$234,901 (3.86%), due to an increase in personnel and fringe benefit costs associated with 4% pay increase for staff. The chart below denotes revenues and expenses for FY 2025 and the last 10 years.



Component Unit – School Board –

For FY 2025, School Board operating revenues total \$52,691,924, which is a \$3,090,368 increase over the FY 2024 total of \$49,601,556. Total annual support from the County, which totals \$20,393,544, accounts for 38% of total revenues. Operating Grants and Contributions, the largest component of revenues for the School Board, totals \$30,212,878 and accounts for 57% of total revenues. Of this amount, funding from the Commonwealth of Virginia totals \$26,859,167, an increase of \$2,428,402 over the FY 2024 total of \$24,430,765. Federal revenues total \$3,353,711, a decrease of \$724,748 when compared to the prior year of \$4,078,459. Annual support from the County increased by \$1,323,493 mainly due to additional funding appropriated for school operations in FY 2025. The change in Federal and Commonwealth revenues are mainly due to the increased growth in the County and therefore increase in the number of students as well as the end of some pandemic related grant programs. (Exhibit 28)

Component Unit – Economic Development Authority –

The net position of the EDA, which totals \$1,095,840 for FY 2025, reflects a decrease \$103,225 from the restated beginning net position of \$1,199,065 (see Note 20). EDA operating revenues which totaled \$187,500 consist contributions from the County for the local portions of business incentives and sponsorships. Expenses total \$307,683 and consist of activities to attract new businesses, encourage existing businesses to expand, and promote tourism opportunities in the County. The EDA manages several business incentive programs that include assistance with signage and façade improvements, grants to new

businesses locating to the County, and grants to assist existing businesses with expansion projects (Exhibit 37). The County announced in March 2024 Buc-ee's intent to construct a 75,000 square foot retail facility along with 120 fueling positions, multiple electric vehicle chargers and parking for more than 650 cars (including buses and RVs) along Interstate 64 off exit 211. Construction is expected to be finished within two years once construction starts and is expected to create 175 full-time jobs by late Fall 2029.

Component Unit – Farms of New Kent CDA –

The net position of the CDA, which totals \$(127,318,036) for FY 2025, reflects a decrease of \$34,132,486 from the prior year's total of \$(93,185,550). CDA operating revenues totaled \$10,731,510 while operating expenses totaled \$199,863. (Exhibit 40)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal and budgetary requirements.

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The expenditure of resources is driven by the annual budget process. Such information is useful in assessing the County's financing requirements and compliance with budgetary restraints. At the end of FY 2025, the County's governmental funds reported a combined ending fund balance of \$91,306,598, an increase of \$4,222,685 from the prior fiscal year total of \$87,083,913. Exhibit 3 indicates that the unassigned fund balance increased \$1,049,955.

The June 30, 2025 total fund balance for governmental funds totaled \$91,306,598 and is comprised of the following components:

- **Nonspendable - \$379,762:** This amount is not available for expenditure and consists of prepaid items.
- **Restricted - \$20,499,066:** These are funds that are legally restricted for a specific purpose by external parties, such as various grant funds, funds that have been restricted for CIP, and funds provided by Central Virginia Transportation Authority for future regional transportation related projects.
- **Committed - \$52,961,866:** Funds reported as committed are constrained for county's capital projects, general fund, and debt service fund.
- **Assigned - \$1,109,518:** These funds have been assigned (designated) for debt service.
- **Unassigned Fund Balance - \$16,356,386:** These funds are generally available for future appropriation by the governing body. The County of New Kent maintains a fund balance equal to 15% of total budgeted General Fund revenues.

Although unassigned fund balance is viewed as the amount available for governing body appropriation, portions of the committed and assigned balances could be redirected with Board of Supervisor approval.

General Fund: The General Fund is the chief operating fund of the County. At the end of FY 2025, the fund balance for this fund totaled \$16,926,195 an increase of \$1,180,808 from the prior year total of \$15,745,387. Of this balance, 16,356,386 is unassigned and available for appropriation via action by the Board of Supervisors. The County has established a policy to maintain a fund balance equal to 15% of budgetary revenues. Unassigned fund balances exceeding the 15% threshold are transferred from the General Fund to the County Capital Improvements Fund (Capital Fund) at year-end. For FY 2025, the County transferred \$5,064,928 in excess funds to the Capital Fund which will be used to fund future capital

procurements on a cash basis. The main reason for the increase of \$1,180,808 in General Fund balance is primarily due to revenues coming in higher than anticipated. In particular, interest earned on investments and bank deposits were \$2,399,982 higher than budgeted revenues. The significant increase in interest revenues were mainly due to interest rate yields during FY 2025, but the Treasurer also did an excellent job of moving funds to the most profitable, secure investments allowed to maximize interest rate return.

Airport Fund: The Airport Fund is used to account for and report the financial resources and operations of the County Airport. The Fund is supported by local, state and federal funding. Local resources consist of fuel and oil sales, as well as hangar rental. Unlike other County capital improvements, most Airport capital improvement projects are eligible for 90% funding from the Federal Aviation Administration (FAA) and 8% funding from the Virginia Department of Aviation. At the end of FY 2025, the fund balance for this fund totaled \$16,056 an increase of \$23,973 from the FY 2024 balance of \$(7,917). The increase in fund balance is primarily due to an increase in reimbursable expenditures in FY 2025 as compared to FY 2024.

Debt Service Fund: The Debt Service Fund is used to account for financial resources committed for the retirement of outstanding debt in accordance with existing amortization tables. The fund also reflects a school construction set-aside reserve that the School Board dedicated in FY 2022, which was increased by \$100,000 in FY24. For FY 2025, the fund balance increased \$35,278. Hence, fund balance is comparable to the prior year as the County did not issue debt in FY 2025.

Capital Improvement Fund: The Capital Improvement Fund is used to account for and reports financial resources restricted, committed or assigned to expenditure for capital outlays. The main funding mechanism for the Capital Improvement Fund is revenue received via transfer from other funds such as the Colonial Downs and Central Virginia Transportation Authority Funds, the remaining portion is funded through the end of year 15% fund balance transfer. For FY 2025, the fund balance for this fund increased \$162,221 primarily due to establishing the Colonial Downs fund, which required the transfer of all restricted cash from Colonial Downs revenues to be transferred to the stand alone fund. (See next paragraph for details on this new fund)

Colonial Downs Fund: The Colonial Downs Fund is used to account for financial resources received from Colonial Downs for the County portions of track revenues. This fund was established in February, 2025 to help clearly track and monitor use of these funds in conjunction with the Financial Policies adopted in May, 2024. All fund balance in this fund has been determined to be committed, as the revenues are not legally restricted in use. The fund balance in this fund at the end of FY 2025 totaled \$31,983,609.

Central Virginia Transportation Authority (CVTA) Fund: The CVTA Fund is used to account for financial resources received from the Central Virginia Transportation Authority for the County portions of gas and sales tax revenues related to the sale of gasoline. This fund was historically a non-major fund but due to the increase in assets now and in the foreseeable future, the County has changed the fund to a major fund. All fund balance in this fund has been determined to be restricted, as Virginia Code dictates the usage of these funds for specific purposes. The fund balance increased \$2,705,064 in FY 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following schedule presents the General Fund budgetary highlights for FY 2025. (See Exhibit 11)

General Fund Budgetary Highlights					
Fiscal Year 2025					
	Original Budget	Final Budget	Actual Rev & Exp	Original Budget vs. Actual Exp.	Final Budget vs. Actual Exp.
Revenues					
Taxes	\$ 53,515,549	\$ 53,515,549	\$ 54,811,462	\$ 1,295,913	\$ 1,295,913
Intergovernmental	17,238,690	14,226,708	16,335,524	(903,166)	2,108,816
Other	3,767,005	4,510,349	7,383,790	3,616,785	2,873,441
Total	\$ 74,521,244	\$ 72,252,606	\$ 78,530,776	\$ 4,009,532	\$ 6,278,170
Expenditures and Other Financing Sources (Uses)					
Expenditures	\$ 56,112,417	\$ 58,435,415	\$ 54,907,311	\$ 1,205,106	\$ 3,528,104
Net Transfers Out	20,772,149	18,151,912	22,442,657	(1,670,508)	(4,290,745)
Total	\$ 76,884,566	\$ 76,587,327	\$ 77,349,968	\$ (465,402)	\$ 762,641
Net Change in Fund Balance	\$ (2,363,322)	\$ (4,334,721)	\$ 1,180,808	\$ 3,544,130	\$ 5,515,529

The actual revenues exceeded amended General Fund revenue budget by a total of \$6,278,170 for FY 2025. The \$2,873,441 amount by which other revenues exceeded the amended budget was primarily the result of an increasing interest rate throughout FY 2025. Collections across several tax revenue streams saw actuals exceed budget including general property taxes (\$116,157) and other local taxes (\$1,179,756).

CAPITAL ASSETS

At the end of FY 2025, the County's investment in capital assets for the governmental, business-type and component unit activities total \$240,788,470 (net of accumulated depreciation), a net increase of \$12,712,195 when compared to the restated prior fiscal year total of \$228,076,275(See Note 20). The \$12,712,15 increase consists of a \$7,571,990 governmental fund increase and a \$5,140,205 component unit increase. The following table provides an overview of capital assets, for more detailed information refer to Capital Assets Note 5 as well as Construction Commitments Note 11.

Capital Assets								
(Net of accumulated depreciation)								
June 30, 2025 and 2024								
	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2025	2024	2025	2024	2025	2024	2025	2024
Capital assets:								
Nondepreciable	16,088,983	7,967,758	13,078,915	10,498,605	29,167,898	18,466,363	3,797,811	3,405,767
Depreciable, net	\$ 98,719,545	\$ 100,764,507	\$ 65,707,380	\$ 66,791,963	\$ 164,426,925	\$ 167,556,470	\$ 43,395,836	\$ 38,647,675
Capital assets net depreciation	114,808,528	108,732,265	78,786,295	77,290,568	193,594,823	186,022,833	47,193,647	42,053,442

LONG-TERM DEBT

At the end of fiscal year 2025, the County had total debt obligations (including principal and interest) of \$169,079,480 an increase of \$3,273,867, over last fiscal year due to the additional CDA obligations as a component unit in the County's financial report. More detailed information about the County's long-term liabilities is presented in Note 7 of the notes to the financial statements.

Long Term Debt June 30, 2025 and 2024										
	County Obligations		School Obligations		Enterprise Obligations		CDA Obligations**		Total Obligations	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Outstanding Debt										
Lease Revenue Bonds	\$ 24,568,288	\$ 27,279,910	\$ 13,185,174	\$ 16,483,747	\$ 21,207,235	\$ 22,945,488	\$ -	\$ -	\$ 58,960,697	\$ 66,709,145
Leases	2,009,764	1,811,059	-	-	-	-	-	-	2,009,764	1,811,059
Subscription Liabilities	48,000	72,001	-	-	-	-	-	-	48,000	72,001
General Obligation Bonds	-	-	23,740,829	26,069,215	-	-	-	-	23,740,829	26,069,215
Special Assessment Bonds	-	-	-	-	-	-	84,320,190	71,144,193	84,320,190	71,144,193
Gross Assets	\$ 26,626,052	\$ 29,162,970	\$ 36,926,003	\$ 42,552,962	\$ 21,207,235	\$ 22,945,488	\$ 84,320,190	\$ 71,144,193	\$ 169,079,480	\$ 165,805,613

**CDA Obligations provided in this table only represent the outstanding principal balances at the end of each fiscal year.

OTHER INFORMATION

The FY 2026 budget was adopted May 27, 2025 and totals \$136,543,336. The FY 2026 adopted General Fund expenditure budget totals \$67,823,346 (including transfers of \$30,817,013), which reflects a \$6,697,898 decrease over the FY 2025 budget of \$74,521,244.

ECONOMIC OUTLOOK

When looking at New Kent County from an economic perspective, it is important to remember that the County is primarily rural, but positioned for significant growth given the interstate highway that runs the length of the County and our location between Richmond and Hampton Roads. As indicated above, in the past few years New Kent County has experienced strong growth in new retail establishments, and therefore, has seen significant growth in business license, sales and meals tax revenues. However, the County's tax base is still primarily supported by real estate and personal property taxes given the fact that we are still considered a bedroom community and have not achieved the desired mix of business and housing that reflects a diversified tax base. Reliance on the real estate tax rate has presented short-term challenges in terms of financing new schools and providing personnel and infrastructure for public safety. In response to this short-term reliance on the real estate rate, the Board of Supervisors has looked for the right balance of tax increases and cost containment strategies to maintain service levels and respond to infrastructure needs. The influx of new businesses has and continues to take pressure off the real estate tax rate, and we expect that major retail chains and other major industries will locate to the County to take advantage of our well-educated workforce, interstate highways, affordable building lots and attractive tax structure. The extension of public water and sewer infrastructure and a business-friendly environment, have all contributed to the dynamic shift towards the commercial, industrial and entertainment. AutoZone has recently completed construction for an 805,000 square foot distribution center in New Kent City Center at exit 211. The company began full operations on January 30, 2025 and has created over 450 new full-time positions. Buc-ee's intends to construct a 75,000SF store in Land Bay 5 of the Farms of New Kent with anticipated project completion in late Fall of 2029. This project includes \$60 million investment and creation of 175 new jobs.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, creditors and other interested parties with a general overview of the County's finances and to demonstrate the County's accountability for the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Services, County of New Kent, P. O. Box 150, New Kent, VA 23124 or via email at relawrence@newkent-va.us. Additional financial information can be found on our web-site www.co.new-kent.va.us.



Basic Financial Statements



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Government-Wide Financial Statements



County of New Kent, Virginia

Exhibit 1

Statement of Net Position
June 30, 2025

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	School Board	EDA	Farms of New Kent CDA
ASSETS						
Cash and cash equivalents (Note 3)	\$ 41,227,474	\$ 22,421,302	\$ 63,648,776	\$ 8,334,849	\$ 33,114	\$ -
Cash and cash equivalents, restricted (Note 3)	51,756,612	113,743	51,870,355	-	-	4,667,092
Investments (Note 3)	-	-	-	-	332,076	-
Receivables, net:						
Taxes receivable	3,632,896	-	3,632,896	-	-	-
Accounts receivable	654,431	1,246,187	1,900,618	788,315	9,018	-
Leases (Note 8)	1,707,063	-	1,707,063	-	-	-
Interest	-	-	-	-	-	22,126
Due from other governments (Note 4)	2,776,495	-	2,776,495	1,334,610	-	-
Inventory	-	-	-	-	721,508	-
Prepaid items	379,762	4,543	384,305	-	135	-
Pension Asset (Notes 13 and 14)	-	-	-	202,483	-	-
Other post employment benefit asset (Note 17)	8,244	734	8,978	-	-	-
Capital assets: (Note 5)						
Nondepreciable	16,088,983	13,078,915	29,167,898	3,797,811	-	-
Depreciable, net	98,719,545	65,707,380	164,426,925	42,840,397	-	555,439
Total assets	216,951,505	102,572,804	319,524,309	57,298,465	1,095,851	5,244,657
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on bond refundings	211,624	344,032	555,656	-	-	-
Items related to measurement of net pension liability (Notes 13 and 14)	2,894,256	257,564	3,151,820	9,008,613	-	-
Items related to measurement of other postemployment benefit liability (Notes 16, 17 and 18)	268,151	23,863	292,014	1,415,921	-	-
Total deferred outflows of resources	3,374,031	625,459	3,999,490	10,424,534	-	-
LIABILITIES						
Accounts payable	4,536,613	531,965	5,068,578	730,469	11	18,132
Accrued liabilities	165,902	-	165,902	5,038,339	-	20,785,963
Accrued interest payable	594,419	87,740	682,159	-	-	2,236,102
Unearned revenue (Note 10)	230,683	-	230,683	590,073	-	-
Deposits payable	558,102	443,190	1,001,292	-	-	-
Noncurrent liabilities due in more than one year:						
Due within one year (Note 7)	9,096,926	1,582,472	10,679,398	1,690,507	-	1,890,000
Due in more than one year (Note 7)	50,011,931	17,420,150	67,432,081	1,964,636	-	82,495,235
Net pension liability (Notes 13 and 14)	1,525,141	135,724	1,660,865	20,931,926	-	-
Net other postemployment benefit liability (Notes 16, 17 and 18), due in more than one year	609,202	54,214	663,416	4,889,833	-	-
Total liabilities	67,328,919	20,255,455	87,584,374	35,835,783	11	107,425,432
DEFERRED INFLOWS OF RESOURCES						
Leases (Note 8)	1,667,832	-	1,667,832	-	-	-
Deferred gain on refunding	-	-	-	-	-	25,137,261
Items related to measurement of net pension liability (Notes 13 and 14)	1,316,601	117,166	1,433,767	3,577,873	-	-
Items related to measurement of other postemployment benefit liability (Notes 16, 17 and 18)	140,674	12,519	153,193	1,032,875	-	-
Total deferred inflows of resources	3,125,107	129,685	3,254,792	4,610,748	-	25,137,261
NET POSITION						
Net investment in capital assets	65,946,443	68,069,679	134,016,122	44,662,757	-	455,439
Restricted:						
Net other post employment benefit asset	8,244	734	8,978	-	-	-
Net pension asset	-	-	-	202,483	-	-
Revenue amounts not yet spent on specified purposes	12,349,969	-	12,349,969	-	-	-
E-911 Wireless	59,418	-	59,418	-	-	-
Asset forfeiture	30,573	-	30,573	-	-	-
Litter control	6,813	-	6,813	-	-	-
Grants	69,189	-	69,189	-	-	-
Treasury bonds	-	-	-	-	-	4,667,092
Unrestricted (deficit)	71,400,861	14,742,710	86,143,571	(17,588,772)	1,095,840	(132,440,567)
Total net position	\$ 149,871,510	\$ 82,813,123	\$ 232,684,633	\$ 27,276,468	\$ 1,095,840	\$ (127,318,036)

County of New Kent, Virginia

Exhibit 2

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-Type Activities	Total	School Board	EDA	Farmers of New Kent CDA
Primary Government:										
Governmental activities:										
General government administration	\$ 6,840,512	\$ -	\$ 451,349	\$ -	\$ (6,389,163)	\$ -	\$ (6,389,163)	\$ -	\$ -	\$ -
Judicial administration	2,575,678	652,624	608,821	-	(1,314,233)	-	(1,314,233)	-	-	-
Public safety	20,411,007	1,164,371	2,740,587	123,710	(16,382,339)	-	(16,382,339)	-	-	-
Public works	3,746,163	83,811	2,792,786	1,334,041	464,475	-	464,475	-	-	-
Health and welfare	3,909,921	38,686	2,052,728	-	(1,818,507)	-	(1,818,507)	-	-	-
Education	28,929,450	-	-	142,600	(28,786,850)	-	(28,786,850)	-	-	-
Parks, recreation, and cultural	957,583	304,619	-	-	(652,964)	-	(652,964)	-	-	-
Community development	6,448,892	380	219,015	-	(6,229,497)	-	(6,229,497)	-	-	-
Interest	1,361,785	-	-	-	(1,361,785)	-	(1,361,785)	-	-	-
Total governmental activities	75,180,991	2,244,491	8,865,286	1,600,351	(62,470,863)	-	(62,470,863)	-	-	-
Business-type activities										
Water and sewer	6,215,423	8,120,547	-	-	-	1,905,124	1,905,124	-	-	-
Bottom's Bridge	543,440	946	-	-	-	(542,494)	(542,494)	-	-	-
Total business-type activities	6,758,863	8,121,493	-	-	-	1,362,630	1,362,630	-	-	-
Total primary government	<u>\$ 81,939,854</u>	<u>\$ 10,365,984</u>	<u>\$ 8,865,286</u>	<u>\$ 1,600,351</u>	<u>\$ (62,470,863)</u>	<u>\$ 1,362,630</u>	<u>\$ (61,108,233)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Component Units:										
School Board	\$ 47,524,958	\$ 1,963,867	\$ 30,212,878	\$ -	\$ -	\$ -	\$ -	\$ (15,348,213)	\$ -	\$ -
Economic Development Authority	307,683	-	-	-	-	-	-	-	(307,683)	-
Community Development Authority	45,124,620	10,731,510	-	-	-	-	-	-	-	(34,393,110)
Total component units	<u>\$ 92,957,261</u>	<u>\$ 12,695,377</u>	<u>\$ 30,212,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,348,213)</u>	<u>\$ (307,683)</u>	<u>\$ (34,393,110)</u>
General revenues:										
General property taxes					\$ 44,232,212	\$ -	\$ 44,232,212	\$ -	\$ -	\$ -
Local sales and use					3,866,628	-	3,866,628	-	-	-
Taxes on recordation and wills					869,932	-	869,932	-	-	-
Business license tax					2,122,294	-	2,122,294	-	-	-
Vehicle registration tax					717,373	-	717,373	-	-	-
Meals tax					2,612,193	-	2,612,193	-	-	-
Other local taxes					586,511	-	586,511	-	-	-
Unrestricted revenues from use of money and property					4,426,739	-	4,426,739	8,519	-	260,624
Interest and penalties					7,041	747,409	754,450	-	16,958	-
Gain (loss) on sale of property					-	-	-	2,400	-	-
Miscellaneous					934,579	-	934,579	113,116	-	-
Grants and contributions not restricted to specific programs					19,832,896	-	19,832,896	-	-	-
County contribution					-	-	-	20,393,544	187,500	-
Total general revenues					80,208,398	747,409	80,955,807	20,517,579	204,458	260,624
Change in net position					17,737,535	2,110,039	19,847,574	5,169,366	(103,225)	(34,132,486)
FUND BALANCE - BEGINNING OF YEAR (as previously presented)					133,511,729	80,799,425	214,311,154	22,975,453	3,948,152	(93,185,550)
RESTATEMENT					(1,377,754)	(96,341)	(1,474,095)	(868,351)	(2,749,087)	-
NET POSITION AT JULY 1, as restated (Note 20)					132,133,975	80,703,084	212,837,059	22,107,102	1,199,065	(93,185,550)
NET POSITION AT JUNE 30					<u>\$ 149,871,510</u>	<u>\$ 82,813,123</u>	<u>\$ 232,684,633</u>	<u>\$ 27,276,468</u>	<u>\$ 1,095,840</u>	<u>\$ (127,318,036)</u>

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Fund Financial Statements



County of New Kent, Virginia

Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2025

	General	Airport	Debt Service	County Capital Improvements	Colonial Downs	Central Virginia Transportation Authority Fund	Nonmajor Governmental Fund	Total
ASSETS								
Cash and cash equivalents	\$ 15,268,708	\$ 19,266	\$ 1,458,754	\$ 24,480,746	\$ -	\$ -	\$ -	\$ 41,227,474
Cash and cash equivalents, restricted	-	-	-	8,882,449	31,569,066	11,305,097	-	51,756,612
Receivables, net:								
Taxes receivable	3,632,896	-	-	-	-	-	-	3,632,896
Accounts receivable	648,021	6,374	-	36	-	-	-	654,431
Leases	1,657,492	49,571	-	-	-	-	-	1,707,063
Due from other funds	54,834	-	-	-	-	-	-	54,834
Due from other governments	1,481,914	-	-	-	414,543	739,848	140,190	2,776,495
Prepaid items	346,419	15,292	-	18,051	-	-	-	379,762
Total assets	<u>\$ 23,090,284</u>	<u>\$ 90,503</u>	<u>\$ 1,458,754</u>	<u>\$ 33,381,282</u>	<u>\$ 31,983,609</u>	<u>\$ 12,044,945</u>	<u>\$ 140,190</u>	<u>\$ 102,189,567</u>
LIABILITIES								
Accounts payable	\$ 481,840	\$ 22,276	\$ -	\$ 3,909,921	\$ -	\$ 37,220	\$ 85,356	\$ 4,536,613
Accrued liabilities	164,302	1,600	-	-	-	-	-	165,902
Due to other funds	-	-	-	-	-	-	54,834	54,834
Unearned revenue	230,683	-	-	-	-	-	-	230,683
Deposits payable	-	1,000	-	557,102	-	-	-	558,102
Total liabilities	<u>876,825</u>	<u>24,876</u>	<u>-</u>	<u>4,467,023</u>	<u>-</u>	<u>37,220</u>	<u>140,190</u>	<u>5,546,134</u>
DEFERRED INFLOWS OF RESOURCES								
Leases	1,618,261	49,571	-	-	-	-	-	1,667,832
Unavailable revenue	3,669,003	-	-	-	-	-	-	3,669,003
Total deferred inflows of resources	<u>5,287,264</u>	<u>49,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,336,835</u>
FUND BALANCES								
Nonspendable	346,419	15,292	-	18,051	-	-	-	379,762
Restricted	165,993	-	-	8,325,348	-	12,007,725	-	20,499,066
Committed	57,397	-	350,000	20,570,860	31,983,609	-	-	52,961,866
Assigned	-	764	1,108,754	-	-	-	-	1,109,518
Unassigned	16,356,386	-	-	-	-	-	-	16,356,386
Total fund balances	<u>16,926,195</u>	<u>16,056</u>	<u>1,458,754</u>	<u>28,914,259</u>	<u>31,983,609</u>	<u>12,007,725</u>	<u>-</u>	<u>91,306,598</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,090,284</u>	<u>\$ 90,503</u>	<u>\$ 1,458,754</u>	<u>\$ 33,381,282</u>	<u>\$ 31,983,609</u>	<u>\$ 12,044,945</u>	<u>\$ 140,190</u>	<u>\$ 102,189,567</u>

The 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
June 30, 2025**

Total fund balances - Governmental Funds		\$ 91,306,598
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Nondepreciable	\$ 16,088,983	
Depreciable, net	<u>98,719,545</u>	114,808,528
Deferred inflows of resources (i.e. taxes levied and lessor activity) are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		3,669,003
Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	2,894,256	
Deferred inflows of resources related to pensions	(1,316,601)	
Deferred outflows of resources related to other postemployment benefits	268,151	
Deferred inflows of resources related to other postemployment benefits	<u>(140,674)</u>	1,705,132
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(52,182,488)	
Bond issuance premium, net of accumulated amortization	(2,065,453)	
Leases and subscriptions payable	(1,893,397)	
Deferred charge on refundings, net of accumulated amortization	211,624	
Interest payable	(594,419)	
Net pension liability	(1,525,141)	
Net other postemployment benefit liability	(609,202)	
Net other postemployment benefit asset	8,244	
Compensated absences	<u>(2,967,519)</u>	(61,617,751)
Net position of governmental activities		<u><u>\$ 149,871,510</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
 Year Ended June 30, 2025

	General	Airport	Debt Service	County Capital Improvements	Colonial Downs	Central Virginia Transportation Authority Fund	Nonmajor Governmental Fund	Total
REVENUES								
General property taxes	\$ 44,029,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,029,490
Other local taxes	10,781,972	-	-	-	-	-	-	10,781,972
Permits, privilege fees, and regulatory licenses	1,157,120	-	-	-	-	-	-	1,157,120
Fines and forfeitures	391,144	-	-	-	-	-	-	391,144
Revenue from the use of money and property	3,721,982	87,872	-	251,936	-	364,949	-	4,426,739
Charges for services	618,633	38,909	-	-	-	-	-	657,542
Contributions and proffers	-	-	-	1,533,356	-	-	-	1,533,356
Miscellaneous	394,088	-	-	55,208	-	-	-	449,296
Recovered costs	1,100,823	-	-	286,711	-	-	-	1,387,534
Intergovernmental revenues:								
Commonwealth	14,919,403	15,475	-	7,146	8,212,949	2,736,064	472,723	26,363,760
Other local governments	-	-	-	59,849	-	-	38,687	98,536
Federal	1,416,121	41,248	-	-	-	-	-	1,457,369
Total revenues	78,530,776	183,504	-	2,194,206	8,212,949	3,101,013	511,410	92,733,858
EXPENDITURES								
Current:								
General government administration	5,799,033	-	-	-	-	-	-	5,799,033
Judicial administration	2,467,485	-	-	-	-	-	-	2,467,485
Public safety	18,288,109	-	-	-	-	-	-	18,288,109
Public works	2,597,134	198,722	-	-	-	395,949	-	3,191,805
Health and welfare	2,791,325	-	-	-	-	-	1,053,456	3,844,781
Education	20,066,404	-	-	332,496	-	-	-	20,398,900
Parks, recreation, and cultural	829,200	-	-	-	-	-	-	829,200
Community development	1,902,929	-	-	-	-	-	-	1,902,929
Capital projects	-	142,501	-	23,262,611	-	-	-	23,405,112
Debt service:								
Principal retirement	142,567	-	6,773,264	-	-	-	-	6,915,831
Interest and other fiscal charges	23,125	-	1,754,666	-	-	-	-	1,777,791
Total expenditures	54,907,311	341,223	8,527,930	23,595,107	-	395,949	1,053,456	88,820,976
Excess (deficiency) of revenues over (under) expenditures	23,623,465	(157,719)	(8,527,930)	(21,400,901)	8,212,949	2,705,064	(542,046)	3,912,882
OTHER FINANCING SOURCES (USES)								
Issuance of leases	-	-	-	309,803	-	-	-	309,803
Transfers in	875,861	181,692	8,563,208	21,494,639	7,867,176	-	542,046	39,524,622
Transfers out	(23,318,518)	-	-	(241,320)	(15,964,784)	-	-	(39,524,622)
Total other financing sources (uses)	(22,442,657)	181,692	8,563,208	21,563,122	(8,097,608)	-	542,046	309,803
Net change in fund balances	1,180,808	23,973	35,278	162,221	115,341	2,705,064	-	4,222,685
FUND BALANCE - BEGINNING OF YEAR (as previously presented)	15,745,387	(7,917)	1,423,476	60,620,306	-	9,302,661	-	87,083,913
RESTATEMENT	-	-	-	(31,868,268)	31,868,268	-	-	-
FUND BALANCES AT JULY 1, as restated (Note 20)	15,745,387	(7,917)	1,423,476	28,752,038	31,868,268	9,302,661	-	87,083,913
FUND BALANCES AT JUNE 30	\$ 16,926,195	\$ 16,056	\$ 1,458,754	\$ 28,914,259	\$ 31,983,609	\$ 12,007,725	\$ -	\$ 91,306,598

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

Net Change in Fund Balance - Governmental Funds		\$ 4,222,685
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	\$ 14,433,757	
Depreciation and amortization	(5,220,441)	
Allocation of jointly owned assets, net	<u>(2,947,881)</u>	6,265,435
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the property sold.		
		(189,172)
Governmental funds report employer pension contributions as expenditures. However, in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions	1,862,186	
Pension expense	(1,408,490)	
Other postemployment benefit contributions	79,463	
Other postemployment benefit expense	<u>(43,853)</u>	489,306
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		184,669
The following transactions affecting long-term debt (provide) consume current financial resources of governmental funds. However, the transactions have no effect on net position:		
Issuance of debt	(309,803)	
Payments of principal on long-term obligations	<u>6,915,831</u>	6,606,028
Some expenses reported in the Statement of Activities, such as compensated absences and other post-employment benefits do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(257,421)	
Change in interest payable	89,803	
Amortization of deferred amounts on refunding	(123,778)	
Amortization of premium on bonds payable	<u>449,980</u>	158,584
Changes in net position of governmental activities		<u><u>\$ 17,737,535</u></u>

Statement of Net Position
Proprietary Funds
June 30, 2025

	Enterprise Funds		
	Water & Sewer	Bottom's Bridge	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 22,420,354	\$ 948	\$ 22,421,302
Cash and cash equivalents, restricted	113,743	-	113,743
Receivables, net:			
Accounts receivable	1,246,187	-	1,246,187
Prepaid items	4,543	-	4,543
Total current assets	<u>23,784,827</u>	<u>948</u>	<u>23,785,775</u>
Noncurrent assets:			
Capital assets:			
Infrastructure	57,314,575	20,733,848	78,048,423
Land	1,231,400	1,253,041	2,484,441
Water production and distribution facilities	6,227,477	-	6,227,477
Machinery and equipment	5,730,937	-	5,730,937
Intangible assets	498,253	-	498,253
Right-to-use subscriptions	24,168	-	24,168
Construction in progress	10,594,474	-	10,594,474
Accumulated depreciation and amortization	(19,399,179)	(5,422,699)	(24,821,878)
Other post employment benefit asset	734	-	734
Total noncurrent assets	<u>62,222,839</u>	<u>16,564,190</u>	<u>78,787,029</u>
Total assets	<u>86,007,666</u>	<u>16,565,138</u>	<u>102,572,804</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on bond refunding	-	344,032	344,032
Items related to measurement of net pension liability	257,564	-	257,564
Items related to measurement of other postemployment benefits liability	23,863	-	23,863
Total deferred outflows of resources	<u>281,427</u>	<u>344,032</u>	<u>625,459</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	531,965	-	531,965
Accrued interest payable	51,095	36,645	87,740
Deposits payable	443,190	-	443,190
Compensated absences - current portion	182,538	-	182,538
Bonds payable - current portion	589,934	810,000	1,399,934
Total current liabilities	<u>1,798,722</u>	<u>846,645</u>	<u>2,645,367</u>
Noncurrent liabilities:			
Compensated absences - net of current portion	177,618	-	177,618
Bonds payable - net of current portion	9,297,532	7,945,000	17,242,532
Net pension liability	135,724	-	135,724
Net other postemployment benefit liability	54,214	-	54,214
Total noncurrent liabilities	<u>9,665,088</u>	<u>7,945,000</u>	<u>17,610,088</u>
Total liabilities	<u>11,463,810</u>	<u>8,791,645</u>	<u>20,255,455</u>
DEFERRED INFLOWS OF RESOURCES			
Items related to measurement of net pension liability	117,166	-	117,166
Items related to measurement of other postemployment benefit liability	12,519	-	12,519
Total deferred inflows of resources	<u>129,685</u>	<u>-</u>	<u>129,685</u>
NET POSITION			
Net investment in capital assets	59,916,457	8,153,222	68,069,679
Restricted for other post employment benefits	734	-	734
Unrestricted	14,778,407	(35,697)	14,742,710
Total net position	<u>\$ 74,695,598</u>	<u>\$ 8,117,525</u>	<u>\$ 82,813,123</u>

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

	Enterprise Funds		
	Water & Sewer	Bottom's Bridge	Total
OPERATING REVENUES			
Charges for services:			
Water and sewer revenues	\$ 6,362,198	\$ -	\$ 6,362,198
Other revenues	268,545	-	268,545
Miscellaneous	5,369	-	5,369
Total operating revenues	<u>6,636,112</u>	<u>-</u>	<u>6,636,112</u>
OPERATING EXPENSES			
Personnel services	1,500,598	-	1,500,598
Fringe benefits	638,004	-	638,004
Contractual services	1,236,199	-	1,236,199
Other charges	1,411,630	-	1,411,630
Depreciation	1,222,064	318,982	1,541,046
Total operating expenses	<u>6,008,495</u>	<u>318,982</u>	<u>6,327,477</u>
Operating income (loss)	<u>627,617</u>	<u>(318,982)</u>	<u>308,635</u>
NON-OPERATING REVENUES (EXPENSES)			
Connection and reconnection fees	1,103,400	946	1,104,346
Investment income	747,409	-	747,409
Availability fees	381,035	-	381,035
Interest expense	(206,928)	(224,458)	(431,386)
Total non-operating revenues (expenses)	<u>2,024,916</u>	<u>(223,512)</u>	<u>1,801,404</u>
Income (loss) before transfers	2,652,533	(542,494)	2,110,039
Transfers in	-	954,784	954,784
Transfers out	(954,784)	-	(954,784)
Change in net position	1,697,749	412,290	2,110,039
FUND BALANCE - BEGINNING OF YEAR (as previously presented)	73,094,190	7,705,235	80,799,425
RESTATEMENT	(96,341)	-	(96,341)
NET POSITION AT JULY 1, as restated (Note 20)	<u>72,997,849</u>	<u>7,705,235</u>	<u>80,703,084</u>
NET POSITION AT JUNE 30	<u><u>\$ 74,695,598</u></u>	<u><u>\$ 8,117,525</u></u>	<u><u>\$ 82,813,123</u></u>

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

	Enterprise Funds		
	Water & Sewer	Bottom's Bridge	Total
OPERATING ACTIVITIES			
Receipts from customers and users	\$ 6,671,869	\$ -	\$ 6,671,869
Payments to suppliers	(2,954,337)	-	(2,954,337)
Payments to employees	(2,048,054)	-	(2,048,054)
Other revenue	5,369	-	5,369
Net cash provided by operating activities	1,674,847	-	1,674,847
NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(954,784)	-	(954,784)
Transfers from other funds	-	954,784	954,784
Net cash provided by (used in) noncapital financing activities	(954,784)	954,784	-
CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(3,036,772)	-	(3,036,772)
Principal payments on bonds and subscriptions	(579,496)	(805,000)	(1,384,496)
Connection and availability fees	1,484,433	946	1,485,379
Interest expense	(209,696)	(156,622)	(366,318)
Net cash used for capital and related financing activities	(2,341,531)	(960,676)	(3,302,207)
INVESTING ACTIVITIES			
Investment income	747,409	-	747,409
Net cash provided by investing activities	747,409	-	747,409
Net decrease in cash and cash equivalents	(874,059)	(5,892)	(879,951)
CASH AND CASH EQUIVALENTS, beginning at July 1	23,408,156	6,840	23,414,996
CASH AND CASH EQUIVALENTS, ending at June 30	<u>\$ 22,534,097</u>	<u>\$ 948</u>	<u>\$ 22,535,045</u>
RECONCILIATION TO EXHIBIT 7			
Cash and cash equivalents	\$ 22,420,354	\$ 948	\$ 22,421,302
Cash and cash equivalents, restricted	113,743	-	113,743
	<u>\$ 22,534,097</u>	<u>\$ 948</u>	<u>\$ 22,535,045</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 627,617	\$ (318,982)	\$ 308,635
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	1,222,064	318,982	1,541,046
Pension expense net of employer contributions	(41,750)	-	(41,750)
OPEB expense net of employer contributions	(4,178)	-	(4,178)
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(38,922)	-	(38,922)
Prepaid items	(4,543)	-	(4,543)
(Decrease) increase in:			
Accounts payable	(301,965)	-	(301,965)
Deposits	80,048	-	80,048
Compensated absences	137,210	-	137,210
Net cash provided by operating activities	<u>\$ 1,674,847</u>	<u>\$ -</u>	<u>\$ 1,674,847</u>

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

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 10,680
Total assets	<u>10,680</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 10,680</u>

**Statement of Changes in Fiduciary Net Position -
Custodial Funds**

For the fiscal year ended June 30, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Member contributions	\$ 8,041
Total additions	<u>8,041</u>
DEDUCTIONS	
Payment made to welfare recipients	<u>2,546</u>
Total deductions	<u>2,546</u>
Change in fiduciary net position	5,495
Total net position - beginning	<u>5,185</u>
Total net position - ending	<u><u>\$ 10,680</u></u>

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies

A – Financial Reporting Entity

Primary Government

The County of New Kent, Virginia (the “County”) is governed by an elected five-member Board of Supervisors. The County provides a full range of services for its citizens. These services include police, volunteer and paid fire protection and rescue services; community and economic developments; judicial; recreational activities, cultural events, education, and social services.

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

B – Individual Component Unit Disclosures

Discretely Presented Component Units

The School Board members are elected by the citizens of New Kent County. 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 School Board does not issue a separate financial report. Additionally, the School Board provides a potential benefit or burden to the County, and cannot be included as part of another financial reporting entity. The County not only provides financial support to the School Board but also is responsible for any debt or financial obligation. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2025

The New Kent County Economic Development Authority (EDA) is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The EDA is fiscally dependent on the County, as the County is involved in the day-to-day operations of the EDA and, therefore, it is included in the County’s financial statements as a discrete presentation for the year ended June 30, 2025. The EDA does not issue a separate financial report.

The Farms of New Kent Community Development Authority (the “CDA”) was established pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Section 15.2-5152 et seq., of the Code of Virginia, 1950 (the “Act”) as amended. The Act provides for the creation of an authority and a related Special Assessment District (the “District”) for the sole purpose of financing, constructing, and maintaining, if necessary, certain public improvements within, contiguous to, or serving the District. In accordance with the Act, the CDA was created as a Virginia public body by the adoption of an approving ordinance by the County of New Kent Board of Supervisors on December 12, 2005. The CDA issues a separate

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

financial report, which can be obtained from the CDA. The County appoints all members to the CDA's board of directors, allowing them to exert influence on the operations of the CDA and impose its will. Therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2025.

C – Other Related Organizations

The Central Virginia Waste Management Authority

The Central Virginia Waste Management Authority (the "Authority") was established in December 1990 under the provision of the Virginia Water and Sewer Authorities Act (Ch. 31, Title 15.2, *Code of Virginia*). The Authority's board is comprised of representatives from the cities of Petersburg, Hopewell, Colonial Heights, and Richmond, the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George and the Town of Ashland. The 20-member board is comprised of no less than one and up to no more than three members from each of the participating jurisdictions, determined on a population basis. The County has one representative on the board. The Authority is responsible for creating and implementing recycling and solid waste management programs for its local member jurisdictions in order to meet waste reduction mandates set by the Virginia General Assembly. Except for contribution requirements and direct payments for special projects, no participant has any on-going financial interest or responsibility in the Authority. The County's contribution and direct payments for special projects for the year ended June 30, 2025, was \$680,691. Complete financial statements can be obtained from the Authority's office at 2100 West Laburnum Avenue, Suite 105, Richmond, Virginia 23227.

Middle Peninsula Juvenile Detention Commission

The Middle Peninsula Juvenile Detention Commission (the "Commission") is a political subdivision of the Commonwealth of Virginia and is governed by a separate board. The Commission was created to enhance the region for the protection of the citizens by the construction, equipping, maintenance, and operation of a juvenile detention facility (the "Center") serving the eighteen-member jurisdictions of which the County Administrator serves as the County's representative on the board. The Commission is fiscally independent of the County because substantially all of its income will be generated from per-diem payments from the member jurisdictions and reimbursements from the Commonwealth of Virginia for a portion of the capital costs. Under the Service Agreement, the County is obligated to pay a per diem rate to be determined annually by the Commission for each day a juvenile from the County is held at the Center or in another detention facility secured by the Commission. If the sum of all per diem rates paid during the fiscal year is below \$2,500, the County shall pay the Commission the amount equal to the difference. Separate audited financial statements for the Commission can be obtained from the fiscal agent's office at James City County, P.O. Box 8784, Williamsburg, Virginia 23187.

Central Virginia Transportation Authority

The Central Virginia Transportation Authority was established in 2020 under the provision of the Highways and Other Surface Transportation Systems Act (Ch. 37, Title 33.2, *Code of Virginia*). The Authority's board is comprised of representatives from the counties of: Goochland, New Kent, Powhatan, Chesterfield, Henrico, Hanover and Charles City; City of Richmond; and Town of Ashland. The County has two representatives on the board. Participating localities receive a pro-rata share of Sales Tax and Fuel Tax. The County recognized \$2,736,064 during fiscal year 2025. The Auditor of Public Accounts will annually audit the Authority. Separate audited financial statements for the Authority can be obtained from the fiscal agent's office at Chesterfield County, P.O. Box 40, Chesterfield, Virginia 23832.

Other Agencies – Certain agencies and commissions service both the County of New Kent and surrounding localities. Board membership is allocated among the localities and their governing bodies' appointments. These agencies include: Consortium Board of the Capital Region Workforce Partnership, Chickahominy District Health Advisory Board, Colonial

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Community Criminal Justice Board, Metropolitan Planning Organization, Richmond Metropolitan Convention & Visitors Bureau – Board of Directors, and Richmond Regional Planning District Commission.

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

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Statement of Net Position

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

Statement of Activities

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

Property taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 45 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

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

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

1. **Governmental Funds** – are those through which most governmental functions typically are financed. The County reports the General Fund, Debt Service Fund, Airport Fund, County Capital Improvements Fund, Colonial Downs Fund, and Central Virginia Transportation Fund as major funds.

General Fund – is the primary operating fund of the County. This fund is used to account for and report all financial transactions and resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state, and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for fund reporting purposes.

Debt Service Fund – The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds are used to report financial resources being accumulated for future debt service. Payment of principal and interest on the County's and School Board's general long-term debt financing is provided by appropriations from the General Fund, Capital Fund – proffers, and the Airport Fund.

County of New Kent, Virginia

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County Capital Improvements Funds – The County Capital Improvements Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

Airport Fund – accounts for and reports the financial resources and operations of the County Airport. These resources consist of fuel and oil sales, as well as hangar rental. The Airport Fund is a major Special Revenue Fund.

Colonial Downs Fund – accounts for and reports the financial resources and operations of the Colonial Downs race track facilities. These resources consist of gambling revenues from Rosie’s Casino and other related activities. The Colonial Downs Fund is a major Special Revenue Fund.

Central Virginia Transportation Authority Fund – accounts for and reports the financial resources restricted to expenditure for transportation purposes. These resources are New Kent County’s local distribution of wholesale fuels tax and state sales and use tax, as allocated by the CVTA. The CVTA is a major Special Revenue Fund.

Special Revenue Funds – Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. The County’s Nonmajor Special Revenue Fund is the Human Services (Children’s Services Act) Fund.

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

Enterprise Funds – Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The County’s Major Enterprise Funds consist of the Water and Sewer Fund and Bottom’s Bridge Fund, which account for the operations of sewage pumping stations and collection systems, and the water distribution system, as well as construction.

Internal Service Funds – accounts for the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Internal Service Fund consists of the Self-Insurance Fund reported in the Component Unit School Board.

3. **Fiduciary Funds – (Trust and Custodial Funds)** – account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. Custodial Funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County’s Custodial Funds include amounts held for others in a fiduciary capacity, which includes social services clients. Custodial Funds include the Special Welfare Fund and the Supplemental Security Income (SSI) Dedicated Fund.

4. **Budgetary Comparison Schedules** – Demonstrating compliance with the adopted budget is an important component of a government’s accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB No. 34 reporting model, governments provide budgetary comparison information in their annual reports including the original budget, final budget and actual results.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

E—Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the government.

F – Investments

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts, nonnegotiable certificates of deposit (CDs), and external investment pools are measured at amortized cost. All other investments are reported at fair value.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. See Note 3 for more details.

G – Receivables and Payables

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

All trade and real estate tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$104,990 at June 30, 2025, comprised of the water and sewer receivables.

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

H – Capital Assets

Capital assets, which include property, plant, equipment, lease, subscription, and infrastructure assets, are reported in the applicable governmental columns in the government-wide financial statements for both the County and the Component Unit School Board. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation. Lease and subscription assets are recorded based on the present value of payments expected to be made during the lease term.

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

County of New Kent, Virginia

Notes to Financial Statements

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Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years of Service</u>
Buildings	50 years
Capital improvements	20-50 years
Machinery and equipment	5-30 years
Intangible assets	4 years
Infrastructure	65 years
Water production and distribution facilities	50 years

See separately issued CDA financial statements for their capital assets policies.

Lease and subscription assets are amortized over the shorter of the lease term or useful life of the underlying asset. In contracts where a purchase option is reasonably certain of being exercised, the asset is amortized over the useful life, unless the underlying asset is nondepreciable, in which the lease asset is not amortized.

I – Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid expenditures in governmental funds are offset by a nonspendable fund balance.

J – Restricted Fund Balance

The County reports restricted fund balance on the balance sheet in the amount of \$165,993, which represents E-911 wireless, Litter Control, Social Services, Grants, and asset forfeiture funds. Additionally, the County Capital Improvements Fund and the Central Virginia Transportation Authority Fund have \$8,325,348 and \$12,007,725, respectively, restricted for future capital projects.

K – Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statements that present net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in these categories:

- Deferred amount on bond refunding: A deferred loss/gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Due to the relationship with outstanding debt, these deferred outflows/inflows are included in the calculation of net investment in capital assets.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.

County of New Kent, Virginia

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- Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability are shown as a deferred outflow or inflow. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan.
- Difference between projected and actual earnings on pension and OPEB plan investments are shown as a deferred outflow or inflow. This difference will be recognized in pension or OPEB expense over the closed five-year period.
- Changes in assumptions on pension plan or OPEB investments are shown as a deferred outflow or inflow. This difference will be recognized in pension or OPEB expense over the remaining service life of the employees subject to the plan and may be reported as a deferred inflow or outflow as appropriate.
- Changes in proportionate share that will be recognized in the pension or OPEB expense over the average expected remaining service lives of all employees provided with benefits. This may be reported as a deferred outflow or inflow as appropriate.
- Unavailable revenue, which occurs only under a modified accrual basis of accounting. This item is reported only in the governmental funds balance sheet as a deferred inflow. The governmental funds report unavailable revenue from property taxes and other receivables not collected within 45 days of year-end and property taxes levied to fund future years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Lease-related amounts are recognized at the inception of leases in which the County is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

L — Compensated Absences

Vested or accumulated vacation leave is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Governmental Accounting Standards No. 101, Compensated Absences, liabilities are accrued when earned.

M — Unearned Revenues

Unearned revenue represents amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met. In the Water and Sewer Fund, unearned revenue consists of unearned utility connection fees. See Note 10 for details about unearned revenue in the governmental funds.

N — Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximate 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 received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

County of New Kent, Virginia

Notes to Financial Statements

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O – Pensions and OPEB

For purposes of measuring all financial statement elements related to pension and OPEB plans, information about the fiduciary net position of the County's Plans and the additions to/deductions from the County's Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P – Use of Estimates

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

Q – Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, including right-of-use assets arising from leases and subscriptions, net of accumulated depreciation and amortization, less any outstanding debt and lease/subscription liabilities related 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 also included in this component of net position. Net position is reported as restricted when there are limitations imposed on use either through adoption by the County or through external restrictions, such as when pension and other post-employment benefit plan balances end as an asset.

R – Net Position Flow Assumption

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

S – Fund Balance

The County reports fund balances in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance** – Amounts that cannot be expended as they are either: (a) in nonspendable form; or, (b) legally or contractually required to be maintained intact by the governmental entity. Items in a nonspendable form include inventories and prepaid items. The corpus of an endowment is an example of an amount that is legally or contractually required to be maintained intact and is not available for expenditure.
- **Restricted Fund Balance** – Amounts that are legally constrained for a specific purpose by external parties, constitutional provisions, bond indenture, or enabling legislation. External parties include creditors, grantors, contributors, or laws and regulations. Enabling legislation includes any act of law or regulation that authorizes the government to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purpose stipulated in the enabling

County of New Kent, Virginia

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legislation. An act of law can originate external to the government or be self-imposed through the enactment of an ordinance by the governmental body. The expenditure of resources restriction must originate within the enabling legislation; whereas funds restricted outside originating legislation will be considered committed or assigned.

- **Committed Fund Balance** – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- **Assigned Fund Balance** – Amounts constrained for a specific purpose by the County Administrator.
- **Unassigned Fund Balance** – Amounts not classified as nonspendable, restricted, committed, or assigned as noted above. The General Fund is the only fund that can report a positive unassigned fund balance.

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

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as construction or for other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 15% of the actual GAAP basis revenues and other financing sources and uses.

County of New Kent, Virginia

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

	General Fund	Airport Fund	Debt Service Fund	County Capital Improvements Fund	Colonial Downs Fund	Central Virginia Transportation Authority Fund	Total
Fund Balances:							
Nonspendable:							
Prepaid items	\$ 346,419	\$ 15,292	\$ -	\$ 18,051	\$ -	\$ -	\$ 379,762
Total nonspendable fund balances	346,419	15,292	-	18,051	-	-	379,762
Restricted:							
General government administration	69,189	-	-	-	-	-	69,189
Public safety	89,991	-	-	-	-	-	89,991
Public works	6,813	-	-	-	-	-	6,813
Capital projects	-	-	-	8,325,348	-	12,007,725	20,333,073
Total restricted fund balance	165,993	-	-	8,325,348	-	12,007,725	20,499,066
Committed:							
General government	57,397	-	-	-	-	-	57,397
Capital projects	-	-	350,000	20,570,860	31,983,609	-	52,904,469
Total committed fund balance	57,397	-	350,000	20,570,860	31,983,609	-	52,961,866
Assigned:							
General government	-	764	1,108,754	-	-	-	1,109,518
Total assigned fund balance	-	764	1,108,754	-	-	-	1,109,518
Unassigned							
	16,356,386	-	-	-	-	-	16,356,386
Total fund balances	\$ 16,926,195	\$ 16,056	\$ 1,458,754	\$ 28,914,259	\$ 31,983,609	\$ 12,007,725	\$ 91,306,598

T – Subsequent Events

Management has evaluated subsequent events through December 8, 2025, the date the financial statements were available to be issued. On September 30, 2025, \$1,410,000 of Series 2021A Bonds were redeemed. On September 30, 2025, \$344,755 of the Series 2024B-2 Bonds and \$225,790 of the Series 2024B-3 were redeemed.

Note 2 – Stewardship, Compliance, and Accounting

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

Preparation of the annual budget is a two-step process consisting of the five-year Capital Improvement Plan (CIP) and the Annual Operating Budget. Funding for the first year of the five-year CIP budget is incorporated into the Annual Operating Budget, which is approved by the Board of Supervisors in May. Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. Budgets are legally adopted for the General Fund, Special Revenue Funds (Human Services, Airport, CVTA, and Colonial Downs), Debt Service Fund, and Capital Project Funds of the Primary Government and Component Unit-School Board.

1. On or before December 1 of each year, all agencies of the County submit requests for appropriations to the County Administrator so that a budget may be prepared. The proposed operating and capital budget are presented to the County's Board of Supervisors for review. The Board holds informational budget sessions, budget work sessions, and a public hearing to obtain detailed information on budgetary issues and citizen input. A final budget is legally adopted through passage of a Budget Appropriation motion no later than June 30 for a fiscal year commencing on July 1. The

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Budget Appropriation motion establishes budgetary appropriation amounts at the fund level. The operating and capital budget includes proposed expenditures and the means to financing them.

2. The Board reviews its Bylaws at its January meeting and amends, as necessary, and readopts Bylaws at the February meeting. Included in the Bylaws are procedures for financial control. The Bylaws effectively establish a *legal level of budgetary* control, the lowest level at which the County Administrator may reallocate resources without Board approval, at the department level. He is authorized to transfer appropriations by line item within departments. The County Administrator does not have authority to transfer appropriations between departments within the primary government's governmental funds. The Board of Supervisors must approve all other transfers and all requests for supplemental appropriations. The Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories unless the transfer crosses functions. However, any transfer that crosses functions or supplemental appropriation that increases the School's total appropriated budget requires subsequent Board of Supervisors approval.
3. Budgets are monitored and reported to the Board of Supervisors on a monthly basis.
4. Appropriations lapse on June 30, for all County departments. Encumbrances and committed fund balances outstanding at June 30 are re-appropriated in the succeeding year on a case-by-case basis.

Note 3 – Deposits and Investments

Deposits

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

Investments

Investment Policy

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements; the Virginia Investment Pool (VIP); and the State Treasurer's Local Government Investment Pool (LGIP). The VIP and LGIP are not registered with the SEC but are overseen by the Treasurer of Virginia and the State Treasury Board.

Pursuant to Sec. 2.1-234.7 of the *Code*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings and the carrying value of the position in LGIP is the same as the value of the pool shares (i.e., the LGIP maintains a stable net asset value of \$1 per share in accordance with GASB Statement No. 79).

The County's investments are subject to custodial risk, credit risk, concentration of credit risk and interest rate risk as described below. The County's investments are not subject for foreign currency risk.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Custodial Credit Risk

The County's investment policy requires that all securities purchased for the County be held by the County or by the County's designated custodian. The County's investments at June 30, 2025, were held by the County or in the County's name by the County's custodial banks. The investments also should have a credit rating no less than AA rated by *Standard and Poor's*, Aa by *Moody's Investor Service*, or AA by *Fitch Ratings, Inc.*

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2025, were rated by *Standard and Poor's* and the ratings are presented below using the *Standard and Poor's* rating scale. The County's investment policy limits investments to those allowed by the *Code*. The County may, however, restrict investments beyond the limits imposed by the *Code* as such restrictions serve the purpose of further safeguarding County funds or are in the best interest of the County.

<u>Rated Debt Investments' Values</u>			
<u>Rated Debt Investments</u>	<u>Fair Value</u>	<u>S&P Credit Rating</u>	<u>Weighted-Average Maturity</u>
County:			
Local Government Investment Pool (LGIP)	\$ 4,809	AAAm	77 days
Virginia Investment Pool – NAV Liquidity Pool	75,265,703	AAAm	74 days
	<u>\$ 75,270,512</u>		
EDA:			
Local Government Investment Pool (LGIP)	<u>\$ 332,076</u>	AAAm	77 days

The County's investments are included in cash and cash equivalents at June 30, 2025.

Concentration of Credit Risk

The County's investment policy establishes limitation on portfolio composition by issuer in order to control concentration of credit risk. No more than 35% of the portfolio may be invested in commercial paper and corporate notes at any time and no more than 35% may be invested in commercial paper of any one issuing corporation.

Interest Rate Risk

According to the County's investment policy, no more than 50% of the portfolio may be invested in securities maturing in greater than 1 year. There were no investments with interest rate risk at year-end.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Restricted Cash and Investments

Restricted cash and investments consist of the following:

	Primary Government
Unspent bond proceed restricted for future capital projects	\$ 8,020,324
Proceeds from the State in the Central Virginia Transportation Authority Fund for constructions and maintenance of roads, sidewalks, etc.	11,305,097
Proceeds from Colonial Downs restricted for other future capital projects	31,569,066
Proffers	305,023
Escrow deposits (Water and Sewer Fund)	113,743
Escrow deposits (Capital Improvements Fund)	557,102
	\$ 51,870,355

Note 4 – Due from Other Governments

At June 30, the County has amounts due from other governments as follows:

	Primary Government	Component Unit
	Government	School Board
Commonwealth of Virginia:		
State sales tax	\$ -	\$ 804,855
Department of social services	53,429	-
Constitutional officers reimbursement	181,029	-
E-911 wireless funds	18,124	-
Casino tax receivable	414,543	-
CSA	140,190	-
Local sales tax	686,367	-
Utility tax	93,390	-
Central Virginia Transportation Authority	739,848	-
Court fees	41,865	-
Other state grants	33,608	-
Federal Government:	237,568	-
School fund grants	-	529,755
Welfare grant	103,315	-
Victim witness grant	16,225	-
Other federal grants	16,994	-
Total due from other governments	\$ 2,776,495	\$ 1,334,610

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2025, is as follows:

Governmental Activities	Beginning Balance	Transfers and Increases	Transfers and Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,156,425	\$ 151,854	\$ -	\$ 4,308,279
Easements	1,353,047	-	-	1,353,047
Construction in progress	2,458,286	10,525,555	2,556,184	10,427,657
Total capital assets, not being depreciated	<u>7,967,758</u>	<u>10,677,409</u>	<u>2,556,184</u>	<u>16,088,983</u>
Capital assets, being depreciated/amortized:				
Buildings	51,057,387	1,553,531	-	52,610,918
Buildings – leases	242,501	-	-	242,501
Machinery and equipment	27,234,497	4,433,198	1,679,927	29,987,768
Machinery and equipment - leases	1,815,091	309,803	-	2,124,894
Capital improvements	4,342,011	-	-	4,342,011
Right-to-use subscriptions	713,318	-	-	713,318
Intangible assets	380,943	16,000	-	396,943
Jointly owned assets - buildings	61,544,917	-	4,393,376	57,151,541
Total capital assets, being depreciated/amortized	<u>147,330,665</u>	<u>6,312,532</u>	<u>6,073,303</u>	<u>147,569,894</u>
Accumulated depreciation/amortization:				
Buildings	12,581,151	1,011,113	-	13,592,264
Buildings – leases	115,010	21,003	-	136,013
Machinery and equipment	17,584,371	2,630,551	1,490,755	18,724,167
Machinery and equipment – leases	408,463	137,766	-	546,229
Capital improvements	2,013,295	103,895	-	2,117,190
Right-to-use subscriptions	554,076	50,413	-	604,489
Intangible assets	192,775	25,058	-	217,833
Jointly owned assets - buildings	13,117,017	1,240,642	1,445,495	12,912,164
Total accumulated depreciation/amortization	<u>46,566,158</u>	<u>5,220,441</u>	<u>2,936,250</u>	<u>48,850,349</u>
Total capital assets, being depreciated/amortized, net	<u>100,764,507</u>	<u>1,092,091</u>	<u>3,137,053</u>	<u>98,719,545</u>
Governmental activities capital assets, net	<u>\$ 108,732,265</u>	<u>\$ 11,769,500</u>	<u>\$ 5,693,237</u>	<u>\$ 114,808,528</u>

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Business-type Activities	Beginning Balance	Transfers and Increases	Transfers and Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,484,441	\$ -	\$ -	\$ 2,484,441
Construction in progress	8,014,164	2,580,310	-	10,594,474
Total capital assets, not being depreciated	<u>10,498,605</u>	<u>2,580,310</u>	<u>-</u>	<u>13,078,915</u>
Capital assets, being depreciated/amortized:				
Water production and distribution	6,211,577	15,900	-	6,227,477
Machinery and equipment	5,452,304	278,633	-	5,730,937
Intangible assets	453,769	44,484	-	498,253
Right-to-use subscriptions	24,168	-	-	24,168
Infrastructure	77,930,977	117,446	-	78,048,423
Total capital assets, being depreciated/amortized	<u>90,072,795</u>	<u>456,463</u>	<u>-</u>	<u>90,529,258</u>
Accumulated depreciation/amortization:				
Water production and distributions	3,035,887	132,975	-	3,168,862
Machinery and equipment	3,184,785	208,164	-	3,392,949
Intangible assets	74,961	-	-	74,961
Right-to-use subscriptions	24,168	-	-	24,168
Infrastructure	16,961,031	1,199,907	-	18,160,938
Total accumulated depreciation/amortization	<u>23,280,832</u>	<u>1,541,046</u>	<u>-</u>	<u>24,821,878</u>
Total capital assets, being depreciated/amortized, net	<u>66,791,963</u>	<u>(1,084,583)</u>	<u>-</u>	<u>65,707,380</u>
Business-type activities capital assets, net	<u>\$ 77,290,568</u>	<u>\$ 1,495,727</u>	<u>\$ -</u>	<u>\$ 78,786,295</u>

Component Unit – School Board	Beginning Balance	Transfers and Increases	Transfers and Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,167,577	\$ -	\$ -	\$ 3,167,577
Easements	65,552	-	-	65,552
Construction in progress	172,638	392,044	-	564,682
Total capital assets, not being depreciated	<u>3,405,767</u>	<u>392,044</u>	<u>-</u>	<u>3,797,811</u>
Capital assets, being depreciated/amortized:				
Buildings	2,877,092	38,294	-	2,915,386
Jointly owned assets - buildings	51,022,916	4,393,376	-	55,416,292
Financed equipment purchase	-	2,590,271	647,568	1,942,703
Machinery and equipment	10,069,027	2,081,709	73,907	12,076,829
Machinery and equipment - leases	13,336	-	-	13,336
Total capital assets, being depreciated/amortized	<u>63,982,371</u>	<u>9,103,650</u>	<u>721,475</u>	<u>72,364,546</u>
Accumulated depreciation/amortization:				
Buildings	928,941	404,910	-	1,333,851
Jointly owned assets – buildings	18,823,386	2,520,092	-	21,343,478
Machinery and equipment	6,153,924	755,717	73,907	6,835,734
Machinery and equipment - leases	5,247	5,839	-	11,086
Total accumulated depreciation/amortization	<u>25,911,498</u>	<u>3,686,558</u>	<u>73,907</u>	<u>29,524,149</u>
Total capital assets, being depreciated/amortized, net	<u>38,070,873</u>	<u>5,417,092</u>	<u>647,568</u>	<u>42,840,397</u>
School Board capital assets, net	<u>\$ 41,476,640</u>	<u>\$ 5,809,136</u>	<u>\$ 647,568</u>	<u>\$ 46,638,208</u>

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Component Unit – Farms of New Kent	Beginning Balance	Transfers and Increases	Transfers and Decreases	Ending Balance
Capital assets, being depreciated:				
Roads and improvements	\$ 640,891	\$ 40,885,963	\$ 40,885,963	\$ 640,891
Software	18,000	-	-	18,000
Total capital assets, being depreciated	658,891	40,885,963	40,885,963	658,891
Accumulated depreciation/amortization:				
Roads and improvements	64,089	21,363	-	85,452
Software	18,000	-	-	18,000
Total accumulated depreciation/amortization	82,089	21,363	-	103,452
Total capital assets, being depreciated/amortized, net	576,802	40,864,600	40,885,963	555,439
Farms of New Kent capital assets, net	\$ 576,802	\$ 40,864,600	\$ 40,885,963	\$ 555,439

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental Activities:	
General government administration	\$ 387,899
Judicial administration	119,909
Public safety	2,479,779
Public works	550,202
Health and welfare	80,248
Education	1,241,387
Parks, recreation, and cultural	144,025
Community development	216,992
Total governmental activities	\$ 5,220,441
Component Unit School Board	\$ 3,293,982
Component Unit Farms of New Kent CDA	\$ 21,363
Business-Type Activities:	
Water and sewer	\$ 1,222,064
Bottom’s Bridge	318,982
Total business-type activities	\$ 1,541,046

The increase in the School’s accumulated depreciation of \$3,686,558 includes \$392,576 of assets that were transferred to the Schools. These assets are fully depreciated and, therefore, not reflected in depreciation expense.

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the *Code of Virginia*, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property, which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of New Kent, Virginia for the year ended June 30, 2025, is that school-financed assets in the amount of \$44,239,375 are reported in the Primary Government for financial reporting purposes.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

As of June 30, 2025, public improvements for the CDA financed with the Series 2024B bonds totaling \$20,100,000 were completed and donated to the appropriate public entity in accordance with the Development/Acquisition Agreement. Additionally, public improvements totaling \$20,785,963 were completed and donated, and will be financed with additional Series 2024B-3 bond proceeds advances. The public improvements consisted of roadways, a water system, a sanitary system, and stormwater management infrastructure. Donated improvements are report as “Donated Capital Assets” in the financial statements. A total of \$76,500,080 of infrastructure improvements were completed in 2009 and donated to the appropriate public entity in 2010. As of June 30, 2025, capital assets consist of accepted and completed public improvements owned by the Authority that are being depreciated over their useful life of thirty years.

Note 6 – Interfund Transfers

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

Funds	Transfers In	Transfers Out
Primary Government:		
Governmental Funds:		
General	\$ 875,861	\$ 23,318,518
Human services	542,046	-
County capital improvements	21,494,639	241,320
Debt service	8,563,208	-
Colonial Downs	7,867,176	15,964,784
Airport	181,692	-
Total governmental funds	<u>39,524,622</u>	<u>39,524,622</u>
Enterprise Funds:		
Water and sewer	-	954,784
Bottom’s Bridge	954,784	-
Total enterprise funds	<u>954,784</u>	<u>954,784</u>
Total primary government	<u><u>\$ 40,479,406</u></u>	<u><u>\$ 40,479,406</u></u>

Interfund balances, as seen on Exhibit 3, are to cover cash shortages in the Human Services Fund. Budget transfers were made throughout the year and at year-end for the Primary Government, Enterprise Funds, and the Component Unit – School Board. Most transfers were included in the Annual Adopted Budget.

Governmental Funds

The largest interfund transfers out were the General Fund’s support of the Debt Service, Colonial Downs, and County Capital Improvements Funds in the amount of \$8,563,208, \$7,867,176, and \$5,529,855, respectively. In addition, the Colonial Downs Fund supported the Capital Improvements fund in the amount of \$15,964,784. The Debt Service Fund is used to account for financial resources committed for the retirement of outstanding debt in accordance with existing amortization tables. All County debt (excluding the Enterprise Fund) is paid from the Debt Service Fund. The General Fund supports the Debt Service Fund through real estate tax and other local tax collections.

The transfer out of the County Capital Improvements fund for \$241,320 consists of transfers to the:

Computer Fund (included with the General Fund)	\$ 113,100
General Fund	108,220
Airport Fund	20,000

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

\$ 241,320

The majority of the transfers in were funds transferred from the General Fund and Colonial Downs Fund. The largest from the General Fund, as discussed above, are to the Debt Service Fund and Colonial Downs Fund; and the largest from the Colonial Downs Fund was to the Capital Improvements Fund for \$15,964,784. The General Fund also supports the Airport Fund with local funds, which totaled \$161,692. The remaining transfers consist of the County's support of General funds, Social Services, Children's Services, and Grant Funds for \$221,320, \$650,405, \$542,046, and \$4,136, respectively.

Enterprise Funds

The Enterprise funds made a transfer between Water and Sewer and Bottom's Bridge. The Bottom's Bridge District was established in 2004 as a financing vehicle to provide resources for the construction of water and sewer facilities in the Bottom's Bridge area. Excluding water and sewer volume fees, all revenues collected in the District are legally dedicated to the payment of debt service on the original construction bonds. Because the District did not collect enough funds to pay the debt service, the Water and Sewer Fund provided \$954,784 in additional support.

Note 7 – Long-Term Obligations

Primary Government

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

Governmental Activities	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Incurred by County:					
Compensated absences**	\$ 2,710,098	\$ 257,421	\$ -	\$ 2,967,519	\$ 1,572,711
Net pension liability	1,787,704	-	(262,563)	1,525,141	-
Net other postemployment benefit liability	681,850	-	(72,648)	609,202	-
Lease revenue bonds	23,044,702	-	(2,379,888)	20,664,814	2,430,362
Leases	1,660,496	309,803	(121,686)	1,848,613	128,671
Subscription liabilities	65,665	-	(20,881)	44,784	21,872
Bond premium	53,291	-	(19,667)	33,624	14,711
Total incurred by County	<u>30,003,806</u>	<u>567,224</u>	<u>(2,877,333)</u>	<u>27,693,697</u>	<u>4,168,327</u>
Incurred for the School Board:					
General obligation bonds	20,742,753	-	(1,580,264)	19,162,489	1,626,534
Lease revenue bonds	15,168,297	-	(2,813,112)	12,355,185	2,934,638
Bond premium	2,462,142	-	(430,313)	2,031,829	367,427
Total incurred for the School Board	<u>38,373,192</u>	<u>-</u>	<u>(4,823,689)</u>	<u>33,549,503</u>	<u>4,928,599</u>
Total governmental activities	<u><u>\$ 68,376,998</u></u>	<u><u>\$ 567,224</u></u>	<u><u>\$ (7,701,022)</u></u>	<u><u>\$ 61,243,200</u></u>	<u><u>\$ 9,096,926</u></u>

*Balances have been restated as a result of GASB 101, *Compensated Absences*.

**The change in compensated absences above is a net change for the year.

Business-Type Activities	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences**	\$ 222,946	\$ 137,210	\$ -	\$ 360,156	\$ 182,538

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Business-Type Activities	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Net pension liability	165,212	-	(29,488)	135,724	-
Net other postemployment benefit liability	63,014	-	(8,800)	54,214	
Lease revenue bonds	20,026,962	-	(1,384,496)	18,642,466	1,399,934
Total business-type activities	<u>\$ 20,478,134</u>	<u>\$ 137,210</u>	<u>\$ (1,422,784)</u>	<u>\$ 19,192,560</u>	<u>\$ 1,582,472</u>

*Balances have been restated as a result of GASB 101, *Compensated Absences*.

**The change in compensated absences above is a net change for the year.

Governmental activities long-term liabilities, such as compensated absences, pensions, and other post-employment benefits are generally liquidated by the general fund.

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

County Obligations						
Year Ending June 30,	Lease Revenue Bonds		Leases		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
	2026	\$ 2,430,362	\$ 468,083	\$ 128,671	\$ 22,862	\$ 21,872
2027	1,936,341	422,353	133,405	20,854	22,912	1,088
2028	1,784,317	379,565	130,768	18,818	-	-
2029	1,470,794	337,284	138,176	17,071	-	-
2030	1,134,000	307,945	144,226	15,183	-	-
2031-2035	5,294,000	1,173,201	650,868	48,765	-	-
2036-2040	4,599,000	774,803	444,487	17,240	-	-
2041-2045	2,016,000	40,240	78,012	358	-	-
Total	<u>\$ 20,664,814</u>	<u>\$ 3,903,474</u>	<u>\$ 1,848,613</u>	<u>\$ 161,151</u>	<u>\$ 44,784</u>	<u>\$ 3,216</u>

School Obligations				
Year Ending June 30,	Obligation Bond		Revenue Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 1,626,534	\$ 669,288	\$ 2,934,638	\$ 363,133
2027	1,542,966	591,043	3,033,659	260,944
2028	1,212,989	522,111	3,141,684	155,205
2029	885,000	469,044	3,245,204	50,707
2030	930,000	423,215	-	-
2031-2035	5,365,000	1,394,566	-	-
2036-2040	6,265,000	493,720	-	-
2041-2045	1,335,000	15,353	-	-
Total	<u>\$ 19,162,489</u>	<u>\$ 4,578,340</u>	<u>\$ 12,355,185</u>	<u>\$ 829,989</u>

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Year Ending June 30,	Business-Type Obligations	
	Principal	Interest
2026	\$ 1,399,934	\$ 336,196
2027	1,416,387	316,890
2028	1,441,855	295,531
2029	1,464,338	272,156
2030	1,489,834	247,013
2031-2035	7,305,158	805,130
2036-2040	3,044,960	267,201
2041-2045	1,080,000	24,652
Total	<u><u>\$ 18,642,466</u></u>	<u><u>\$ 2,564,769</u></u>

Details of long-term indebtedness are as follows:

Governmental Activities Obligations	Year Issued	Interest Rates	Maturity Date	Amount Outstanding	Amounts Due Within One Year
Incurred by County:					
Lease revenue bonds					
2014 refunding lease revenue bond	2015	2.125%-5.125%	10/1/2028	\$ 1,369,814	\$ 325,362
2017 lease revenue bond	2017	2.16%	10/1/2027	1,026,000	335,000
2021A refunding revenue bond	2021	1.10%	10/1/2033	4,100,000	1,101,000
2022 lease revenue bond	2022	2.65%	10/1/2041	14,169,000	669,000
Total lease revenue bonds				<u>20,664,814</u>	<u>2,430,362</u>
Leases	various	1.10%	various	1,848,613	128,671
Subscriptions	various	various	various	44,784	21,872
Total incurred by County				<u>22,558,211</u>	<u>2,580,905</u>
Incurred for the School Board:					
General obligation bonds					
2007 School bond	2008	5.10%	7/15/2027	1,107,394	365,339
2006 School bond	2007	4.225%-5.10%	7/15/2026	745,650	371,750
2005 School bond – primary school	2006	4.60%-5.10%	7/15/2025	129,445	129,445
2020 School bond	2020	2.30%-5.05%	7/15/2040	17,180,000	760,000
Total general obligation bonds				<u>19,162,489</u>	<u>1,626,534</u>
Lease revenue bond					
2014 refunding lease revenue bond	2015	2.125%-5.125%	10/1/2028	12,355,185	2,934,638
Total incurred for the School Board				<u>31,517,674</u>	<u>4,561,172</u>
Total governmental activities obligations				<u><u>\$ 54,075,885</u></u>	<u><u>\$ 7,142,077</u></u>

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Business-Type Activities Obligations	Year Issued	Interest Rates	Maturity Date	Amount Outstanding	Amounts Due Within One Year
Lease revenue bonds					
2020B refunding bond	2020	0.403%-1.649%	11/1/2029	\$ 3,730,000	\$ 730,000
2020C refunding bond	2020	0.412%-2.198%	11/1/2034	5,025,000	80,000
2021 taxable revenue bond	2020	1.00%-2.09%	3/1/2036	1,599,466	144,934
2021B refunding bond	2021	1.10%	10/1/2032	496,000	65,000
2022 revenue bond	2022	2.27%	10/1/2041	7,792,000	380,000
Total business-type obligations				\$ 18,642,466	\$ 1,399,934

Direct Borrowings

The County has Public Facilities Lease Revenue Bonds outstanding from direct borrowings related to governmental activities totaling \$14,169,000. The proceeds will finance a portion of the construction of an Animal Shelter, Fire Station #4 and renovation of the Historic School. The lease revenue bond is secured with a Ground Lease on the Historic School between the County and the Economic Development Authority of New Kent County. In the event that the County defaults on a payment, all rights under the Ground Lease transfer to Webster Bank.

Prior Defeasance of Debt

In addition to the current year refunding, the County defeased certain outstanding general obligation bonds payable in prior years. The proceeds were placed into trust to fund all future debt service payments. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the County's financial statements.

At June 30, 2025, the following bonds are considered defeased:

	Beginning Balance	Increases	Decreases	Ending Balance
Series 2021 – refunding of 2012B	\$ 3,685,000	\$ -	\$ (675,000)	\$ 3,010,000
Series 2021 – refunding of 2012C	4,805,000	-	(40,000)	4,765,000
Series 2020 – refunding of 2018 bond	2,304,000	-	(196,000)	2,108,000
Series 2021A – refunding of 2015, 2016A 2016B, and 2020 bonds	5,136,000	-	(1,058,000)	4,078,000
Series 2021B – refunding of 2014 bond	560,755	-	(62,147)	498,608
	\$ 16,490,755	\$ -	\$ (2,031,147)	\$ 14,459,608

Rate Covenant

The 2016 lease revenue bond prescribes that the County shall fix, charge and collect such charges for the use of and for the services furnished by the water and sewer system so that net revenues available for debt service in any fiscal year is equal to or greater than 100% of annual debt service required to be paid for bonds in that fiscal year. The following calculation shows the County's compliance with this rate covenant:

Fiscal Year	Total Revenues	Cash Reserves *1	Total Revenue and Cash Available for Debt Service	Adjusted Expenditures	Net Revenues and Cash Available for Debt Service	Fiscal Year Debt Service For W&S Bonds	Percentage of Available For Debt Service
2016	\$ 4,653,440	\$ 7,499,084	\$ 12,152,524	\$ 2,434,877	\$ 9,717,647	\$ 1,087,807	893%
2017	5,652,980	8,777,855	14,430,835	2,534,537	11,896,298	1,106,391	1,075

County of New Kent, Virginia

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Fiscal Year	Total Revenues	Cash Reserves *1	Total Revenue and Cash Available for Debt Service	Adjusted Expenditures	Net Revenues and Cash Available for Debt Service	Fiscal Year Debt Service For W&S Bonds	Percentage of Available For Debt Service
2018	5,047,654	9,324,811	14,372,465	3,302,774	11,069,691	1,105,022	1,002
2019	5,280,927	9,931,666	15,212,593	3,578,813	11,633,780	1,100,378	1,057
2020	6,510,349	9,736,458	16,246,807	3,993,171	12,253,636	1,103,812	1,110
2021	6,963,687	12,878,180	19,841,867	4,023,217	15,818,650	982,545	1,610
2022	7,677,830	23,037,193	30,715,023	4,146,173	26,568,850	1,160,751	2,289
2023	8,257,566	23,276,920	31,534,486	4,383,454	27,151,032	1,710,420	1,587
2024	8,384,661	23,301,253	31,685,914	4,999,754	26,686,160	1,743,706	1,530
2025	8,863,533	22,421,302	31,284,835	4,786,431	26,498,404	1,738,253	1,524

*1 - Uncommitted cash at June 30th

Component Unit – School Board

The following is a summary of long-term obligations of the Component Unit – School Board for the year ended June 30, 2025:

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences**	\$ 1,378,474	\$ 130,218	\$ -	\$ 1,508,692	\$ 880,508
Leases	5,246	-	(2,950)	2,296	2,012
Financed purchases	-	2,590,271	(617,116)	1,973,155	636,987
Net pension liability	22,158,683	-	(1,429,240)	20,729,443	-
Other postemployment benefits	5,484,728	-	(423,895)	5,060,833	171,000
	\$ 29,027,131	\$ 2,720,489	\$ (2,473,201)	\$ 29,274,419	\$ 1,690,507

*Balances have been restated as a result of GASB 101, *Compensated Absences*.

**The change in compensated absences above is a net change for the year.

Year Ending June 30,	School Board	
	Leases	
	Principal	Interest
2026	\$ 2,012	\$ 15
2027	284	-
Total	\$ 2,296	\$ 15

Component Unit – Farms of New Kent CDA

The following is a summary of long-term obligations of the Component Unit – Farms of New Kent CDA for the year ended June 30, 2025:

	Beginning Balance	Increases	Interest Accretion	Decreases	Ending Balance	Due Within One Year
Series 2024B-1 bonds	\$ -	\$ 13,385,000	\$ -	\$ 720,000	\$ 12,665,000	\$ 760,000
Series 2024B-2 bonds	-	30,701,048	563,108	-	31,264,156	-
Series 2024B-3 bonds	-	20,125,680	825,354	-	20,951,034	-
	-	64,211,728	1,388,462	720,000	64,317,082	760,000

County of New Kent, Virginia

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	Beginning Balance	Increases	Interest Accretion	Decreases	Ending Balance	Due Within One Year
Series 2021A bonds	29,590,000	-	-	10,250,000	19,340,000	1,130,000
Series 2021B bonds	41,454,193	-	1,036,355	42,490,548	-	-
Total series 2021 bonds	71,044,193	-	1,036,355	52,740,548	19,340,000	1,130,000
Series 2006A Term Bonds	40,000	-	-	-	40,000	-
Series 2006B Term Bonds	42,000	-	-	-	42,000	-
Series 2006C Term Bonds	18,000	-	-	-	18,000	-
Total series 2006 bonds	100,000	-	-	-	100,000	-
Total incurred by CDA	\$ 71,144,193	\$ 64,211,728	\$ 2,424,817	\$ 53,460,548	\$ 84,320,190	\$ 1,890,000

Special Assessment Bonds, Series 2006 A, B, and C

On September 19, 2006, the Authority issued \$85,666,000 in Special Assessment Bonds Series 2006A, B and C, to finance the construction of public infrastructure improvements located within the District, to fund a reserve fund, to fund construction period interest and administrative expenses through March 1, 2009, and to pay costs relating to the issuance of the Series 2006 Bonds. New Kent County, on behalf of the Authority, imposes and collects special assessment annual installments and has agreed to apply its customary tax payment enforcement procedures to the collection of any delinquent payments of the special assessment annual installments, to include assessment of penalties and interest, and tax foreclosure proceedings. In addition, when special assessments are imposed, a lien is made on the applicable parcels.

The Series 2006 Bonds are limited obligations of the Authority, payable solely from and secured by revenues collected from special assessments after payment of administrative expenses. Principal payments on the Series 2006 Bonds were due each March 1 beginning on March 1, 2017, according to the mandatory sinking fund redemption schedule, however, no payments were made due to assessment delinquencies. Interest on the Series 2006 Bonds was payable semiannually on March 1 and September 1 of each year beginning on March 1, 2007. Interest is calculated on the basis of a 360-day year comprised of twelve 30-day months. No interest payments were made from March 1, 2014 – March 2, 2021, due to assessment delinquencies. Due to the amount of deferred principal payments and accrued and unpaid interest on the Series 2006 Bonds, the sole bondholder, Preston Hollow, approved the cancellation of \$34 million in Series 2006 Bonds to be cancelled at the issuance of the Series 2021 Bonds. (See discussion of the Series 2021 Bonds below.) The bondholder also agreed to subordinate its pledge on the special assessments. A total of \$83,631,000 of Series 2006 Bonds along with accrued interest of \$36,715,929 was paid in fiscal year 2022 as a result of the issuance of the Series 2021 Bonds. According to the Fourth Supplement to Trust Indenture, interest accrues on the remaining \$100,000 in Series 2006 Bonds but no further payments of either interest or principal will be made until the Series 2024 Bonds are paid in full. Unpaid interest of \$65,015 is due on the Series 2006 Bonds from prior years and is classified as a long-term liability on the financial statements.

Special Assessment Bonds, Series 2021A

On July 22, 2021, the Authority issued \$46,900,000 Special Assessment Revenue Refunding Bonds, Series 2021A (the "Series 2021A Bonds") at an interest rate of 3.75%, in order to partially redeem its Series 2006 Bonds. Interest on the Series 2021A Bonds was due beginning on September 1, 2021, with the first principal payment due on September 1, 2022.

The Series 2021A Bonds are secured by special assessments to be collected from the remaining residential property that has not prepaid the special assessments in Land Bay I, Land Bay IV, and Land Bay V.

1. Optional Redemption:

County of New Kent, Virginia

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The Series 2021A Bonds are subject to redemption before maturity at the option of the Authority from moneys on deposit in the Series 2021A Optional Redemption Account at any time on or after March 1, 2031, in whole or in part in increments of \$100,000 or any integral multiple of \$5,000 in excess thereof, at a redemption price equal to 100% of the principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest to the date of redemption.

2. Extraordinary Redemption:

The Series 2021A Bonds are subject to extraordinary redemption, in whole or in part, prior to maturity by the Authority on any date (except for extraordinary redemption in part, which must occur on a periodic redemption date) in increments of \$5,000 or any integral multiple thereof, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the date of redemption. Redemptions may come from any moneys deposited into the 2021A Prepayment

Account any moneys deposited into the 2021A Prepayment Account or 2021A Extraordinary Redemption Account, or any moneys on deposit in the Reserve Account sufficient to pay and redeem all outstanding bonds and accrued interest to the date of redemption. Prepayment redemptions of \$9,005,000 and \$4,060,000 were made on the Series 2021A Bonds in fiscal years 2025 and 2024, respectively.

3. Sinking Fund Redemption:

The series 2021A bonds are required to be redeemed prior to maturity by the Authority on March 1 in the years and the amounts set forth below, as adjusted for prepayment redemptions.

Year Ending June 30,	Farms of New Kent CDA	
	Series 2021A 3.75% \$46,900,000	
	Principal	Interest
2026	\$ 1,130,000	\$ 725,250
2027	1,235,000	682,875
2028	1,340,000	636,563
2029	1,460,000	586,313
2030	1,590,000	531,563
2031-2035	10,105,000	1,660,125
2036	2,480,000	93,000
Total	\$ 19,340,000	\$ 4,915,689

Special Assessment Bonds, Series 2021B

On July 22, 2021, the Authority issued \$43,095,623 Special Assessment Revenue Refunding Bonds Series 2021B Capital Appreciation Bonds (the "Series 2021B Bonds") in order to partially redeem its Series 2006 Bonds. Interest on the Series 2021B Bonds will accrete on September 1 and March 1 each year beginning on September 1, 2021, at an annual rate of 5% according to the terms of the Master Trust Indenture. The remaining principal and accreted interest on the Series 2021B Bonds will be paid in a lump-sum on March 1, 2036. The Series 2021B Bonds were fully refunded on November 26, 2024.

The Series 2021B Bonds were secured by special assessments to be collected from the commercial property in Land Bay III, Land Bay IV, and Land Bay V and from lot sales from any of the lots in Land Bay III, Land Bay IV, and Land Bay V that are owned by the Kent Farms Holding Company.

County of New Kent, Virginia

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June 30, 2025

1. Turbo Redemption

The Series 2021B Bonds were subject to turbo redemption prior to maturity by the Authority on any date (except for turbo redemption in part, which must occur on a periodic redemption date), in whole or in part, in increments of \$100,000 or any integral multiple of \$5,000 in excess thereof, at a redemption price equal to the accreted amount of the bonds to be redeemed from any moneys deposited in the 2021B Turbo Redemption Account. In the event of a partial turbo redemption, the bonds shall be redeemed in inverse order of their maturity. The Series 2021B bonds were fully refunded on November 26, 2024.

2. Gain on Refunding

At the time of the refunding, a gain of \$34,417,301 was computed on the cancelling of the 2006 Bonds. This amount is shown on the financial statements as deferred gain on refunding. It is being amortized using the straight-line method over the life of the Series 2021 Bonds at \$2,356,005 per year.

Special Assessment Revenue Refunding Bonds, Series 2024B-1

On November 26, 2024, the Authority issued \$13,385,000 Special Assessment Revenue Refunding Bonds, Series 2024B-1 (the "Series 2024B-1 Bonds") at an interest rate of 5.00%, in order to fully redeem the Series 2021B Bonds, to fund the 2024 Reserve Fund and to pay a portion of issuance costs of the Series 2024B-1 Bonds. Interest on the Series 2024B-1 Bonds was due beginning on March 1, 2025, with the first principal payment due on March 1, 2025.

The Series 2024B-1 Bonds are secured primarily by a portion of special assessments to be collected from the remaining residential property that has not prepaid the special assessments in Land Bay III, Land Bay IV and Land Bay V.

1. Optional redemption: The Series 2024B-1 Bonds are not subject to optional redemption prior to maturity.

2. Extraordinary redemption:

The Series 2024B-1 Bonds are subject to extraordinary redemption, in whole or in part, prior to maturity by the Authority on any date (except for extraordinary redemption in part, which must occur on a periodic redemption date) in increments of \$5,000 or any integral multiple thereof, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the date of redemption. Redemptions may come from any money deposited into the 2024B-1 Prepayment Account or 2024B-1 Extraordinary Redemption Account, or any moneys on deposit in the Reserve Account sufficient to pay and redeem all outstanding bonds and accrued interest to the date of redemption. There were no prepayment redemptions made on the Series 2024B-1 Bonds in fiscal year 2025.

Sinking fund redemption:

The Series 2024B-1 Bonds are required to be redeemed prior to maturity by the Authority on March 1 in the years and in the amounts set forth below, as adjusted for prepayment redemptions:

Year Ending June 30,	Farms of New Kent CDA	
	Series 2024B-1 5.00% \$13,385,000	
	Principal	Interest
2026	\$ 760,000	\$ 633,250
2027	825,000	595,250

County of New Kent, Virginia

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Year Ending June 30,	Farms of New Kent CDA	
	Series 2024B-1 5.00% \$13,385,000	
	Principal	Interest
2028	895,000	554,000
2029	975,000	509,250
2030	1,055,000	460,500
2031-2035	6,600,000	1,422,500
2036	1,555,000	77,750
Total	\$ 12,665,000	\$ 4,252,500

Revenue Refunding Bonds, Series 2024B-2

On November 26, 2024, the Authority issued \$30,701,048 Revenue Refunding Bonds Series 2024B-2 Capital Appreciation Bonds (the “Series 2024-2 Bonds”) in order to fully redeem the Series 2021B Bonds, to fund the Reserve Fund and to pay a portion of issuance costs of the Series 2024B-2 Bonds. Interest on the Series 2024B-2 Bonds will accrete on September 1 and March 1 each year beginning on March 1, 2025, at an annual rate of 7% according to the terms of the Master Trust Indenture 2024. The remaining principal and accreted interest on the Series 2024B-2 Bonds will be paid in a lump sum on March 1, 2036.

The Series 2024B-2 Bonds are payable primarily from excess monies from operating revenues, and excess funds from the Series 2021A and the Series 2024B-1 Bonds’ revenues.

1. Extraordinary redemption:

The Series 2024B-2 Bonds are subject to extraordinary redemption, in whole or in part, prior to maturity by the Authority on any date (except for extraordinary redemption in part, which must occur on a periodic redemption date) in increments of \$5,000 or any integral multiple thereof, at a redemption price equal to the accreted amount of the bonds to be redeemed. Redemptions may come from any moneys deposited into the 2024B-2 Extraordinary Redemption Account.

2. Turbo redemption:

The Series 2024B-2 Bonds are subject to turbo redemption prior to maturity by the Authority on any date (except for turbo redemption in part, which must occur on a periodic redemption date), in whole or in part, in increments of \$100,000 or any integral multiple of \$5,000 in excess thereof, at a redemption price equal to the accreted amount of the bonds to be redeemed from any money deposited in the 2024B-2 Turbo Redemption Account. In the event of partial turbo redemption, the bonds shall be reduced pro rata based on the respective accreted amounts of the Series 2024B-2 Bonds as of the date fixed for redemption.

Revenue Bonds, Series 2024B-3

On November 26, 2024, the Authority issued \$20,125,680 Revenue Bonds Series 2024B-3 Capital Appreciation Bonds (the “Series 2024B-3 Bonds”) in order to pay the costs of the 2024 public improvements and a portion of the issuance costs of the Series 2024B-3 Bonds. The Series 2024B-3 Bonds were issued on a draw-down basis. The initial advance in the amount of \$20,125,680 was made on November 26, 2024, and the subsequent bond proceeds advances can be made up to an amount not to exceed \$44,998,873. Interest on the Series 2024B-3 Bonds will accrete on September 1 and March 1 each

County of New Kent, Virginia

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year beginning on March 1, 2025, at an annual rate of 7% according to the terms of the Master Trust Indenture 2024. The remaining principal and accreted interest on the Series 2024B-3 Bonds will be paid in a lump sum on March 1, 2036.

The Series 2024B-3 Bonds are payable primarily from excess monies from operating revenues, and excess funds in the Series 2021A and the Series 2024B-1 Bonds' revenues.

1. Extraordinary redemption:

The Series 2024B-3 Bonds are subject to extraordinary redemption, in whole or in part, prior to maturity by the Authority on any date (except for extraordinary redemption in part, which must occur on a periodic redemption date) in increments of \$5,000 or any integral multiple thereof, at a redemption price equal to the accreted amount of the bonds to be redeemed. Redemptions may come from any moneys deposited into the 2024B-3 Extraordinary Redemption Account.

2. Turbo redemption:

The Series 2024B-3 Bonds are subject to turbo redemption prior to maturity by the Authority on any date (except for turbo redemption in part, which must occur on a periodic redemption date), in whole or in part, in increments of \$100,000 or any integral multiple of \$5,000 in excess thereof, at a redemption price equal to the accreted amount of the bonds to be redeemed from any moneys deposited in the 2024B-3 Turbo Redemption Account. In the event of a partial turbo redemption, the bonds shall be redeemed pro rata based on the respective accreted amounts of the Series 2024B-3 Bonds as of the date fixed for redemption.

Note 8 – Leases

County as Lessor

A summary of significant County leases as the lessor is as follows:

The Airport entered a lease as lessor with Ace Flight Solutions on June 25, 2025 for the use of hangar space. An initial lease receivable was recorded in the amount of \$49,571. As of June 30, 2025, the value of the lease receivable was \$49,571. The lessee is required to make monthly fixed payments of \$1,150. The lease has an interest rate of 2.60%. The value of the deferred inflow of resources as of June 30, 2025 was \$49,571, and the County recognized lease revenue of \$-0- during the fiscal year. The lessee has three extension options, each for 12 months. With the extension options included, the lease expires in June 2029.

In March 2022, the County entered into a lease as lessor with the United States Postal Service for the use of building space with the initial lease term being 180 months. An initial lease receivable was recorded in the amount of \$1,310,903. As of June 30, 2025, the value of the lease receivable was \$1,156,222. The lessee is required to make monthly fixed payments of \$5,000. The lease has an interest rate of 1.10%. The value of the deferred inflow of resources as of June 30, 2025, was \$1,136,116, and the County recognized lease revenue of \$52,436 during the fiscal year. The lessee has two extension options, each for five years. With the extension options included, the lease is expected to expire in February 2047.

The County has a lease as lessor with Bridging Communities Regional Career and Technical Center for the use of building space with the initial lease term being 20 years. An initial lease receivable was recorded in the amount of \$360,756. As of June 30, 2025, the value of the lease receivable was \$266,633. The lessee is required to make one annual payment of \$35,000. The lease has an interest rate of 1.10%. The value of the deferred inflow of resources as of June 30, 2025, was

County of New Kent, Virginia

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\$229,752, and the County recognized lease revenue of \$32,796 during the fiscal year. The contract automatically renews and extends from year to year once the 20-year period has ended.

The County has a lease as lessor with SBA Towers IX, LLC for the use of land on which the Cooks Mill tower is located. An initial lease receivable was recorded in the amount of \$290,482. As of June 30, 2025, the value of the lease receivable was \$232,551. The lessee is required to make monthly payments of \$1,000 per month, increased by 3% annually until February 2036. In February 2036, the monthly rent will decrease to \$100 per month and continue to increase by 3% annually until the end of the lease term in January 2051. The value of the deferred inflow of resources as of June 30, 2025, was \$251,026, and the County recognized lease revenue of \$9,819 during the fiscal year. The original lease included four extension options, five years each, and the amended lease includes three additional extension options, also for five years each. With the extension options included, the lease is expected to expire in January 2051.

The County has a lease as lessor with Bay Aging, Inc. for the use of building space. An initial lease receivable was recorded in the amount of \$12,305. As of June 30, 2025, the value of the lease receivable was \$2,086. The lessee is required to make monthly fixed payments of \$525. The lease has an interest rate of 3.238%. The value of the deferred inflow of resources as of June 30, 2025, was \$1,367, and the County recognized lease revenue of \$4,102 during the fiscal year. The lease is expected to expire in October 2025.

The lease receivables are due as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 138,838	\$ 20,093
2027	111,130	16,856
2028	112,935	15,627
2029	114,778	14,377
2030	102,789	13,176
Thereafter	1,126,593	94,976
Total	\$ 1,707,063	\$ 175,105

County as Lessee

A summary of significant County leases as the lessee as is follows:

The County leases a cell tower on Polish Town Road from SBA Towers II, LLC. The County uses its estimated incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The County's payments increase by 5% each May and the lease is expected to expire in June 2034. The value of the right to use asset and accumulated amortization as of year-end were \$336,649 and \$149,622, respectively. During the fiscal year, the County made \$30,108 in principal payments leaving an ending lease liability of \$377,086 as of June 30, 2025.

The County leases a cell tower on Whitemill Road from SBA Towers IX, LLC. The County uses its estimated incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The County's payments increase by 5% each April and the lease is expected to expire in March 2041. The value of the right to use asset and accumulated amortization as of year-end were \$956,554 and \$242,934, respectively. During the fiscal year, the County made \$36,500 in principal payments leaving an ending lease liability of \$1,068,003 as of June 30, 2025.

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In addition to the significant leases noted above, the County also has leases for copiers, postage machines, building space, and a smaller cell tower agreement. These leases expire beginning in August 2025 through September 2034. The County uses its estimated incremental borrowing rate as the discount rate unless the interest rate is explicitly stated in each lease.

School Board as Lessee

The School Board has various leases for copiers expiring through August 2026. The School Board uses its estimated incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each lease. The value of the right to use asset balances and related accumulated amortization as of year-end are disclosed in Note 5. The related debt, as well as principal and interest requirements to maturity are disclosed in Note 7.

Note 9 – Subscription Liabilities

The County has several SBITAs for various software platforms for periods expiring in June 2027.

The value of the right-to-use subscription asset balances and related accumulated amortization as of year-end are disclosed in Note 5. The related debt, as well as principal and interest requirements to maturity are disclosed in Note 7. The County uses its estimated incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in each IT contract.

Note 10 – Unearned and Deferred/Unavailable Revenue

Unearned and deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unearned and deferred/unavailable revenue is comprised of the following:

Unavailable Revenue: Revenue related to billed but uncollected personal property and real estate tax billings of \$3,431,436 are not available for funding of current expenditures. Additionally, the County deferred \$237,567 related to the opioid abatement settlement to reflect funds expected to be received between 2026 and 2029, and thus is not available for funding of current expenditures.

Unearned Revenue: Property taxes due subsequent to June 30 but paid in advance by the taxpayers totaled \$202,010. Approximately \$23,585 of Parks and Recreational program fees are also recorded as unearned revenue. Other miscellaneous unearned revenue is \$5,088.

Note 11 – Commitments and Contingencies

Special Purpose Grants

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as to being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, related to such audits would not be material to the financial position of the County at June 30, 2025.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Construction Commitments

The following construction contracts were outstanding at June 30, 2025:

<u>Fund</u>	<u>Project</u>	<u>Contractor</u>	<u>Amount of Contract</u>	<u>Contract Outstanding June 30, 2025</u>
Capital Improvements	Animal Shelter Construction Project	David A. Nice Builders, Inc.	\$ 5,372,758	\$ 2,379,550
Capital Improvements	Animal Shelter Access Control Installation	Johnson Controls Us Holdings LLC	112,244	65,556
CVTA	New Kent City Center Road Expansion Project	Timmons Group Inc.	800,000	777,643
CVTA	Kentland Trail Roundabout Streetscape	Rinker Design Associates PC	85,015	84,205
Water & Sewer	The Colonies Water System Improvements	Waco, Inc.	2,711,624	2,205,409
Water & Sewer	Talleysville Wastewater Pump Station Improvements	Waco, Inc.	1,703,700	1,617,488
Water & Sewer	Parham Landing WWTP Sludge Dewatering	Arcadis US Inc.	1,624,000	1,574,236
Water & Sewer	Bottoms Bridge Flow Control Valve	Waco, Inc.	528,000	26,400
Water & Sewer	Pamunkey River Raw Water Pump Station & Intake	Arcadis US Inc.	413,654	413,654
Water & Sewer	Professional Engineering Services	Dewberry Engineers Inc.	366,168	90,879
Water & Sewer	Cellular Carrier Migration for Scada	E Merge Systems LLC	361,018	361,018
Water & Sewer	Parham Landing WWTP Controls Upgrade – Phase II	E Merge Systems LLC	170,908	170,908
Water & Sewer	Public Utilities Operation Center Well	AC Schultes of Maryland Inc.	146,250	146,250
Water & Sewer	Talleysville Pump Station Improvements – Phase II	CDM Smith Inc.	143,628	98,347
Water & Sewer	Sewer System Master Plan Model Development	CDM Smith Inc.	135,345	12,583
Water & Sewer	Additional Professional Engineering Services	Dewberry Engineers Inc.	90,005	43,955
Water & Sewer	Sludge Dewatering and Disposal Project	WGK Construction LLC	11,790,000	11,790,000

Note 12 – Risk Management

County

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined together with other local governments in Virginia to form the Virginia Municipal League, a public entity risk pool currently operating as a common risk management

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

and insurance program for participating local governments. The County pays an annual premium to the pool for substantially all of its insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion, which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. Through this coverage, the County obtains general liability coverage of \$1,000,000 per occurrence, auto liability coverage of \$1,000,000 per occurrence, property coverage at functional replacement up to policy limits for real and personal property, workers' compensation up to the statutory limits, excess general liability of \$10,000,000 per occurrence, and crime blanket coverage of \$250,000. Settlements have not exceeded coverage for each of the past three fiscal years.

Component Units

The component units, School Board and Economic Development Authority, carry commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School Board retains a portion of the risks through a self-insurance health insurance plan. Plan participants are eligible for medical benefits from the School Board health insurance internal service fund. The School Board records an estimated liability for healthcare claims liability as follows:

Year Ending June 30,	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2025	\$ 238,206	\$ 5,465,085	\$ 5,469,333	\$ 233,958
2024	183,707	5,321,616	5,267,117	238,206
2023	238,462	5,516,512	5,571,267	183,707
2022	235,314	4,970,861	4,967,713	238,462
2021	294,109	4,819,084	4,877,879	235,314
2020	364,563	4,262,450	4,332,904	294,109
2019	322,321	3,854,747	3,812,505	364,563
2018	340,046	3,307,119	3,324,844	322,321

Note 13 – Defined Benefit Pension Plan

County of New Kent

Plan Description

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

County of New Kent, Virginia

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

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

Employees Covered by Benefit Terms

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

	<u>Numbers</u>
Inactive members or their beneficiaries currently receiving benefits	<u>118</u>
Inactive members:	
Vested inactive members	51
Non-vested inactive members	73
Inactive members active elsewhere in VRS	<u>104</u>
Total inactive members	346
Active members	<u>232</u>
Total covered employees	<u><u>578</u></u>

Contributions

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2025, was 11.85% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$2,027,862 and \$1,889,638 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 \$51,381 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 \$70,525 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$5,144,196 for the year ended June 30, 2025.

County of New Kent, Virginia

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Net Pension Liability

The net pension liability 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.

Actuarial Assumptions

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

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees – Salary increases, including inflation	3.50 – 4.75%
Teacher Cost-Sharing Plan – Salary increases, including inflation	3.50 – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service-related. Public Safety Employees – 45 to 70% of deaths are assumed to be service-related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 improvement scale with various setbacks or set forwards for both males and females.

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

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

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; adjusted retirement rate to better-fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate

Long-Term Expected Rate of Return

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

County of New Kent, Virginia

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percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	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
Diversifying Strategies	6.00	5.80	0.35
PIP – Private Investment Partnership	1.00	8.00	0.08
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
	100.00%		7.07%
		*Expected arithmetic nominal return	7.07%

* The above allocation provides for 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 rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2024, the employer contribution was 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations, whichever was greater. 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 liability.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at June 30, 2023	\$ 44,643,678	\$ 42,690,762	\$ 1,952,916
Changes for the year:			
Service cost	2,029,785	-	2,029,785
Interest	3,080,483	-	3,080,483
Differences between expected and actual experience	1,376,328	-	1,376,328
Contributions – employer	-	1,889,633	(1,889,633)
Contributions – employee	-	719,672	(719,672)
Net investment income	-	4,193,231	(4,193,231)
Benefit payments, including refunds of employee contributions	(2,073,368)	(2,073,368)	-
Administrative expenses	-	(24,880)	24,880
Other changes	-	991	(991)
Net changes	4,413,228	4,705,279	(292,051)
Balances at June 30, 2024	<u>\$ 49,056,906</u>	<u>\$ 47,396,041</u>	<u>\$ 1,660,865</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability (asset)	<u>\$ 8,454,702</u>	<u>\$ 1,660,865</u>	<u>\$ (3,897,372)</u>

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

For the year ended June 30, 2025, the Political Subdivision recognized pension expense of \$1,532,411. At June 30, 2025, the Political Subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,123,958	\$ 259,640
Net difference between projected and actual earnings on pension plan investments	-	1,174,127
Employer contributions subsequent to the measurement date	2,027,862	-
Total	\$ 3,151,820	\$ 1,433,767

The \$2,027,862 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 fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expenses
2026	\$ (633,386)
2027	546,484
2028	35,956
2029	(258,863)
2030	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/media/shared/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.

School Board Nonprofessionals

Plan Description

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

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those described earlier in this note in relation to the County plan.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Employees Covered by Benefit Terms

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

	Numbers
Inactive members or their beneficiaries currently receiving benefits	55
Inactive members:	
Vested inactive members	26
Non-vested inactive members	28
Inactive members active elsewhere in VRS	29
Total inactive members	83
Active members	59
Total covered employees	197

Contributions

The school division's contractually required contribution rate for the year ended June 30, 2025, was 5.34% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

Contributions to the pension plan from the school division were \$104,042 and \$117,851 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 \$123,722 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 \$105,963 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$13,609,218 for the year ended June 30, 2025.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at June 30, 2023	\$ 6,714,373	\$ 6,663,179	\$ 51,194
Changes for the year:			
Service cost	138,232	-	138,232
Interest	449,967	-	449,967
Changes of assumptions	-	-	-
Differences between expected and actual experience	(9,282)	-	(9,282)
Contributions – employer	-	117,851	(117,851)
Contributions – employee	-	78,861	(78,861)
Net investment income	-	640,090	(640,090)
Benefit payments, including refunds of employee contributions	(372,869)	(372,869)	-
Administrative expenses	-	(4,322)	4,322
Other changes	-	114	(114)
Net changes	206,048	459,725	(253,677)
Balances at June 30, 2024	<u>\$ 6,920,421</u>	<u>\$ 7,122,904</u>	<u>\$ (202,483)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's net pension liability (asset)	<u>\$ 600,466</u>	<u>\$ (202,483)</u>	<u>\$ (872,854)</u>

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

For the year ended June 30, 2025, the school division recognized pension benefit of \$(46,315). At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 201	\$ 4,497
Net difference between projected and actual earnings on pension plan investments	-	189,475
Employer contributions subsequent to the measurement date	104,042	-
Total	\$ 104,243	\$ 193,972

The \$104,042 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expenses
2026	\$ (172,347)
2027	53,615
2028	(35,755)
2029	(39,284)
2030	-
Thereafter	-

Pension Plan Data

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

Note 14 – Defined Benefit Pension Plan – Teacher Cost-Sharing Plan

General Information about the Teacher Cost-Sharing Plan

Plan Description

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

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions and long term rate of return, are substantially the same as those described in Note 13.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2025, was 14.21% of covered employee compensation. This was the General Assembly approved rate, which 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 employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$3,738,931 and \$3,762,236 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 \$123,722 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 \$105,963 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$13,609,218 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$20,931,926 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 division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.22299% as compared to 0.218739% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$2,538,324. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022, measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

County of New Kent, Virginia

Notes to Financial Statements

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At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,631,394	\$ 431,003
Change in assumptions	379,942	-
Net difference between projected and actual earnings on pension plan investments	-	2,881,292
Changes in proportionate share	1,154,103	71,606
Employer contributions subsequent to the measurement date	3,738,931	-
Total	\$ 8,904,370	\$ 3,383,901

The \$3,738,931 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expenses
2026	\$ (891,862)
2027	2,209,627
2028	666,496
2029	(202,723)
2030	-
Thereafter	-

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

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

County of New Kent, Virginia

Notes to Financial Statements

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Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. 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, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan net pension liability	\$ 38,887,415	\$ 20,931,926	\$ 6,226,951

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan'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 varetire.org/media/shared/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.

A summary of pension-related financial statement elements for the School Board is as follows:

	School Board
Deferred outflows of resources	
VRS-School non-professional	\$ 104,243
VRS-School professional	8,904,370
Total deferred outflows of resources	\$ 9,008,613
Net pension liability (benefit)	
VRS-School non-professional	\$ (202,483)
VRS-School professional	20,931,926
Total pension liability	\$ 20,729,443

County of New Kent, Virginia

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	<u>School Board</u>
Deferred inflows of resources	
VRS-School non-professional	\$ 193,972
VRS-School professional	3,383,901
Total deferred inflows of resources	<u>\$ 3,577,873</u>

Note 15 – Deferred Compensation Plan

Eligible employees of the County may participate in a deferred compensation plan in accordance with *Internal Revenue Code* section 457. The plan permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination of employment, retirement, death, or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts deferred and all income attributable to those amounts, property or rights are held in trust for the participants. The County does not make or match contributions.

Note 16 – Other Postemployment Benefits – School Local Plan

Plan Description

Beginning in fiscal year 2009, the School Board implemented GASB Statement No. 45 for other postemployment benefits (OPEB) offered to retirees. The standard addresses how local governments should account for and report their costs related to postemployment health care and other non-pension benefits, such as the School Board retiree health benefit subsidy. Historically, the School Board subsidy was funded on a pay-as-you-go basis, but GASB Statement No. 75 requires that the School Board accrue the cost of the retiree health subsidy and other postemployment benefits during the period of the employees' active employment, while the benefits are being earned. This funding methodology mirrors the funding approach used for pension benefits.

The School Local Plan is not administered through a trust.

Benefits Provided

New Kent County Public Schools retirees must meet one of the following requirements to be eligible for health benefits.

- Retire with an immediate benefit from the VRS.
- Has medical coverage prior to retirement.
- Retirees are eligible for the School's wellness program. The wellness program provides a subsidy of \$720 per year for participants who meet certain wellness criteria.

Health benefits include medical, dental and vision. The retirees are responsible for 100% of the premiums. Benefits end at the age of 65.

Employees Covered by Benefit Terms

As of the July 1, 2024, actuarial valuation, the following employees were covered by the benefit terms of the plan:

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	Numbers
Inactive members or beneficiaries	
Currently receiving benefits	7
Active plan members	484
	491

Total OPEB Liability

The School's total OPEB liability of \$1,337,000 was measured as of July 1, 2024, and was determined based on an actuarial valuation performed as of July 1, 2024.

Actuarial Assumptions and Other Inputs

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

Actuarial cost method	Entry age actuarial cost method
Discount rate	4.09%
Salary increases, including inflation	4.00%
Healthcare cost trend rates	0.00% for fiscal year-end 2025 (to reflect actual experience) and 7% for fiscal year-end 2026, decreasing 0.25% per year to an ultimate rate of 5.00%

Mortality rates: PUB – 2010 Amount-Weighted Mortality Tables with MP-2021 Projection Scale Fully Generational.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period from July 1, 2023 through July 1, 2024.

Changes in the Total OPEB Liability

Balance at July 1, 2024	\$ 1,589,000
Changes for the year:	
Service cost	72,000
Interest	61,000
Differences between expected and actual experience	(268,000)
Contributions – employer	(171,000)
Changes in assumptions	54,000
Net changes	(252,000)
Balance at June 30, 2025*	\$ 1,337,000

*Measurement date is July 1, 2024

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

The following presents the total OPEB liability of the Schools, as well as what the School's total OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (3.09 %) or one percentage point higher (5.09%) than the current discount rate:

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	1.00% Decrease (3.09%)	Current Discount Rate (4.09%)	1.00% Increase (5.09%)
Total OPEB liability	\$ 1,433,000	\$ 1,337,000	\$ 1,245,000

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

The following presents the total OPEB liability of the Schools, as well as what the School's total OPEB liability would be if it was calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current healthcare cost trend rates:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Total OPEB liability	\$ 1,213,000	\$ 1,337,000	\$ 1,478,000

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

For the year ended June 30, 2025, the Schools recognized OPEB benefit of \$(33,000). At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 179,000	\$ 566,000
Changes of assumptions	143,000	107,000
Employer contributions subsequent to the measurement date	171,000	-
Total	\$ 493,000	\$ 673,000

The \$171,000 reported as deferred outflows of resources related to OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Effect on OPEB Expense
2026	\$ (163,000)
2027	(91,000)
2028	(72,000)
2029	(3,000)
2030	(12,000)
Thereafter	(10,000)

County of New Kent, Virginia

Notes to Financial Statements

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Note 17 – Other Postemployment Benefits Liability – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the VRS, the County and Schools also participate in various cost-sharing and agent multiemployer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

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

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

Specific information for the GLI is available at <https://www.varetire.org/benefits-and-programs/benefits/life-insurance/>.

Teacher Employee Health Insurance Credit Program

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

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

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

General Employee Health Insurance Credit Program

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

As of the June 30, 2024, actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<u>County</u>	<u>Schools</u>
Inactive members or their beneficiaries currently receiving benefits	7	9
Inactive members – vested	1	1
Active elsewhere in VRS	36	24

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	County	Schools
Active members	129	59
Total covered employees	173	93

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability, with the exception of GLI which was also combined with employee contributions. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025, Contribution – County	\$80,549
June 30, 2024, Contribution – County	\$82,570
June 30, 2025, Contribution – Schools	\$133,151
June 30, 2024, Contribution – Schools	\$138,118

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation. Total contributions for the year came out to approximately 1.33% of covered employee compensation.
June 30, 2025, Contribution – Schools	\$318,375
June 30, 2024, Contribution – Schools	\$287,404

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	.08% of covered employee compensation (County) and .96% of covered employee compensation (Schools)

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	County	Schools
June 30, 2025, Contribution	\$7,728	\$18,704
June 30, 2024, Contribution	\$18,690	\$17,145

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

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

Group Life Insurance Program

	County	Schools
June 30, 2025, proportionate share of liability	\$663,416	\$1,111,681
June 30, 2024, proportion	.059%	.0996%
June 30, 2023, proportion	.059%	.0993%
June 30, 2025, expense	\$44,279	\$43,557

Teacher Health Insurance Credit Program

June 30, 2025, proportionate share of liability	\$2,562,072
June 30, 2024, proportion	.222%
June 30, 2023, proportion	.218%
June 30, 2025, expense	\$238,877

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

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General Employee Health Insurance Credit Program

Changes in the County's net OPEB liability (asset) of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balance at June 30, 2023	\$ 144,030	\$ 106,881	\$ 37,149
Changes for the year:			
Service cost	5,086	-	5,086
Interest	9,983	-	9,983
Differences between expected and actual experience	(31,400)	-	(31,400)
Contributions – employer	-	18,690	(18,690)
Net investment income	-	11,270	(11,270)
Benefit payments	(2,431)	(2,431)	-
Administrative expenses	-	(163)	163
Other changes	-	(1)	1
Net changes	(18,762)	27,365	(46,127)
Balances at June 30, 2024	\$ 125,268	\$ 134,246	\$ (8,978)

For the year ended June 30, 2024, the County recognized OPEB expense related to the General Employee HIC Program of \$3,332.

County of New Kent, Virginia

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Changes in the School's Non-Professional Employees net OPEB liability of the General Employee HIC Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at June 30, 2023	\$ 99,840	\$ 30,964	\$ 68,876
Changes for the year:			
Service cost	1,308	-	1,308
Interest	6,689	-	6,689
Changes in assumptions	-	-	-
Differences between expected and actual experience	(6,209)	-	(6,209)
Contributions – employer	-	17,073	(17,073)
Net investment income	-	3,567	(3,567)
Benefit payments	(4,107)	(4,107)	-
Administrative expenses	-	(56)	56
Other changes	-	-	-
Net changes	(2,319)	16,477	(18,796)
Balances at June 30, 2024	\$ 97,521	\$ 47,441	\$ 50,080

For the year ended June 30, 2024, the Schools recognized OPEB benefit-related to the General Employee HIC Program of \$(13,251).

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

Group Life Insurance Program - County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 104,636	\$ 16,205
Change in assumptions	3,781	32,878
Net difference between projected and actual earnings on OPEB plan investments	-	55,919
Changes in proportion	67,273	497
Employer contributions subsequent to the measurement date	80,549	-
Total	\$ 256,239	\$ 105,499

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Group Life Insurance Program - Schools

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 175,338	\$ 27,154
Change in assumptions	6,337	55,093
Net difference between projected and actual earnings on OPEB plan investments	-	93,704
Changes in proportion	45,872	2,038
Employer contributions subsequent to the measurement date	133,151	-
Total	\$ 360,698	\$ 177,989

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 121,385
Change in assumptions	44,137	-
Net difference between projected and actual earnings on OPEB plan investments	-	9,113
Changes in proportion	175,364	10,525
Employer contributions subsequent to the measurement date	318,375	-
Total	\$ 537,876	\$ 141,023

General Employee Health Insurance Credit Program - County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,507	\$ 45,056
Change in assumptions	4,540	453
Net difference between projected and actual earnings on OPEB plan investments	-	2,185
Employer contributions subsequent to the measurement date	7,728	-
Total	\$ 35,775	\$ 47,694

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General Employee Health Insurance Credit Program - Schools

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,040	\$ 40,329
Change in assumptions	4,603	-
Net difference between projected and actual earnings on OPEB plan investments	-	534
Employer contributions subsequent to the measurement date	18,704	-
Total	\$ 24,347	\$ 40,863

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

Group Life Insurance Program

Year Ending June 30,	Effect on OPEB Expenses	
	County	Schools
2026	\$ (2,199)	\$ (34,708)
2027	33,964	32,378
2028	14,728	14,712
2029	12,599	19,169
2030	11,099	18,007
Thereafter	-	-

Teacher Health Insurance Credit Program

Year Ending June 30,	Effect on OPEB Expense
2026	\$ 19,289
2027	23,200
2028	10,974
2029	10,755
2030	12,635
Thereafter	1,625

General Employee Health Insurance Credit Program

Year Ending June 30,	Effect on OPEB Expenses	
	County	Schools
2025	\$ (4,337)	\$ (18,816)
2026	(1,867)	(14,548)
2027	(2,143)	(1,647)
2028	(1,961)	(209)
2029	(4,212)	-
Thereafter	(5,127)	-

County of New Kent, Virginia

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Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, 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%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.25 – 4.25%
• Ages 65 and older	6.50 – 4.25%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 13.

Net OPEB Liabilities

The net OPEB liabilities represent each program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB Liability	\$ 4,196,055	\$ 1,478,105
Plan fiduciary net position	3,080,133	322,457
Employers’ net OPEB liability	1,115,922	1,155,648
Plan fiduciary net position as a percentage of total OPEB liability	73.41%	21.82%

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

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 Note 13.

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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
Diversifying Strategies	6.00	5.80	0.35
PIP – Private Investment Partnership	1.00	8.00	0.08
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 for 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 rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including inflation of 2.50%.

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2024 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liabilities (assets) of the County, as well as what the County's net OPEB liabilities (assets) would be if it was calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate:

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	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability - County	\$ 1,031,698	\$ 663,416	\$ 365,892
GLI Net OPEB liability - Schools	1,728,809	1,111,681	613,123
Teacher HIC Net OPEB liability	2,913,715	2,562,072	2,264,022
General Employee HIC Net OPEB liability (asset) - County	8,935	(8,978)	(23,778)
General Employee HIC Net OPEB liability - Schools	61,031	50,080	40,796

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan 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/media/shared/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 18 – Summary of Other Postemployment Benefit Elements

	Governmental Activities	Business- Type Activities	Total Primary Government	Schools
<u>Deferred outflows of resources - OPEB</u>				
Changes in proportion				
VRS – Group Life Insurance	\$ 61,776	\$ 5,497	\$ 67,273	\$ 45,872
VRS – Teacher HIC	-	-	-	175,364
Difference between expected and actual experience				
VRS – Group Life Insurance	96,085	8,551	104,636	175,338
VRS – General Employee HIC	21,586	1,921	23,507	1,040
Local plan	-	-	-	179,000
Changes in assumptions				
Local plan	-	-	-	143,000
VRS – Group Life Insurance	3,465	316	3,781	6,337
VRS – General Employee HIC	4,169	371	4,540	4,603
VRS – Teacher HIC	-	-	-	44,137
Employer contributions subsequent to the measurement date				
Local plan	-	-	-	171,000
VRS – Group Life Insurance	73,974	6,575	80,549	133,151
VRS – Teacher HIC	-	-	-	318,375
VRS – General Employee HIC	7,096	632	7,728	18,704
Total deferred outflow of resources - OPEB	\$ 268,151	\$ 23,863	\$ 292,014	\$ 1,415,921

County of New Kent, Virginia

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	Governmental Activities	Business- Type Activities	Total Primary Government	Schools
<u>Net OPEB liability (asset)</u>				
Local plan	\$ -	\$ -	\$ -	\$ 1,337,000
VRS – Group Life Insurance	609,202	54,214	663,416	1,111,681
VRS – Teacher HIC	-	-	-	2,562,072
VRS – General Employee HIC	(8,244)	(734)	(8,978)	50,080
Total net OPEB liability	<u>\$ 600,958</u>	<u>\$ 53,480</u>	<u>\$ 654,438</u>	<u>\$ 5,060,833</u>
<u>Deferred inflow of resources - OPEB</u>				
Changes in proportion				
VRS – Group Life Insurance	\$ 456	\$ 41	\$ 497	\$ 2,038
VRS – Teacher HIC	-	-	-	10,525
Differences between expected and actual experience				
Local plan	-	-	-	566,000
VRS – Group Life Insurance	14,882	1,323	16,205	27,154
VRS – Teacher HIC	-	-	-	121,385
VRS – General Employee HIC	41,374	3,682	45,056	40,329
Differences between expected and actual investment				
VRS – Group Life Insurance	51,349	4,570	55,919	93,704
VRS – Teacher HIC	-	-	-	9,113
VRS – General Employee HIC	2,006	179	2,185	534
Changes of assumptions				
Local plan	-	-	-	107,000
VRS – Group Life Insurance	30,191	2,687	32,878	55,093
VRS – General Employee HIC	416	37	453	-
Total deferred inflow of resources - OPEB	<u>\$ 140,674</u>	<u>\$ 12,519</u>	<u>\$ 153,193</u>	<u>\$ 1,032,875</u>
<u>OPEB expense (benefit)</u>				
Local plan	\$ -	\$ -	\$ -	\$ (33,000)
VRS – Group Life Insurance	40,737	3,542	44,279	43,557
VRS – Teacher HIC	-	-	-	238,877
VRS – General Employee HIC	3,065	267	3,332	(13,251)
Total OPEB Expense	<u>\$ 43,802</u>	<u>\$ 3,809</u>	<u>\$ 47,611</u>	<u>\$ 236,183</u>

Note 19 – Economic Incentive Agreements

The County, EDA, and AutoZone Texas, LLC (the “Company”) entered into a Local Level Economic Development Incentives Performance Agreement in February 2022. This agreement requires the Company to make a specific dollar investment within the County and to create at least 352 new jobs by the specified performance date of August 31, 2026. The agreement requires the EDA to provide a combined local incentive grant up to \$9,225,750.

Of the total Local Level Economic Development Incentives Performance Agreement between the Company and the EDA, \$6,820,750 is considered unearned. The EDA will be expected to disburse this balance as follows: up to \$2,112,000 for job creation and up to \$4,708,750 for real property incentive grants.

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

During 2022, the Company met the conditions related to the Land Purchase Incentive Grant, which requires the County to pay \$1,150,000. Additionally, the EDA committed \$800,000 for the Access Road Incentive Grant. This was satisfied when the EDA was awarded the \$2,000,000 Transportation Partnership Opportunity Fund grant.

During 2023, the Company met the conditions related to the Permit Fees Incentive Grant, which requires the County to pay \$350,000. This was appropriately accrued as a payable in the County Capital Improvements fund.

During 2024, the Company met the conditions related to the Water and Sewer Tap Incentive Grant, which requires the County to pay \$105,000. This was appropriately accrued as a payable in the County Capital Improvements Fund.

During 2025, the Company did not meet any additional conditions.

In addition to the significant agreement discussed above, the EDA has several other business incentive grants totaling \$296,080. Of this amount, \$131,740 is considered unearned and will be paid as the businesses meet specific requirements.

Note 20 – Prior Period Restatement

During 2025, the City and Schools restated beginning fund balance and net position to account for GASB Statement No. 101, *Compensated Absences*.

Additionally, during 2025, the EDA restated beginning fund balance and net position for an asset held for development that should have been transferred in the previous year.

Furthermore, during 2025, the County created an additional governmental fund to account for revenues associated with the Colonial Downs facility. This is treated as a restatement in accordance with GASB 100 as a change in reporting entity.

Finally, during 2025, the CDA restated beginning net position to exclude non-capital debt from the calculation of “Net Investment in Capital Assets.” The net effect on total net position is \$-0-.

The following is a summary of the restatement to beginning net position related to GASB 101 implementation, as noted in Exhibit 8:

	Water and Sewer Fund
Net position, June 30, 2024, as previously reported	\$ 73,094,190
Prior period restatement – GASB 101	(96,341)
Net position, June 30, 2024, as restated	<u><u>\$ 72,997,849</u></u>

The following is a summary of the restatement to beginning fund balance related to the establishment of a separate fund to account for activities related to Colonial Downs, as noted in Exhibit 5:

	Colonial Downs Fund	Capital Projects Fund
Fund Balance, June 30, 2024, as previously reported	\$ -	\$ 60,620,306
Prior period restatement – Colonial Downs	31,868,268	(31,868,268)
Fund Balance, June 30, 2024, as restated	<u><u>\$ 31,868,268</u></u>	<u><u>\$ 28,752,038</u></u>

County of New Kent, Virginia

Notes to Financial Statements

June 30, 2025

The following is a summary of the restatement to beginning net position related to an asset held for development by the EDA as noted in Exhibits 2 and 37:

	EDA
Net position, June 30, 2024, as previously reported	\$ 3,948,152
Prior period restatement	(2,749,087)
Net position, June 30, 2024, as restated	\$ 1,199,065

The following is a summary of the restatement to beginning net position related to a corrected misstatement regarding the Net Investment in Capital Assets calculation:

	CDA	
	As originally reported	As restated
Net investment in capital assets	\$ (70,567,391)	\$ 476,802
Restricted net position	6,068,442	6,068,442
Unrestricted net position	(28,686,601)	(99,730,794)
Net position, June 30, 2024	\$ (93,185,550)	\$ (93,185,550)

The following is a summary of the restatement to beginning net position, as noted in Exhibit 2:

	Governmental Activities	Business-Type Activities	EDA	School Board
Net position, June 30, 2024, as previously reported	\$ 133,511,729	\$ 80,799,425	\$ 3,948,152	\$ 22,975,453
Prior period restatement – GASB 101	(1,377,754)	(96,341)	-	(868,351)
Prior period restatement – asset held for development	-	-	(2,749,087)	-
Net position, June 30, 2024, as restated	\$ 132,133,975	\$ 80,703,084	\$ 1,199,065	\$ 22,107,102

Note 21 – New Accounting Standards

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

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

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Required Supplementary Information

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 43,913,333	\$ 43,913,333	\$ 44,029,490	\$ 116,157
Other local taxes	9,602,216	9,602,216	10,781,972	1,179,756
Permits, privilege fees, and regulatory licenses	1,006,675	1,006,675	1,157,120	150,445
Fines and forfeitures	229,000	337,808	391,144	53,336
Revenue from the use of money and property	1,322,000	1,322,000	3,721,982	2,399,982
Charges for services	509,550	520,358	618,633	98,275
Miscellaneous	29,500	334,686	394,088	59,402
Recovered costs	670,280	988,822	1,100,823	112,001
Intergovernmental revenues:				
Commonwealth	17,177,181	14,131,993	14,919,403	787,410
Federal	61,509	94,715	1,416,121	1,321,406
Total revenues	<u>74,521,244</u>	<u>72,252,606</u>	<u>78,530,776</u>	<u>6,278,170</u>
EXPENDITURES				
General government administration				
Board of supervisors	151,694	256,526	256,033	493
County administration	950,782	873,142	708,355	164,787
County attorney	375,549	402,382	369,390	32,992
Human resources	520,669	539,444	492,788	46,656
Commissioner of revenue	1,038,879	1,038,879	1,005,163	33,716
Equalization board	775	775	-	775
Treasurer	505,496	579,013	499,572	79,441
Financial services	812,956	801,432	757,942	43,490
Information technology	988,974	973,342	911,216	62,126
Central purchasing	522,265	499,765	429,320	70,445
Electoral board	10,454	13,137	12,418	719
Registrar	478,373	478,373	356,836	121,537
Total general government administration	<u>6,356,866</u>	<u>6,456,210</u>	<u>5,799,033</u>	<u>657,177</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Judicial administration				
Circuit court judge	99,532	99,532	92,910	6,622
General district court	23,650	25,277	23,632	1,645
Magistrate	2,500	2,500	120	2,380
Juvenile and domestic court	8,120	6,493	3,536	2,957
Clerk of circuit court	521,438	521,438	481,559	39,879
Sheriff - courts	1,136,633	1,161,480	1,147,728	13,752
Victim witness	124,135	124,135	104,929	19,206
Commonwealth attorney	649,951	661,893	613,071	48,822
Total judicial administration	<u>2,565,959</u>	<u>2,602,748</u>	<u>2,467,485</u>	<u>135,263</u>
Public safety				
Sheriff - law enforcement	5,678,132	6,359,483	5,730,620	628,863
Sheriff - dispatch	1,417,111	1,417,111	1,100,343	316,768
Sheriff - confinement of inmates	1,447,680	1,453,169	1,191,074	262,095
Sheriff - communication systems	631,495	723,124	531,527	191,597
Fire department	7,920,668	8,739,548	8,238,082	501,466
Fire - EMS and preparedness	65,271	90,278	83,360	6,918
Fire - ambulance and rescue services	-	28,838	27,799	1,039
Fire - state forester	6,954	6,954	6,954	-
Court services unit	138,586	148,959	148,959	-
Criminal justice	42,114	42,114	42,114	-
Building inspections	656,709	578,121	505,864	72,257
Sheriff - animal control	542,370	616,225	541,334	74,891
VA Wireless E911	96,624	213,049	140,079	72,970
Total public safety	<u>18,643,714</u>	<u>20,416,973</u>	<u>18,288,109</u>	<u>2,128,864</u>
Public works				
Refuse	1,271,008	1,271,008	1,253,369	17,639
General services	1,396,844	1,425,258	1,343,765	81,493
Total public works	<u>2,667,852</u>	<u>2,696,266</u>	<u>2,597,134</u>	<u>99,132</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Health and welfare				
Supplement - health department	536,416	536,416	536,416	-
Area agency on aging	5,000	5,000	5,000	-
Agency donations	19,500	19,500	19,500	-
Social services	2,266,398	2,346,962	2,230,409	116,553
Total health and welfare	<u>2,827,314</u>	<u>2,907,878</u>	<u>2,791,325</u>	<u>116,553</u>
Education				
Agency donations	5,356	5,356	5,356	-
Transfer to schools	20,253,168	20,253,168	20,061,048	192,120
Total education	<u>20,258,524</u>	<u>20,258,524</u>	<u>20,066,404</u>	<u>192,120</u>
Parks, recreation, and cultural				
Parks and recreation	459,855	459,855	410,701	49,154
Recreation programs	543,732	565,356	418,499	146,857
Total parks, recreation, and cultural	<u>1,003,587</u>	<u>1,025,211</u>	<u>829,200</u>	<u>196,011</u>
Community development				
Cultural enrichment	15,000	17,250	17,250	-
Library	228,855	228,855	228,855	-
Planning	522,233	439,259	390,770	48,489
Planning commission	36,674	36,674	22,131	14,543
Historic commission	450	450	-	450
Community development	-	235,535	235,525	10
Board of zoning	4,600	13,417	13,417	-
Economic development	380,575	568,489	548,173	20,316
CDBG block grant	-	50	50	-
Wetlands board	3,300	3,300	827	2,473
Agricultural and forestal	4,700	4,700	2,607	2,093
Environmental	500,843	418,053	370,996	47,057
Soil and water conservation	22,450	22,450	22,450	-
Extension program	68,921	69,526	40,186	29,340
Litter grant	-	13,597	9,692	3,905
Total community development	<u>1,788,601</u>	<u>2,071,605</u>	<u>1,902,929</u>	<u>168,676</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Debt service:				
Principal retirement	-	-	142,567	(142,567)
Interest and other fiscal charges	-	-	23,125	(23,125)
Total debt service	-	-	165,692	(165,692)
Total expenditures	56,112,417	58,435,415	54,907,311	3,528,104
Excess of revenues over expenditures	18,408,827	13,817,191	23,623,465	9,806,274
OTHER FINANCING SOURCES (USES)				
Reserved for contingency	(300,000)	(6,903)	-	6,903
Transfers in	113,100	221,320	875,861	654,541
Transfers out	(20,585,249)	(18,366,329)	(23,318,518)	(4,952,189)
Total other financing sources (uses)	(20,772,149)	(18,151,912)	(22,442,657)	(4,290,745)
Net change in fund balance	(2,363,322)	(4,334,721)	1,180,808	5,515,529
FUND BALANCE, JULY 1	2,363,322	4,334,721	15,745,387	11,410,666
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,926,195</u>	<u>\$ 16,926,195</u>

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Airport Fund
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from use of money and property	\$ 90,098	\$ 90,098	\$ 87,872	\$ (2,226)
Charges for services	66,100	66,100	38,909	(27,191)
Miscellaneous	1,000	1,000	-	(1,000)
Intergovernmental revenues:				
Commonwealth	27,154	511,527	15,475	(496,052)
Federal	-	2,266,143	41,248	(2,224,895)
Total revenues	<u>184,352</u>	<u>2,934,868</u>	<u>183,504</u>	<u>(2,751,364)</u>
EXPENDITURES				
Public works	246,044	262,841	198,722	64,119
Capital projects	100,000	3,398,830	142,501	3,256,329
Total expenditures	<u>346,044</u>	<u>3,661,671</u>	<u>341,223</u>	<u>3,320,448</u>
Excess (deficiency) of revenues over expenditures	<u>(161,692)</u>	<u>(726,803)</u>	<u>(157,719)</u>	<u>569,084</u>
OTHER FINANCING SOURCES				
Fund balance used	-	545,111	-	(545,111)
Transfers in	161,692	181,692	181,692	-
Total other financing sources	<u>161,692</u>	<u>726,803</u>	<u>181,692</u>	<u>(545,111)</u>
Net change in fund balance	-	-	23,973	23,973
FUND BALANCE, JULY 1	-	-	(7,917)	(7,917)
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,056</u>	<u>\$ 16,056</u>

Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
Year Ended June 30, 2025

	Plan Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,029,785	\$ 1,804,182	\$ 1,682,622	\$ 1,408,214	\$ 1,270,376	\$ 1,156,134	\$ 1,121,083	\$ 1,101,847	\$ 1,020,689	\$ 947,373
Interest on total pension liability	3,080,483	2,907,421	2,680,898	2,313,981	2,137,157	2,032,091	1,879,773	1,725,540	1,603,231	1,490,526
Changes of assumptions	-	-	-	1,722,026	-	1,004,421	-	(135,401)	-	-
Difference between actual and expected experience	1,376,328	(538,824)	465,242	(189,538)	647,856	(291,031)	251,443	525,074	69,930	(17,916)
Benefit payments, including refunds of employee contributions	(2,073,368)	(1,595,659)	(1,593,190)	(1,409,803)	(1,461,728)	(1,078,096)	(1,074,541)	(952,919)	(940,234)	(679,609)
Net change in total pension liability	4,413,228	2,577,120	3,235,572	3,844,880	2,593,661	2,823,519	2,177,758	2,264,141	1,753,616	1,740,374
Total pension liability (beginning)	44,643,678	42,066,558	38,830,986	34,986,106	32,392,445	29,568,926	27,391,168	25,127,027	23,373,411	21,633,037
Total pension liability (ending)	49,056,906	44,643,678	42,066,558	38,830,986	34,986,106	32,392,445	29,568,926	27,391,168	25,127,027	23,373,411
Plan Fiduciary Net Position										
Contributions - employer	1,889,633	1,718,618	1,288,563	1,166,956	1,004,471	913,743	768,787	741,927	830,373	789,667
Contributions - employee	719,672	654,121	587,943	538,960	502,290	455,239	447,731	430,503	432,382	409,532
Net investment income (loss)	4,193,231	2,597,720	(62,743)	8,433,484	579,036	1,875,927	1,907,103	2,787,517	399,167	958,373
Benefit payments, including refunds of employee contributions	(2,073,368)	(1,595,659)	(1,593,190)	(1,409,803)	(1,461,728)	(1,078,096)	(1,074,541)	(952,919)	(940,234)	(679,609)
Administrative expenses	(24,880)	(24,698)	(24,095)	(20,126)	(19,044)	(17,739)	(15,998)	(15,573)	(13,345)	(12,422)
Other	991	1,057	924	803	(686)	(1,190)	(1,718)	(2,507)	(166)	(207)
Net change in plan fiduciary net position	4,705,279	3,351,159	197,402	8,710,274	604,339	2,147,884	2,031,364	2,988,948	708,177	1,465,334
Plan fiduciary net position - beginning	42,690,762	39,339,603	39,142,201	30,431,927	29,827,588	27,679,704	25,648,340	22,659,392	21,951,215	20,485,881
Plan fiduciary net position - ending	47,396,041	42,690,762	39,339,603	39,142,201	30,431,927	29,827,588	27,679,704	25,648,340	22,659,392	21,951,215
Net pension liability (asset) - ending	\$ 1,660,865	\$ 1,952,916	\$ 2,726,955	\$ (311,215)	\$ 4,554,179	\$ 2,564,857	\$ 1,889,222	\$ 1,742,828	\$ 2,467,635	\$ 1,422,196
Plan fiduciary net position as a percentage of total pension liability	<u>97%</u>	<u>96%</u>	<u>94%</u>	<u>101%</u>	<u>87%</u>	<u>92%</u>	<u>94%</u>	<u>94%</u>	<u>90%</u>	<u>94%</u>
Covered payroll	<u>\$ 15,267,692</u>	<u>\$ 13,826,728</u>	<u>\$ 12,380,173</u>	<u>\$ 11,092,296</u>	<u>\$ 10,453,364</u>	<u>\$ 9,451,474</u>	<u>\$ 9,131,109</u>	<u>\$ 8,724,191</u>	<u>\$ 8,259,154</u>	<u>\$ 7,802,880</u>
Net pension liability (asset) as a percentage of covered payroll	<u>11%</u>	<u>14%</u>	<u>22%</u>	<u>-3%</u>	<u>44%</u>	<u>27%</u>	<u>21%</u>	<u>20%</u>	<u>30%</u>	<u>18%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2015 information was presented in the entity's fiscal year 2016 financial report.

County of New Kent, Virginia

Exhibit 14

Required Supplementary Information
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Component Unit - School Nonprofessional
 Year Ended June 30, 2025

	Plan Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 138,232	\$ 134,765	\$ 130,586	\$ 122,015	\$ 128,801	\$ 121,795	\$ 113,813	\$ 118,032	\$ 133,967	\$ 152,260
Interest on total pension liability	449,967	435,500	427,898	393,339	373,742	359,598	339,476	335,264	314,163	295,305
Changes of assumptions	-	-	-	209,052	-	158,986	-	7,127	-	-
Difference between actual and expected experience	(9,282)	10,287	(35,522)	32,201	55,194	28,615	102,502	(165,385)	74,505	34,975
Benefit payments, including refunds of employee contributions	(372,869)	(366,522)	(462,521)	(287,912)	(246,895)	(291,480)	(245,180)	(224,566)	(217,821)	(208,453)
Net change in total pension liability	206,048	214,030	60,441	468,695	310,842	377,514	310,611	70,472	304,814	274,087
Total pension liability (beginning)	6,714,373	6,500,343	6,439,902	5,971,207	5,660,365	5,282,851	4,972,240	4,901,768	4,596,954	4,322,867
Total pension liability (ending)	6,920,421	6,714,373	6,500,343	6,439,902	5,971,207	5,660,365	5,282,851	4,972,240	4,901,768	4,596,954
Plan Fiduciary Net Position										
Contributions - employer	117,851	107,659	96,430	92,105	85,568	67,983	78,027	76,102	79,204	85,947
Contributions - employee	78,861	72,292	68,448	65,501	68,610	63,364	60,776	60,153	58,414	63,501
Net investment income (loss)	640,090	410,830	(1,665)	1,469,068	103,490	344,371	364,919	547,610	77,785	198,775
Benefit payments, including refunds of employee contributions	(372,869)	(366,522)	(462,521)	(287,912)	(246,895)	(291,480)	(245,180)	(224,566)	(217,821)	(208,453)
Administrative expenses	(4,322)	(4,148)	(4,264)	(3,679)	(3,506)	(3,505)	(3,177)	(3,187)	(2,818)	(2,745)
Other	114	165	151	33	(122)	(216)	(324)	(486)	(33)	(42)
Net change in plan fiduciary net position	459,725	220,276	(303,421)	1,335,116	7,145	180,517	255,041	455,626	(5,269)	136,983
Plan fiduciary net position - beginning	6,663,179	6,442,903	6,746,324	5,411,208	5,404,063	5,223,546	4,968,505	4,512,879	4,518,148	4,381,165
Plan fiduciary net position - ending	7,122,904	6,663,179	6,442,903	6,746,324	5,411,208	5,404,063	5,223,546	4,968,505	4,512,879	4,518,148
Net pension liability (asset) - ending	\$ (202,483)	\$ 51,194	\$ 57,440	\$ (306,422)	\$ 559,999	\$ 256,302	\$ 59,305	\$ 3,735	\$ 388,889	\$ 78,806
Plan fiduciary net position as a percentage of total pension liability	103%	99%	99%	105%	91%	95%	99%	100%	92%	98%
Covered payroll	\$ 1,795,730	\$ 1,640,102	\$ 1,502,581	\$ 1,417,989	\$ 1,466,057	\$ 1,279,415	\$ 1,344,177	\$ 1,318,452	\$ 1,159,928	\$ 1,250,311
Net pension liability (asset) as a percentage of covered payroll	-11%	3%	4%	-22%	38%	20%	4%	0%	34%	6%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2015 information was presented in the County's fiscal year 2016 financial report.

**Required Supplementary Information
Schedule of Employer's Share of Net Pension Liability
VRS Teacher Retirement Plan
June 30, 2025**

School Division Fiscal Year Ended June 30	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.22299%	\$ 20,931,926	\$ 23,940,676	87.43%	84.52%
2024	0.21873%	22,107,489	21,846,264	101.20%	82.45%
2023	0.20919%	19,916,140	19,501,344	102.13%	82.61%
2022	0.20424%	15,855,689	18,193,171	87.15%	85.46%
2021	0.20588%	29,960,947	18,159,034	164.99%	71.47%
2020	0.20345%	26,775,176	17,007,905	157.43%	73.51%
2019	0.20332%	23,911,000	16,108,787	148.43%	74.81%
2018	0.19890%	24,460,000	17,119,983	142.87%	72.92%
2017	0.19649%	27,536,000	14,877,589	185.08%	68.28%
2016	0.19574%	24,636,000	14,552,241	169.29%	70.68%

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

Required Supplementary Information
 Schedule of Employer Pension Contributions
 June 30, 2025

Entity Fiscal Year ended June 30	Contractually Required Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2025	\$ 2,027,862	\$ 2,027,862	\$ -	\$ 17,122,368	11.84%
2024	1,889,638	1,889,638	-	15,267,692	12.38%
2023	1,718,711	1,718,711	-	13,826,728	12.43%
2022	1,288,562	1,288,562	-	12,380,173	10.41%
2021	1,166,953	1,166,953	-	11,092,296	10.52%
2020	1,004,481	1,004,481	-	10,453,364	9.61%
2019	913,743	913,743	-	9,451,474	9.67%
2018	768,787	768,787	-	9,131,109	8.42%
2017	741,927	741,927	-	8,724,191	8.50%
2016	789,667	789,667	-	8,259,154	9.56%
Schools - Nonprofessional Employees					
2025	\$ 104,042	\$ 104,042	\$ -	\$ 1,948,343	5.34%
2024	117,851	117,851	-	1,795,730	6.56%
2023	107,502	107,502	-	1,640,102	6.55%
2022	96,410	96,410	-	1,502,581	6.42%
2021	93,550	93,550	-	1,417,989	6.60%
2020	86,221	86,221	-	1,466,057	5.88%
2019	67,983	67,983	-	1,279,415	5.31%
2018	78,027	78,027	-	1,344,177	5.80%
2017	76,102	76,102	-	1,318,452	5.77%
2016	86,299	80,035	6,264	1,159,928	6.90%
Schools - Professional Employees					
2025	\$ 3,738,931	\$ 3,738,931	\$ -	\$ 26,311,973	14.21%
2024	3,762,236	3,762,236	-	23,940,676	15.71%
2023	3,452,764	3,452,764	-	21,846,264	15.80%
2022	3,108,771	3,108,771	-	19,501,344	15.94%
2021	2,890,598	2,890,598	-	18,193,171	15.89%
2020	2,937,273	2,937,273	-	18,159,034	16.18%
2019	2,607,783	2,607,783	-	17,007,905	15.33%
2018	2,629,605	2,629,605	-	16,108,787	16.32%
2017	2,263,303	2,263,303	-	17,119,983	13.22%
2016	2,091,789	2,091,789	-	14,877,589	14.06%

Current year information is from County records and prior year contributions are from the VRS actuarial valuation performed each year.

County of New Kent, Virginia

Exhibit 17A

Required Supplementary Information
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
June 30, 2025

	Plan Year																															
	2024		2025		2023		2024		2022		2023		2021		2022		2020		2021		2019		2020		2018		2019		2017		2018	
	County	Schools																														
	VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit		VRS Health Insurance Credit			
	General Employees	Local Plan																														
Total OPEB Liability																																
Service cost	\$ 5,086	\$ 72,000	\$ 4,801	\$ 64,000	\$ 9,503	\$ 100,000	\$ 7,060	\$ 90,000	\$ 7,408	\$ 89,000	\$ 6,959	\$ 81,000	\$ 6,956	\$ 98,000	\$ 6,996	\$ 94,000	\$ 6,996	\$ 94,000	\$ 6,996	\$ 94,000	\$ 6,996	\$ 94,000	\$ 6,996	\$ 94,000	\$ 6,996	\$ 94,000	\$ 6,996	\$ 94,000	\$ 6,996	\$ 94,000	\$ 6,996	\$ 94,000
Interest on total OPEB liability	9,983	61,000	7,307	50,000	7,025	32,000	5,353	37,000	6,385	52,000	5,552	56,000	5,283	74,000	4,844	69,000	5,283	74,000	5,283	74,000	5,283	74,000	5,283	74,000	5,283	74,000	5,283	74,000	5,283	74,000	5,283	74,000
Changes in benefit terms	-	-	-	-	-	34,000	-	-	(3,300)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Difference between expected and actual experience	(31,400)	(268,000)	29,659	257,000	(9,248)	(172,000)	5,978	(113,000)	(23,475)	(355,000)	1,086	(85,000)	(8,152)	(607,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes in assumptions	-	54,000	-	(19,000)	4,966	(171,000)	434	108,000	-	79,000	2,825	65,000	-	-	(5,581)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Benefit payments	(2,431)	(171,000)	(2,384)	(124,000)	(4,352)	(11,000)	(2,732)	(7,000)	(1,896)	(20,000)	(401)	(14,000)	(78)	(14,000)	78	(65,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net change in total OPEB liability (asset)	(18,762)	(252,000)	39,383	228,000	7,894	(188,000)	16,093	115,000	(14,878)	(155,000)	16,021	103,000	4,009	(498,000)	6,337	98,000	4,009	(498,000)	4,009	(498,000)	4,009	(498,000)	4,009	(498,000)	4,009	(498,000)	4,009	(498,000)	4,009	(498,000)	4,009	(498,000)
Total OPEB liability - beginning	144,030	1,589,000	104,647	1,361,000	96,753	1,549,000	80,660	1,434,000	95,538	1,589,000	79,517	1,486,000	75,508	1,984,000	69,171	1,886,000	75,508	1,984,000	75,508	1,984,000												
Total OPEB liability - ending	125,268	1,337,000	144,030	1,589,000	104,647	1,361,000	96,753	1,549,000	80,660	1,434,000	95,538	1,589,000	79,517	1,486,000	75,508	1,886,000	75,508	1,984,000	75,508	1,984,000												
Plan Fiduciary Net Position																																
Contributions - employer	18,690	171,000	16,897	124,000	15,176	11,000	13,805	7,000	12,747	20,000	11,299	14,000	10,039	-	9,547	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net investment income (loss)	11,270	-	5,553	-	(138)	-	13,506	-	748	-	1,878	-	1,003	-	586	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit payments	(2,431)	(171,000)	(2,384)	(124,000)	(4,352)	(11,000)	(2,732)	(7,000)	(1,896)	(20,000)	(401)	(14,000)	(78)	-	78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses	(163)	-	(139)	-	(160)	-	(191)	-	(87)	-	(47)	-	(36)	-	(24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	(1)	-	340	-	6,346	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net change in plan fiduciary net position	27,365	-	20,267	-	16,872	-	24,388	-	11,512	-	12,727	-	10,928	-	10,187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	106,881	86,614	86,614	69,742	69,742	45,354	33,842	33,842	33,842	21,115	21,115	21,115	21,115	10,187	10,187	10,187	10,187															
Plan fiduciary net position - ending	134,246	-	106,881	-	86,614	-	69,742	-	45,354	-	33,842	-	21,115	-	10,187	-	10,187															
Net OPEB liability (asset) - ending	\$ (8,978)	\$ 1,337,000	\$ 37,149	\$ 1,589,000	\$ 18,033	\$ 1,361,000	\$ 27,011	\$ 1,549,000	\$ 35,306	\$ 1,434,000	\$ 61,696	\$ 1,589,000	\$ 58,402	\$ 1,486,000	\$ 1,486,000	\$ 1,886,000	\$ 65,321	\$ 1,984,000	\$ 65,321	\$ 1,984,000												
Plan fiduciary net position as a percentage of total OPEB liability (asset)	107%	0%	74%	0%	83%	0%	72%	0%	56%	0%	35%	0%	27%	0%	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Covered-employee payroll	\$ 8,495,233	\$ 26,647,000	\$ 7,672,867	\$ 20,688,000	\$ 6,898,500	\$ 20,688,000	\$ 6,274,399	\$ 19,265,000	\$ 5,796,836	\$ 19,265,000	\$ 5,135,737	\$ 18,263,000	\$ 5,019,989	\$ 18,263,000	\$ 4,773,364	\$ 17,018,000	\$ 5,019,989	\$ 18,263,000	\$ 5,019,989	\$ 18,263,000	\$ 5,019,989	\$ 18,263,000	\$ 5,019,989	\$ 18,263,000	\$ 5,019,989	\$ 18,263,000	\$ 5,019,989	\$ 18,263,000	\$ 5,019,989	\$ 18,263,000	\$ 5,019,989	\$ 18,263,000
Net OPEB liability (asset) as a percentage of covered payroll	0%	5%	0%	8%	0%	7%	0%	8%	1%	7%	1%	9%	1%	8%	1%	12%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) is the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The School Local Plan is not administered through a trust.

Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
 June 30, 2025

VRS Health Insurance Credit - Schools Nonprofessional Employees	Plan Year Ended				
	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	\$ 1,308	\$ 1,335	\$ 2,268	\$ 1,777	\$ -
Interest on total OPEB liability	6,689	11,285	9,854	8,921	-
Changes in benefit terms	-	-	-	-	132,151
Difference between expected and actual experience	(6,209)	(76,516)	2,765	-	-
Changes of assumptions	-	-	10,991	2,491	-
Benefit payments	(4,107)	(4,232)	(3,250)	-	-
Net change in total OPEB liability	(2,319)	(68,128)	22,628	13,189	132,151
Total OPEB liability - beginning	99,840	167,968	145,340	132,151	-
Total OPEB liability - ending	97,521	99,840	167,968	145,340	132,151
Plan Fiduciary Net Position					
Contributions - employer	17,073	15,552	10,429	9,880	-
Net investment income (loss)	3,567	1,573	(153)	1,221	-
Benefit payments	(4,107)	(4,232)	(3,250)	-	-
Administrative expenses	(56)	(44)	(33)	(43)	-
Other	-	4	60	-	-
Net change in plan fiduciary net position	16,477	12,853	7,053	11,058	-
Plan fiduciary net position - beginning	30,964	18,111	11,058	-	-
Plan fiduciary net position - ending	47,441	30,964	18,111	11,058	-
Net OPEB liability - ending	\$ 50,080	\$ 68,876	\$ 149,857	\$ 134,282	\$ 132,151
Plan fiduciary net position as a percentage of total OPEB liability	49%	31%	11%	8%	0%
Covered payroll	\$ 1,795,730	\$ 1,640,102	\$ 1,502,581	\$ 1,417,989	\$ 1,450,214
Net OPEB liability as a percentage of covered payroll	3%	4%	10%	9%	9%

The plan year above is reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2020 information was presented in the entity's fiscal year 2021 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan year 2020) is the first year this plan was offered to School employees, no earlier data is available. Additional years will be included as they become available.

Required Supplementary Information
 Schedule of OPEB Contributions
 June 30, 2025

<u>Entity Fiscal Year Ended June 30</u>	<u>Actuarially Determined Employer Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Virginia Retirement System - Health Insurance Credit - County General Employees					
2025	\$ 7,728	\$ 7,728	\$ -	\$ 9,660,480	0.08%
2024	18,690	18,690	-	8,495,233	0.22%
2023	16,897	16,897	-	7,672,867	0.22%
2022	15,177	15,177	-	6,898,500	0.22%
2021	13,805	13,805	-	6,274,399	0.22%
2020	12,745	12,745	-	5,796,836	0.22%
2019	11,299	11,299	-	5,135,737	0.22%
2018	10,039	10,039	-	5,019,989	0.20%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only one year of data is available. Additional years will be included as they become available.

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

Required Supplementary Information
 Schedule of Employer's Share of Net OPEB Liability
 June 30, 2025

Plan Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System - Health Insurance Credit - Teachers					
2024	0.222%	\$ 2,562,072	\$ 23,940,676	10.70%	21.82%
2023	0.218%	2,637,013	21,851,844	12.07%	17.90%
2022	0.208%	2,601,264	19,501,344	13.34%	15.08%
2021	0.204%	2,617,711	18,194,822	14.39%	13.15%
2020	0.205%	2,680,129	18,157,201	14.76%	9.95%
2019	0.203%	2,655,000	17,007,905	15.61%	8.97%
2018	0.203%	2,572,000	16,382,434	15.70%	8.08%
2017	0.198%	2,513,000	17,119,983	14.68%	7.04%
Virginia Retirement System - Group Life Insurance - General Employees - County					
2024	0.059%	\$ 663,416	\$ 15,304,678	4.33%	73.41%
2023	0.059%	707,715	13,892,274	5.09%	69.30%
2022	0.057%	685,492	12,383,508	5.54%	67.21%
2021	0.054%	625,447	11,092,296	5.64%	67.45%
2020	0.051%	847,936	10,459,614	8.11%	52.64%
2019	0.048%	785,319	9,451,474	8.31%	52.00%
2018	0.048%	728,000	9,131,109	7.97%	51.22%
2017	0.047%	713,000	8,724,191	8.17%	48.86%
Virginia Retirement System - Group Life Insurance - Schools (Teacher and Non-professional)					
2024	0.099%	\$ 1,111,681	\$ 25,775,606	4.31%	73.41%
2023	0.099%	1,189,839	23,507,497	5.06%	69.30%
2022	0.096%	1,159,906	21,056,424	5.51%	67.21%
2021	0.094%	1,098,955	19,654,911	5.59%	67.45%
2020	0.095%	1,579,052	19,635,503	8.04%	52.64%
2019	0.094%	1,525,888	18,287,320	8.34%	52.00%
2018	0.093%	1,414,000	17,452,964	8.10%	51.22%
2017	0.092%	1,383,000	18,438,435	7.50%	48.86%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

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

**Required Supplementary Information
Schedule of OPEB Contributions - Cost-Sharing Plans
June 30, 2025**

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Health Insurance Credit - Teachers					
2025	\$ 318,375	\$ 318,375	\$ -	\$ 26,311,973	1.21%
2024	287,404	287,404	-	23,940,676	1.20%
2023	271,345	271,345	-	21,851,844	1.24%
2022	234,873	234,873	-	19,501,344	1.20%
2021	218,428	218,428	-	18,194,822	1.20%
2020	216,219	216,219	-	18,157,201	1.19%
2019	203,789	203,789	-	17,007,905	1.20%
2018	201,504	201,504	-	16,382,434	1.23%
Virginia Retirement System - Health Insurance Credit - Schools Nonprofessional Employees**					
2025	\$ 18,704	\$ 18,704	\$ -	\$ 1,948,343	0.96%
2024	17,145	17,145	-	1,795,730	0.95%
2023	15,553	15,553	-	1,640,102	0.95%
2022	10,426	10,426	-	1,502,581	0.69%
2021	9,903	9,903	-	1,417,989	0.70%
Virginia Retirement System - Group Life Insurance - General Employees					
2025	\$ 80,549	\$ 80,549	\$ -	\$ 17,147,647	0.47%
2024	82,570	82,570	-	15,304,678	0.54%
2023	75,059	75,059	-	13,892,274	0.54%
2022	66,871	66,871	-	12,383,508	0.54%
2021	59,848	59,848	-	11,092,296	0.54%
2020	54,374	54,374	-	10,459,614	0.52%
2019	49,196	49,196	-	9,451,474	0.52%
2018	47,425	47,425	-	9,131,109	0.52%
Virginia Retirement System - Group Life Insurance - Schools					
2025	\$ 133,151	\$ 133,151	\$ -	\$ 26,376,804	0.50%
2024	138,118	138,118	-	25,775,606	0.54%
2023	125,210	125,210	-	23,507,497	0.53%
2022	112,172	112,172	-	21,056,424	0.53%
2021	104,355	104,355	-	19,654,911	0.53%
2020	101,952	101,952	-	19,635,503	0.52%
2019	95,817	95,817	-	18,287,320	0.52%
2018	92,140	92,140	-	17,452,964	0.53%

This schedule is intended to show information for 10 years. Since fiscal year 2018 is the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

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

**This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan year 2020) is the first year this plan was offered to School employees, no earlier data is available. However, additional years will be included as they become available.

County of New Kent, Virginia
Notes to Required Supplementary Information
June 30, 2025

Note 1 – Changes of Benefit Terms

Pension

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

Other Postemployment Benefits (OPEB)

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

Note 2 – Changes of Assumptions

The actuarial assumptions used in the June 30, 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:

Largest 10 – Non-Hazardous Duty:

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

Largest 10 – Hazardous Duty/Public Safety Employees:

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

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.

County of New Kent, Virginia

Notes to Required Supplementary Information

June 30, 2025

- Adjusted withdrawal rates to better-fit experience at each year, age, and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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

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

Teacher cost-sharing pool:

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

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Other Supplementary Information

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Combining and Individual Fund Financial Statements and Schedules



County of New Kent, Virginia

June 30, 2025

Special Revenue Governmental Funds

The Human Services Fund

Accounts for and reports the financial resources and operations of the Human Services fund. These resources consist of state and local allocations for services available through the Children Services Act (CSA) via the Office of Children Services. The Human Services Fund is a nonmajor Special Revenue Fund.

County of New Kent, Virginia

Exhibit 21A

Balance Sheet Nonmajor Special Revenue Fund June 30, 2025

	<u>Human Services Fund</u>
ASSETS	
Due from other governments (Note 4)	\$ 140,190
Total assets	<u>\$ 140,190</u>
LIABILITIES	
Accounts payable	\$ 85,356
Due to other funds	54,834
Total liabilities	<u>140,190</u>
FUND BALANCES	
Restricted	<u>-</u>
Total fund balances	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 140,190</u>

Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Human Services Fund</u>
REVENUES	
Intergovernmental revenues:	
Commonwealth	\$ 472,723
Other local governments	38,687
	<hr/>
Total revenues	511,410
	<hr/>
EXPENDITURES	
Health and welfare	1,053,456
	<hr/>
Total expenditures	1,053,456
	<hr/>
Excess (deficiency) of revenues over expenditures	(542,046)
	<hr/>
OTHER FINANCING SOURCES	
Transfers in	542,046
	<hr/>
Total other financing sources	542,046
	<hr/>
Net change in fund balances	-
FUND BALANCES AT JULY 1	<hr/> -
FUND BALANCES AT JUNE 30	<hr/> \$ - <hr/>

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Debt Service Fund
Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service:				
Principal retirement	\$ 6,773,265	\$ 6,773,265	\$ 6,773,264	\$ 1
Interest and other fiscal charges	1,789,943	1,789,943	1,754,666	35,277
Total expenditures	<u>8,563,208</u>	<u>8,563,208</u>	<u>8,527,930</u>	<u>35,278</u>
Excess (deficiency) of revenues over expenditures	<u>(8,563,208)</u>	<u>(8,563,208)</u>	<u>(8,527,930)</u>	<u>35,278</u>
OTHER FINANCING SOURCES (USES)				
Fund balance used	-	(350,000)	-	350,000
Reserved for contingency	-	350,000	-	(350,000)
Transfers in	8,563,208	8,563,208	8,563,208	-
Total other financing sources	<u>8,563,208</u>	<u>8,563,208</u>	<u>8,563,208</u>	<u>-</u>
Net change in fund balance	-	-	35,278	35,278
FUND BALANCE, JULY 1	<u>-</u>	<u>-</u>	<u>1,423,476</u>	<u>1,423,476</u>
FUND BALANCE, JUNE 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,458,754</u></u>	<u><u>\$ 1,458,754</u></u>

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
County Capital Improvements Fund
Year Ended June 30, 2025**

	County Capital Improvements Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from use of money and property	\$ -	\$ 252,071	\$ 251,936	\$ (135)
Contributions and proffers	-	-	1,533,356	1,533,356
Miscellaneous	-	25,000	55,208	30,208
Recovered costs	-	303,711	286,711	(17,000)
Intergovernmental revenues:				
Commonwealth	-	-	7,146	7,146
Other local governments	-	-	59,849	59,849
Federal	-	84,000	-	(84,000)
Total revenues	-	664,782	2,194,206	1,529,424
EXPENDITURES				
Education	300,000	332,496	332,496	-
Capital projects	15,546,097	53,014,225	23,262,611	29,751,614
Total expenditures	15,846,097	53,346,721	23,595,107	29,751,614
Excess (deficiency) of revenues over expenditures	(15,846,097)	(52,681,939)	(21,400,901)	31,281,038
OTHER FINANCING SOURCES (USES)				
Fund balance used	5,333,025	57,986,036	-	(57,986,036)
Issuance of leases	-	-	309,803	309,803
Transfers in	10,646,172	26,805,491	21,494,639	(5,310,852)
Transfers out	(133,100)	(32,109,588)	(241,320)	31,868,268
Total other financing sources (uses)	15,846,097	52,681,939	21,563,122	(31,118,817)
Net change in fund balance	-	-	162,221	162,221
FUND BALANCE, JULY 1, as restated (Note 20)	-	-	28,752,038	28,752,038
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ 28,914,259	\$ 28,914,259

County of New Kent, Virginia

Exhibit 24

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Special Revenue Funds
Year Ended June 30, 2025

	Human Services Fund (Nonmajor)				Colonial Downs Fund (Major)				Central Virginia Transportation Authority Fund (Major)			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
REVENUES												
Recovered costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ (150,000)
Revenue from use of money and property	-	-	-	-	-	-	-	-	-	-	364,949	364,949
Intergovernmental revenues:												
Commonwealth	455,723	544,446	472,723	(71,723)	-	-	8,212,949	8,212,949	1,900,000	2,550,000	2,736,064	186,064
Other local governments	38,686	38,686	38,687	1	-	-	-	-	-	-	-	-
Total revenues	494,409	583,132	511,410	(71,722)	-	-	8,212,949	8,212,949	1,900,000	2,700,000	3,101,013	401,013
EXPENDITURES												
Health and welfare	996,676	1,155,089	1,053,456	101,633	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	637,197	1,810,894	395,949	1,414,945
Total expenditures	996,676	1,155,089	1,053,456	101,633	-	-	-	-	637,197	1,810,894	395,949	1,414,945
Excess (deficiency) of revenues over expenditures	(502,267)	(571,957)	(542,046)	29,911	-	-	8,212,949	8,212,949	1,262,803	889,106	2,705,064	1,815,958
OTHER FINANCING SOURCES (USES)												
Fund balance used	-	-	-	-	-	-	-	-	(1,262,803)	600,191	-	(600,191)
Reserved for contingency	-	-	-	-	-	-	-	-	-	(1,489,297)	-	1,489,297
Transfers in	502,267	571,957	542,046	(29,911)	-	7,867,176	7,867,176	-	-	-	-	-
Transfer out	-	-	-	-	-	-	(15,964,784)	(15,964,784)	-	-	-	-
Total other financing sources (uses)	502,267	571,957	542,046	(29,911)	-	7,867,176	(8,097,608)	(15,964,784)	(1,262,803)	(889,106)	-	889,106
Net change in fund balance	-	-	-	-	-	7,867,176	115,341	(7,751,835)	-	-	2,705,064	2,705,064
FUND BALANCE, JULY 1	-	-	-	-	-	-	31,868,268	31,868,268	-	-	9,302,661	-
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,867,176	\$ 31,983,609	\$ 24,116,433	\$ -	\$ -	\$ 12,007,725	\$ 2,705,064

County of New Kent, Virginia

June 30, 2025

Fiduciary Funds

Custodial Funds

Special Welfare Fund

To account for the receipt and payment of funds collected by the County on the behalf of certain social services clients.

Supplemental Security Income (SSI) Dedicated Fund

To account for the receipt and payment of funds collects by the County on behalf of certain social services clients.

**Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025**

	<u>Special Welfare</u>	<u>SSI Dedicated</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 10,415	\$ 265	\$ 10,680
Total assets	<u>10,415</u>	<u>265</u>	<u>10,680</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	<u>10,415</u>	<u>265</u>	<u>10,680</u>
Total net position	<u><u>\$ 10,415</u></u>	<u><u>\$ 265</u></u>	<u><u>\$ 10,680</u></u>

**COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2025**

	<u>Special Welfare</u>	<u>SSI Dedicated</u>	<u>Total</u>
ADDITIONS			
Member contributions	\$ 7,776	\$ 265	\$ 8,041
Total additions	<u>7,776</u>	<u>265</u>	<u>8,041</u>
DEDUCTIONS			
Payment made to welfare recipients	<u>2,546</u>	<u>-</u>	<u>2,546</u>
Total deductions	<u>2,546</u>	<u>-</u>	<u>2,546</u>
Change in fiduciary net position	5,230	265	5,495
Total net position - beginning	<u>5,185</u>	<u>-</u>	<u>5,185</u>
Total net position - ending	<u>\$ 10,415</u>	<u>\$ 265</u>	<u>\$ 10,680</u>

County of New Kent, Virginia

June 30, 2025

Discretely Presented Component Unit – School Board

New Kent County School Board

The Discretely Presented Component Unit - School Board is used to account for school-related activities and to emphasize that they are legally separated from the primary government. 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 School Board does not issue a separate financial report. The School board is divided into four funds: Operating, Textbook, Nutrition, and School Activity.

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

	School Operating Fund	Nonmajor Governmental Funds	Total Component Unit
ASSETS			
Cash and cash equivalents	\$ 4,129,702	\$ 1,853,944	\$ 5,983,646
Accounts receivable, net	51,532	14,736	66,268
Due from other governmental units	1,334,610	-	1,334,610
Total assets	\$ 5,515,844	\$ 1,868,680	\$ 7,384,524
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 491,914	\$ 4,597	\$ 496,511
Accrued liabilities	4,433,857	76,322	4,510,179
Unearned revenue	590,073	-	590,073
Total liabilities	5,515,844	80,919	5,596,763
Fund balances:			
Assigned	-	426,651	426,651
Committed			
School nutrition fund	-	542,497	542,497
Textbook fund	-	818,613	818,613
Total fund balances	-	1,787,761	1,787,761
Total liabilities and fund balances	\$ 5,515,844	\$ 1,868,680	\$ 7,384,524

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances – governmental funds		\$ 1,787,761
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets cost	\$ 76,162,357	
Less: accumulated depreciation	(29,524,149)	46,638,208
Financial statement elements related to pension are applicable to future periods and, therefore, are not reported in the funds.		
Pension-related deferred outflows	9,008,613	
Pension-related deferred inflows	(3,577,873)	
Net pension asset	202,483	
Net pension liability	(20,931,926)	(15,298,703)
Financial statement elements related to other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.		
Other postemployment benefit-related deferred outflows	1,415,921	
Other postemployment benefit-related deferred inflows	(1,032,875)	
Other postemployment benefit liability	(5,060,833)	(4,677,787)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,311,132
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Leases	(2,296)	
Financed purchases	(1,973,155)	
Compensated absences	(1,508,692)	(3,484,143)
Net position of governmental activities		\$ 27,276,468

**Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
Discretely Presented Component Unit - School Board
Year Ended June 30, 2025**

	School Operating Fund	Nonmajor Governmental Funds	Total Component Unit
REVENUES			
Revenue from the use of money and property	\$ -	\$ 8,519	\$ 8,519
Charges for services	36,259	1,927,608	1,963,867
Miscellaneous revenues	85,652	27,464	113,116
Intergovernmental revenues:			
Contributions from County	20,393,544	-	20,393,544
Commonwealth	26,492,998	366,169	26,859,167
Federal	2,505,393	848,318	3,353,711
Total revenues	<u>49,513,846</u>	<u>3,178,078</u>	<u>52,691,924</u>
EXPENDITURES			
Current:			
Education	48,597,230	3,461,329	52,058,559
Capital outlay	2,611,482	-	2,611,482
Debt service:			
Principal retirement	620,066	-	620,066
Interest and other fiscal charges	83,450	-	83,450
Total expenditures	<u>51,912,228</u>	<u>3,461,329</u>	<u>55,373,557</u>
Excess (deficiency) of revenues over expenditures	<u>(2,398,382)</u>	<u>(283,251)</u>	<u>(2,681,633)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	194,289	194,289
Transfers out	(194,289)	-	(194,289)
Issuance of leases	2,590,271	-	2,590,271
Proceeds from the sale of capital assets	2,400	-	2,400
Total other financing sources (uses)	<u>2,398,382</u>	<u>194,289</u>	<u>2,592,671</u>
Net change in fund balances	-	(88,962)	(88,962)
FUND BALANCES AT JULY 1	<u>-</u>	<u>1,876,723</u>	<u>1,876,723</u>
FUND BALANCES AT JUNE 30	<u>\$ -</u>	<u>\$ 1,787,761</u>	<u>\$ 1,787,761</u>

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances – total governmental funds	\$ (88,962)
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 and amortization expense.	
Capital asset additions	\$ 4,709,742
Jointly owned asset additions	4,393,376
Depreciation and amortization expense	<u>(3,293,982)</u>
	5,809,136
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the property sold.	(647,568)
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense.	
Employer pension contributions	3,842,973
Pension expense	(2,493,225)
Other postemployment benefit contributions	641,230
Other postemployment benefit expense	(176,255)
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.	
Increase in compensated absences	(130,218)
The following transactions affecting financed purchases and leases consume current financial resources of governmental funds. However, the transactions have no effect on net position:	
Issuance of financed purchases and leases	(2,590,271)
Payments of principal on leases	2,950
Payments of principal on financed purchases	617,116
Internal services funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue of the internal service fund is reported with governmental activities.	382,460
Change in net position of governmental activities	<u><u>\$ 5,169,366</u></u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
School Operating Fund
 Year Ended June 30, 2025

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 45,000	\$ 45,000	\$ 36,259	\$ (8,741)
Miscellaneous revenues	87,500	87,500	85,652	(1,848)
Intergovernmental revenues:				
Contributions from County	20,553,168	20,585,664	20,393,544	(192,120)
Commonwealth	26,086,187	26,509,466	26,492,998	(16,468)
Federal	1,351,895	2,562,353	2,505,393	(56,960)
Total revenues	<u>48,123,750</u>	<u>49,789,983</u>	<u>49,513,846</u>	<u>(276,137)</u>
EXPENDITURES				
Current:				
Education	48,133,750	49,605,694	48,597,230	1,008,464
Capital outlay	-	-	2,611,482	(2,611,482)
Debt service:				
Principal retirement	-	-	620,066	(620,066)
Interest and other fiscal charges	-	-	83,450	(83,450)
Total expenditures	<u>48,133,750</u>	<u>49,605,694</u>	<u>51,912,228</u>	<u>(2,306,534)</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>184,289</u>	<u>(2,398,382)</u>	<u>(2,582,671)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(194,289)	(194,289)	-
Issuance of leases	-	-	2,590,271	2,590,271
Proceeds from the sale of capital assets	10,000	10,000	2,400	(7,600)
Total other financing sources (uses)	<u>10,000</u>	<u>(184,289)</u>	<u>2,398,382</u>	<u>2,582,671</u>
Net change in fund balances	-	-	-	-
FUND BALANCES, JULY 1	-	-	-	-
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Special Revenue Funds
 Year Ended June 30, 2025

	School Nutrition Fund				Textbook Fund				School Activity Fund*	
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual	Total
	Original	Final			Original	Final				
REVENUES										
Revenue from the use of money and property	\$ 107,000	\$ 107,000	\$ 8,519	\$ (98,481)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,519
Charges for services	984,912	984,912	1,043,909	58,997	-	-	-	-	883,699	1,927,608
Miscellaneous revenues	15,000	15,000	27,464	12,464	-	-	-	-	-	27,464
Intergovernmental revenues:										
Commonwealth	64,212	64,212	55,558	(8,654)	314,379	314,379	310,611	(3,768)	-	366,169
Federal	976,864	976,864	848,318	(128,546)	-	-	-	-	-	848,318
Total revenues	<u>2,147,988</u>	<u>2,147,988</u>	<u>1,983,768</u>	<u>(164,220)</u>	<u>314,379</u>	<u>314,379</u>	<u>310,611</u>	<u>(3,768)</u>	<u>883,699</u>	<u>3,178,078</u>
EXPENDITURES										
Current:										
Education	<u>2,147,988</u>	<u>2,147,988</u>	<u>2,409,310</u>	<u>(261,322)</u>	<u>314,379</u>	<u>508,668</u>	<u>173,889</u>	<u>334,779</u>	<u>878,130</u>	<u>3,461,329</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(425,542)</u>	<u>(425,542)</u>	<u>-</u>	<u>(194,289)</u>	<u>136,722</u>	<u>331,011</u>	<u>5,569</u>	<u>(283,251)</u>
OTHER FINANCING SOURCES										
Transfers in	-	-	-	-	-	194,289	194,289	-	-	194,289
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,289</u>	<u>194,289</u>	<u>-</u>	<u>-</u>	<u>194,289</u>
Net change in fund balances	-	-	(425,542)	(425,542)	-	-	331,011	331,011	5,569	(88,962)
FUND BALANCES, JULY 1	<u>-</u>	<u>-</u>	<u>968,039</u>	<u>968,039</u>	<u>-</u>	<u>-</u>	<u>487,602</u>	<u>487,602</u>	<u>421,082</u>	<u>1,876,723</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 542,497</u>	<u>\$ 542,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 818,613</u>	<u>\$ 818,613</u>	<u>\$ 426,651</u>	<u>\$ 1,787,761</u>

* There is no legally adopted budget for the School Activity Fund.

Statement of Fiduciary Net Position - Fiduciary Fund
 Discretely Presented Component Unit - School Board
 June 30, 2025

	<u>Bridging Communities</u>
ASSETS	
Cash and cash equivalents	\$ 691,532
Accounts receivable, net	6,195
Total assets	<u>697,727</u>
LIABILITIES	
Accounts payable	42,047
Accrued liabilities	57,502
Total liabilities	<u>99,549</u>
NET POSITION	
Held in trust for education	<u><u>\$ 598,178</u></u>

**Statement of Changes in Fiduciary Net Position - Fiduciary Fund
Discretely Presented Component Unit - School Board
Year Ended June 30, 2025**

	<u>Bridging Communities</u>
ADDITIONS	
Tuition	\$ 1,154,174
Grants from the Commonwealth of Virginia	118,316
Contributions	6,195
Other revenues	14,354
Total additions	<u>1,293,039</u>
DEDUCTIONS	
Instruction	1,184,449
Operation and maintenance	44,156
Technology	9,366
Capital outlay	16,308
Debt service:	
Principal retirement	8,323
Interest and other fiscal charges	197
Total deductions	<u>1,262,799</u>
Change in net position	30,240
Net position, beginning	<u>567,938</u>
Net position, ending	<u><u>\$ 598,178</u></u>

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

	Self-Insurance Fund
ASSETS	
Cash and cash equivalents	\$ 2,351,203
Accounts receivable, net	722,047
Total assets	3,073,250
LIABILITIES	
Claims payable (Note 12)	233,958
Accrued expenses	528,160
Total liabilities	762,118
NET POSITION	
Unrestricted	2,311,132
Total net position	\$ 2,311,132

Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Fund
Discretely Presented Component Unit - School Board
Year Ended June 30, 2025

	Self-Insurance Fund
OPERATING REVENUES	
Insurance premiums	\$ 5,785,794
Total revenues	5,785,794
OPERATING EXPENSES	
Insurance claims and expenses (Note 12)	5,465,085
Total expenses	5,465,085
Operating income	320,709
NON-OPERATING REVENUE	
Investment income	61,751
Change in net position	382,460
Net position, beginning	1,928,672
Net position, ending	\$ 2,311,132

**Statement of Cash Flows - Internal Service Fund -
Discretely Presented Component Unit - School Board
Year Ended June 30, 2025**

	<u>Self-Insurance Fund</u>
OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 6,078,257
Payments for premiums	<u>(5,453,440)</u>
Net cash provided by operating activities	<u>624,817</u>
INVESTING ACTIVITIES	
Investment income	<u>61,750</u>
Net cash provided by investing activities	<u>61,750</u>
Net increase in cash and cash equivalents	686,567
CASH AND CASH EQUIVALENTS	
Beginning at July 1	<u>1,664,636</u>
Ending at June 30	<u>\$ 2,351,203</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 320,709
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	292,463
Decrease in claims payable	(4,248)
Increase in accrued expenses	<u>15,893</u>
Total adjustments	<u>304,108</u>
Net cash provided by operating activities	<u>\$ 624,817</u>

County of New Kent, Virginia

June 30, 2025

Discretely Presented Component Unit – Economic Development Authority

Economic Development Authority (EDA) operates on an enterprise fund basis where revenues and expenses are recognized on the accrual basis of accounting. The function of the New Kent County EDA is to promote the orderly economic growth of New Kent without detriment to the County's natural environment and in a manner consistent with the direction provided by the Board of Supervisors in the County's Land Use Plan and Ordinance.

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

ASSETS

Current assets:

Cash and cash equivalents	\$ 33,114
Receivables	9,018
Investments	332,076
Prepays	135
Total current assets	374,343

Noncurrent assets:

Inventories	721,508
Total noncurrent assets	721,508
Total assets	1,095,851

LIABILITIES

Accounts payable	11
Total liabilities	11

NET POSITION

Unrestricted	\$ 1,095,840
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**Statement of Revenues, Expenses, and Changes in Fund Net Position
Discretely Presented Component Unit -
Economic Development Authority
Year Ended June 30, 2025**

OPERATING REVENUES

Intergovernmental revenues:

Contributions from County	\$ 187,500
Total revenues	<u>187,500</u>

OPERATING EXPENSES

Other charges	<u>307,683</u>
Total expenses	<u>307,683</u>
Operating loss	<u>(120,183)</u>

NON-OPERATING REVENUE

Investment income	<u>16,958</u>
Total non-operating revenue	<u>16,958</u>
Change in net position	<u>(103,225)</u>

Net position, beginning (as previously presented)	3,948,152
Restatement	(2,749,087)
Net position, beginning, as restated (Note 20)	<u>1,199,065</u>
Net position, ending	<u><u>\$ 1,095,840</u></u>

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

OPERATING ACTIVITIES

Contribution from County	\$ 642,500
Payments for operating activities	<u>(764,360)</u>
Net cash used in operating activities	<u>(121,860)</u>

INVESTING ACTIVITIES

Decrease in fair value of investments	23,042
Investment income	<u>16,958</u>
Net cash provided by investing activities	<u>40,000</u>
Net decrease in cash and cash equivalents	(81,860)

CASH AND CASH EQUIVALENTS

Beginning at July 1	<u>114,974</u>
Ending at June 30	<u>\$ 33,114</u>

RECONCILIATION OF OPERATING LOSS TO NET

CASH USED IN OPERATING ACTIVITIES:

Operating loss	\$ (120,183)
Change in assets and liabilities:	
Decrease in accounts receivable	453,482
Increase in prepaids	(135)
Decrease in accounts payable	<u>(455,024)</u>
Net cash used in operating activities	<u>\$ (121,860)</u>

County of New Kent, Virginia

June 30, 2025

Discretely Presented Component Unit – Farms of New Kent Community Development Authority

Farms of New Kent Community Development Authority (CDA) operates on an enterprise fund basis where revenues and expenses are recognized on the accrual basis of accounting. The function of the Farms of New Kent CDA includes financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging, extending, equipping, operating, and maintaining infrastructure improvements within the designated Farms of New Kent CDA district.

Statement of Net Position
Discretely Presented Component Unit -
Farms of New Kent CDA
 June 30, 2025

ASSETS

Current assets:

Interest receivable	\$ 22,126
Total current assets	22,126

Noncurrent assets:

Restricted cash and cash equivalents	4,667,092
Capital assets, net of depreciation	555,439
Total noncurrent assets	5,222,531
Total assets	5,244,657

LIABILITIES

Current liabilities:

Accounts payable	18,132
Accrued liabilities	20,785,963
Accrued bond interest	2,236,102
Short-term bonds payable	1,890,000
Total current liabilities	24,930,197

Noncurrent liabilities:

Bond interest payable	65,045
Bonds payable	82,430,190
Total noncurrent liabilities	82,495,235
Total liabilities	107,425,432

Deferred gain on refunding

25,137,261

NET POSITION

Net investment in capital assets	455,439
Restricted	4,667,092
Unrestricted	(132,440,567)
Total net position	\$ (127,318,036)

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Discretely Presented Component Unit -
Farms of New Kent CDA
Year Ended June 30, 2025**

OPERATING REVENUES

Special assessment revenues	\$ 4,381,453
Prepaid special assessment	6,350,057
Total revenues	<u>10,731,510</u>

OPERATING EXPENSES

Administrative fees	179,501
Accounting and audit fees	4,800
Legal fees	13,012
Insurance expense	2,550
Total expenses	<u>199,863</u>
Operating income	<u>10,531,647</u>

NON-OPERATING REVENUE (EXPENSES)

Interest and dividend income	260,624
Bond issuance costs	(1,031,435)
Depreciation expense	(21,363)
Interest expense	(2,985,996)
Total non-operating expense	<u>(3,778,170)</u>
Donated capital assets	<u>(40,885,963)</u>
Change in net position	(34,132,486)

Net position, beginning	<u>(93,185,550)</u>
Net position, ending	<u><u>\$ (127,318,036)</u></u>

Statement of Cash Flows
Discretely Presented Component Unit -
Farms of New Kent CDA
Year Ended June 30, 2025

OPERATING ACTIVITIES

Cash received from property owners	\$ 10,731,510
Cash payments for professional fees	(278,598)
Net cash provided by operating activities	10,452,912

INVESTING ACTIVITIES

Interest received on investments	262,469
Net cash provided by investing activities	262,469

CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(20,100,000)
Interest paid on bonds	(1,736,477)
Principal paid on bonds	(11,576,358)
Proceeds from bond issuance	64,144,803
Redemption of prior bonds	(41,884,189)
Bond issuance costs	(964,510)
Net cash used in capital and related financing activities	(12,116,731)
Net decrease in cash and cash equivalents	(1,401,350)

CASH AND CASH EQUIVALENTS

Beginning at July 1	6,068,442
Ending at June 30	\$ 4,667,092

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 10,531,647
Change in assets and liabilities:	
Decrease in accounts payable	(78,735)
Net cash provided by operating activities	\$ 10,452,912

SUPPLEMENTAL INFORMATION

Donated capital assets	\$ 40,885,963
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Statistical Section



Statistical Section

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

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

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

Debt Capacity10-11

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 Information12-13

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.....14-16

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

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

County of New Kent, Virginia
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
Governmental activities										
Net investment in capital assets	\$ 24,011,223	\$ 22,251,160	\$ 20,656,456	\$ 22,915,289	\$ 31,341,707	\$ 41,769,925	\$ 46,356,025	\$ 34,969,622	\$ 56,630,940	\$ 65,946,442
Restricted	34,668	29,215	37,491	58,228	81,667	11,745,100	6,544,580	7,312,646	9,996,214	12,524,206
Unrestricted	24,913,810	27,163,210	30,661,519	34,053,322	33,479,192	30,075,023	50,141,266	79,748,289	65,506,821	71,400,862
Total governmental activities net position	\$ 48,959,701	\$ 49,443,585	\$ 51,355,466	\$ 57,026,839	\$ 64,902,566	\$ 83,590,048	\$ 103,041,871	\$ 122,030,557	\$ 132,133,975	\$ 149,871,510
Business-type activities										
Net investment in capital assets	\$ 63,704,883	\$ 62,981,757	\$ 62,113,139	\$ 62,364,800	\$ 63,654,763	\$ 61,714,082	\$ 53,247,968	\$ 63,564,903	\$ 65,705,762	\$ 68,069,679
Restricted	-	-	-	-	-	-	26,230	-	-	734
Unrestricted	7,482,355	9,068,490	10,066,347	10,001,452	9,692,271	12,913,393	23,358,611	15,388,656	14,997,322	14,742,710
Total business-type activities net position	\$ 71,187,238	\$ 72,050,247	\$ 72,179,486	\$ 72,366,252	\$ 73,347,034	\$ 74,627,475	\$ 76,632,809	\$ 78,953,559	\$ 80,703,084	\$ 82,813,123
Primary Government										
Net investment in capital assets	\$ 87,716,106	\$ 85,232,917	\$ 82,769,595	\$ 85,280,089	\$ 94,996,470	\$ 103,484,007	\$ 99,603,993	\$ 98,534,525	\$ 122,336,702	\$ 134,016,121
Restricted	34,668	29,215	37,491	58,228	81,667	11,745,100	6,570,810	7,312,646	9,996,214	12,524,940
Unrestricted	32,396,165	36,231,700	40,727,866	44,054,774	43,171,463	42,988,416	73,499,877	95,136,945	80,504,143	86,143,572
Total Primary government net position	\$ 120,146,939	\$ 121,493,832	\$ 123,534,952	\$ 129,393,091	\$ 138,249,600	\$ 158,217,523	\$ 179,674,680	\$ 200,984,116	\$ 212,837,059	\$ 232,684,633

(1) GASB Statement No. 101, *Compensated Absences*, was adopted in fiscal year 2025, applied retroactively.

County of New Kent, Virginia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
General government administration	\$ 3,570,793	\$ 4,208,623	\$ 4,110,361	\$ 4,364,478	\$ 4,617,971	\$ 4,851,697	\$ 5,081,149	\$ 5,758,220	\$ 6,086,210	\$ 6,840,512
Judicial administration	1,561,953	1,653,498	1,678,249	1,780,963	1,897,237	2,042,666	2,077,787	2,203,177	2,363,647	2,575,678
Public safety	8,551,676	10,401,870	9,813,316	10,794,214	13,007,119	14,538,219	15,131,537	16,331,358	18,302,856	20,411,007
Public works	1,956,184	2,126,022	2,309,528	2,422,257	2,650,575	2,422,822	2,400,879	3,039,988	3,450,104	3,746,163
Health and welfare	2,978,320	3,088,212	3,047,140	2,681,916	2,788,322	2,904,500	2,936,520	3,103,720	3,416,891	3,909,921
Education	16,932,338	14,609,161	18,628,193	17,974,955	17,413,094	17,750,886	18,534,869	25,061,574	26,031,397	28,929,450
Parks, recreation, and cultural	825,223	815,284	782,790	911,455	746,976	563,300	634,751	950,819	989,225	957,583
Community development	1,232,325	1,628,657	1,205,772	1,375,161	1,290,417	1,718,348	3,030,247	3,926,146	12,714,668	6,448,892
Interest and other financial charges	1,915,549	3,415,662	1,762,805	1,694,708	1,760,764	1,891,623	1,871,351	1,786,847	1,590,923	1,361,785
Total governmental activities	\$ 39,524,361	\$ 41,946,989	\$ 43,338,154	\$ 44,000,107	\$ 46,172,475	\$ 48,684,061	\$ 51,699,090	\$ 62,161,849	\$ 74,945,921	\$ 75,180,991
Business-type activities										
Water and Sewer	\$ 4,011,047	\$ 3,952,777	\$ 4,014,301	\$ 4,299,338	\$ 4,755,924	\$ 4,942,407	\$ 5,108,330	\$ 5,364,366	\$ 5,990,831	\$ 6,215,423
Bottoms Bridge	856,142	837,766	816,106	796,941	773,643	773,849	566,263	559,497	546,141	543,440
Total business-type activities	\$ 4,867,189	\$ 4,790,543	\$ 4,830,407	\$ 5,096,279	\$ 5,529,567	\$ 5,716,256	\$ 5,674,593	\$ 5,923,863	\$ 6,536,972	\$ 6,758,863
Total primary government expenses	\$ 44,391,550	\$ 46,737,532	\$ 48,168,561	\$ 49,096,386	\$ 51,702,042	\$ 54,400,317	\$ 57,373,683	\$ 68,085,712	\$ 81,482,893	\$ 81,939,854
Program Revenues										
Governmental activities										
Charges for services:										
Judicial administration	\$ 368,540	\$ 369,159	\$ 407,834	\$ 376,349	\$ 359,981	\$ 493,006	\$ 548,476	\$ 501,082	\$ 489,908	\$ 652,624
Public safety	550,385	717,286	735,618	716,582	722,403	1,139,486	1,082,909	1,466,603	1,192,582	1,164,371
Public works	69,039	101,822	95,825	89,159	63,845	68,221	122,705	90,267	99,946	83,811
Health and welfare	-	-	-	-	-	-	55,271	40,839	61,523	38,686
Parks, recreation, and cultural	301,733	358,905	353,261	385,036	249,125	111,905	229,547	327,018	420,364	304,619
Community development	2,240	999	908	640	771	1,080	1,306	852	435	8,213,329
Operating grants and contributions	4,147,197	4,098,977	4,109,975	4,253,078	5,027,349	10,862,442	8,135,578	7,645,299	8,739,421	8,865,286
Capital Grants and contributions	1,544,281	442,713	1,896,036	1,290,755	456,169	1,538,940	947,673	3,231,855	4,205,637	1,600,351
Total governmental activities	\$ 6,983,415	\$ 6,089,861	\$ 7,599,457	\$ 7,111,599	\$ 6,879,643	\$ 14,215,080	\$ 11,123,465	\$ 13,303,815	\$ 15,209,816	\$ 20,923,077
Business-type activities										
Charges for services:										
Water and Sewer	\$ 3,834,861	\$ 4,700,134	\$ 4,373,542	\$ 4,480,431	\$ 5,391,335	\$ 6,371,526	\$ 7,244,598	\$ 7,541,631	\$ 7,484,201	\$ 8,120,547
Bottoms Bridge	533,775	603,400	260,161	303,998	523,823	144,848	81,198	47,323	948	946
Operating grants and contributions	-	-	-	-	-	26,400	-	-	40,000	-
Total business-type activities	\$ 4,368,636	\$ 5,303,534	\$ 4,633,703	\$ 4,784,429	\$ 5,915,158	\$ 6,542,774	\$ 7,325,796	\$ 7,588,954	\$ 7,525,149	\$ 8,121,493
Total primary government revenues	\$ 11,352,051	\$ 11,393,395	\$ 12,233,160	\$ 11,896,028	\$ 12,794,801	\$ 20,757,854	\$ 18,449,261	\$ 20,892,769	\$ 22,734,965	\$ 29,044,570

County Of New Kent, Virginia

Table 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	\$ (32,540,946)	\$ (35,857,128)	\$ (35,738,697)	\$ (36,888,508)	\$ (39,292,832)	\$ (34,468,981)	\$ (40,575,625)	\$ (48,858,034)	\$ (59,736,105)	\$ (54,257,915)
Business-type activities	(498,553)	512,991	(196,704)	(311,850)	385,591	826,518	1,651,203	1,665,091	988,177	1,357,261
Total primary government net expense	\$ (33,039,499)	\$ (35,344,137)	\$ (35,935,401)	\$ (37,200,358)	\$ (38,907,241)	\$ (33,642,463)	\$ (38,924,422)	\$ (47,192,943)	\$ (58,747,928)	\$ (52,900,654)

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes										
Property taxes	\$ 26,514,680	\$ 28,017,446	\$ 29,199,673	\$ 31,425,961	\$ 32,705,818	\$ 34,865,510	\$ 36,983,418	\$ 40,443,014	\$ 41,389,188	\$ 44,232,212
Other local taxes	4,244,523	4,550,095	4,784,482	5,491,397	5,815,914	6,960,683	8,026,073	9,308,412	9,497,436	10,781,972
Investment earnings	827,194	558,206	742,952	978,650	906,912	732,419	768,027	2,685,204	4,271,008	4,426,739
Miscellaneous	689,860	817,821	705,830	1,735,649	4,594,308	7,760,267	11,410,904	514,374	411,247	934,579
Non-categorical aid from the Commonwealth	2,960,092	2,968,427	2,949,802	2,916,912	3,010,900	2,837,584	2,839,027	14,895,715	15,648,398	11,619,947
Transfers	1,600	625	-	(2,118)	-	-	-	-	-	-
Total governmental activities	\$ 35,237,949	\$ 36,912,620	\$ 38,382,739	\$ 42,546,451	\$ 47,033,852	\$ 53,156,463	\$ 60,027,449	\$ 67,846,719	\$ 71,217,277	\$ 71,995,449

Business-type activities:

Taxes	\$ 231,748	\$ 281,546	\$ 302,336	\$ 317,212	\$ 330,664	\$ 315,292	\$ 245,184	\$ 143,331	\$ 6	\$ -
Gain (loss) on sale of property	-	-	-	-	-	-	2,097	(12,953)	(12,234)	-
Investment earnings	53,056	58,839	106,059	177,175	139,109	95,660	100,922	492,679	757,478	747,409
Miscellaneous	-	10,258	5,556	2,111	125,418	42,971	5,928	32,602	112,439	5,369
Transfers	(1,600)	(625)	-	2,118	-	-	-	-	-	-
Total business-type activities	\$ 283,204	\$ 350,018	\$ 413,951	\$ 498,616	\$ 595,191	\$ 453,923	\$ 354,131	\$ 655,659	\$ 857,689	\$ 752,778
Total primary government	\$ 35,521,153	\$ 37,262,638	\$ 38,796,690	\$ 43,045,067	\$ 47,629,043	\$ 53,610,386	\$ 60,381,580	\$ 68,502,378	\$ 72,074,966	\$ 72,748,227

Changes in Net Position

Governmental activities	\$ 2,697,003	\$ 1,055,492	\$ 2,644,042	\$ 5,657,943	\$ 7,741,020	\$ 18,687,482	\$ 19,451,824	\$ 18,988,685	\$ 11,481,172	\$ 17,737,535
Business-type activities	(215,349)	863,009	217,247	186,766	980,782	1,280,441	2,005,334	2,320,750	1,845,866	2,110,039
Total primary government	\$ 2,481,654	\$ 1,918,501	\$ 2,861,289	\$ 5,844,709	\$ 8,721,802	\$ 19,967,923	\$ 21,457,158	\$ 21,309,435	\$ 13,327,038	\$ 19,847,574

County of New Kent, Virginia
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 3

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 310,819	\$ 508,094	\$ 557,826	\$ 654,630	\$ 671,052	\$ 454,127	\$ 493,322	\$ 313,232	\$ 289,264	\$ 346,419
Restricted	34,668	29,215	37,491	58,228	81,667	65,832	87,174	126,974	91,244	165,993
Committed	75,444	81,050	150,758	96,332	133,935	116,785	99,211	108,569	44,865	57,397
Unassigned	8,738,479	9,498,574	9,639,951	10,402,034	10,371,754	12,667,390	12,150,404	13,250,284	15,320,014	16,356,386
Total general fund	\$ 9,159,410	\$ 10,116,933	\$ 10,386,026	\$ 11,211,224	\$ 11,258,408	\$ 13,304,134	\$ 12,830,111	\$ 13,799,059	\$ 15,745,387	\$ 16,926,195
All other governmental funds										
Reserved for:										
Nonspendable	\$ 8,753	\$ 104,777	\$ 68,266	\$ 66,340	\$ 49,572	\$ 8,896	\$ 128,588	\$ 64,702	\$ 33,721	\$ 33,343
Restricted	-	-	1,388,725	846,541	846,541	20,371,821	22,199,198	23,368,163	20,476,386	20,333,073
Committed	1,097,498	15,643,941	16,595,048	21,894,543	22,112,557	26,900,603	38,578,598	47,568,544	49,768,526	52,904,469
Assigned	14,991,927	89,244	1,207,604	667,592	497,930	637,561	1,121,272	1,069,857	1,073,476	1,109,518
Unassigned	76,123	(706)	(685)	(662)	(652)	-	-	(13,555)	(13,583)	-
Total all other governmental funds	\$ 16,174,301	\$ 15,837,256	\$ 19,258,958	\$ 23,474,354	\$ 23,505,948	\$ 47,918,881	\$ 62,027,656	\$ 72,057,711	\$ 71,338,526	\$ 74,380,403
Total Fund Balance	\$ 25,333,711	\$ 25,954,189	\$ 29,644,984	\$ 34,685,578	\$ 34,764,356	\$ 61,223,015	\$ 74,857,767	\$ 85,856,770	\$ 87,083,913	\$ 91,306,598

County of New Kent, Virginia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 4

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
General property taxes	\$ 26,453,183	\$ 28,181,751	\$ 28,892,482	\$ 31,483,534	\$ 32,418,020	\$ 34,943,038	\$ 36,770,231	\$ 40,210,347	\$ 40,918,860	\$ 44,029,490
Other local taxes	4,244,523	4,551,333	4,784,482	5,491,397	5,815,914	6,960,684	8,026,073	9,324,203	9,497,436	10,781,972
Permits, privilege fees, and licenses	542,595	706,972	727,158	707,645	716,577	1,130,859	1,073,550	1,458,557	1,184,817	1,157,120
Fines and Forfeitures	216,030	230,561	249,528	223,514	202,150	263,720	272,103	226,544	241,173	391,144
Revenue from use of money and property	827,194	558,207	742,952	978,650	906,912	757,420	768,027	2,669,413	4,271,008	4,426,739
Charges for services	533,312	609,756	616,760	636,607	477,398	419,120	639,290	700,721	777,243	657,542
Contributions and proffers	-	-	849,474	662,014	489,481	546,372	947,673	1,158,680	1,100,586	1,533,356
Miscellaneous	689,860	843,826	705,830	1,735,649	4,739,383	7,846,738	11,522,135	400,117	318,164	449,296
Recovered costs	475,656	427,766	469,782	551,190	678,192	709,196	1,025,408	839,188	939,256	1,387,534
Commonwealth of Virginia	5,840,270	6,057,272	5,877,665	5,608,047	5,525,718	7,692,225	8,043,607	20,228,952	22,059,628	26,363,760
Other local governments	-	-	-	-	-	-	55,271	40,839	61,524	98,536
Federal Government	2,811,300	998,718	1,258,892	1,889,494	1,905,952	5,422,998	1,794,358	3,138,288	4,460,396	1,457,369
Total revenues	\$ 42,633,923	\$ 43,166,162	\$ 45,175,005	\$ 49,967,741	\$ 53,875,697	\$ 66,692,370	\$ 70,937,726	\$ 80,395,849	\$ 85,830,091	\$ 92,733,858
Expenditures										
General government administration	\$ 3,332,137	\$ 3,510,891	\$ 3,692,815	\$ 3,975,988	\$ 4,257,997	\$ 4,561,877	\$ 4,599,031	\$ 5,033,003	\$ 5,521,687	\$ 5,799,033
Judicial administration	1,457,164	1,469,075	1,525,220	1,631,102	1,743,433	1,876,350	1,950,352	2,075,071	2,259,048	2,467,485
Public Safety	7,301,905	8,131,676	8,315,161	9,297,988	10,846,528	13,321,876	12,924,208	14,383,970	16,165,284	18,288,109
Public works	1,605,279	1,667,035	1,850,930	1,980,649	1,947,629	1,996,791	2,053,640	2,483,619	2,929,804	3,191,805
Health and welfare	2,947,998	3,002,358	2,972,524	2,611,027	2,699,588	2,807,948	2,922,935	3,028,074	3,370,431	3,844,781
Education	12,905,854	13,052,292	13,500,794	14,249,900	13,702,030	13,584,470	15,061,636	18,428,938	19,070,051	20,398,900
Parks, recreation, and cultural	724,004	735,648	732,024	750,822	714,639	603,712	600,134	824,472	872,178	829,200
Community development	889,349	1,017,152	955,763	1,130,829	968,811	1,383,732	1,586,007	1,522,596	1,600,383	1,902,929
Capital projects	6,852,692	6,511,025	5,313,921	7,124,520	10,398,544	16,322,796	23,722,542	12,623,795	23,936,164	23,405,112
Debt service										
Principal retirement	3,095,530	5,477,112	3,823,765	4,200,897	7,519,474	4,691,284	5,378,606	6,676,231	6,968,795	6,915,831
Interest and other fiscal charges	2,119,505	2,097,463	1,980,293	1,927,417	1,937,650	1,616,533	2,371,627	2,332,543	2,042,105	1,777,791
Bond issuance costs	-	39,582	-	-	81,596	-	113,862	-	-	-
Total expenditures	\$ 43,231,417	\$ 46,711,309	\$ 44,663,210	\$ 48,881,139	\$ 56,817,919	\$ 62,767,369	\$ 73,284,580	\$ 69,412,312	\$ 84,735,930	\$ 88,820,976
Revenues over (under) expenditures	\$ (597,494)	\$ (3,545,147)	\$ 511,795	\$ 1,086,602	\$ (2,942,222)	\$ 3,925,001	\$ (2,346,854)	\$ 10,983,537	\$ 1,094,161	\$ 3,912,882
Other financing sources (uses)										
Transfers in	\$ 10,925,576	\$ 11,700,187	\$ 11,308,367	\$ 13,755,676	\$ 19,960,464	\$ 30,825,778	\$ 27,908,562	\$ 28,327,665	\$ 26,320,660	\$ 39,524,622
Transfers out	(10,923,976)	(11,699,562)	(11,308,367)	(13,757,794)	(19,960,464)	(30,825,778)	(27,908,562)	(28,327,665)	(26,320,660)	(39,524,622)
Issuance of debt	-	2,246,000	3,179,000	3,942,680	3,021,000	22,533,658	16,113,550	15,465	132,982	309,803
Refunding of bonds	-	1,919,000	-	-	-	-	7,304,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(7,435,943)	-	-	-
Total other financing sources	\$ 1,600	\$ 4,165,625	\$ 3,179,000	\$ 3,940,562	\$ 3,021,000	\$ 22,533,658	\$ 15,981,607	\$ 15,465	\$ 132,982	\$ 309,803
Net change in fund balances	\$ (595,894)	\$ 620,478	\$ 3,690,795	\$ 5,027,164	\$ 78,778	\$ 26,458,659	\$ 13,634,753	\$ 10,999,002	\$ 1,227,143	\$ 4,222,685
Debt service as a percentage of noncapital expenditures	10.22%	10.14%	10.33%	10.20%	14.57%	9.32%	15.07%	14.89%	12.12%	11.69%

**County of New Kent, Virginia
Principal Real Property Taxpayers
Current Year and Nine Years Ago**

Table 5

Taxpayer	Assessments Effective January 1, 2025			Assessments Effective January 1, 2016		
	Rank	Assessed Valuation (1)	Percentage of Total Assessed Valuation	Rank	Assessed Valuation (1)	Percentage of Total Assessed Valuation
Autozone Texas LLC	1	\$ 129,601,100	2.27%			
CDI Virginia Land LLC	2	75,664,200	1.32%			
Kent Farms Holding Company LLC	3	55,214,100	0.97%			
City of Newport News	4	41,185,655	0.72%	2	\$ 25,777,300	1.06%
Kentland Investments LLC	5	26,049,200	0.46%	7	10,840,200	0.45%
Kinney Jonathan C Trustee	6	24,936,600	0.44%	4	23,209,100	0.96%
Criss Cross Properties LLC	7	23,050,600	0.40%	10	7,366,300	0.31%
Virginia LC	8	20,140,200	0.35%			
SPF Investments LLC	9	18,798,600	0.33%	5	11,762,200	0.49%
Matan New Kent LLC	10	12,700,500	0.22%			
Colonial Downs Holdings LLC				1	27,400,900	1.14%
New Kent Farms LLC				3	23,994,100	1.00%
NKP LB5 LLC				6	10,985,400	0.46%
NKP LB4 LLC				8	9,724,100	0.40%
AHS Cumberland Hospital LLC				9	7,721,400	0.32%
Total		\$ 427,340,755	7.48%		\$ 158,781,000	6.60%
Total Assessed Valuation of RE September 1, 2025, COR*		\$ 5,711,729,434	100.00%		\$ 2,411,086,844	100.00%

(1) The County is on a two-year reassessment cycle

*Total taxable value before land use

County of New Kent, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 6

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Adjustments to Levy in Subsequent Years	Total Adjusted Levy	Collections In Subsequent Years	Total Collections to Date	
		Amount (1)	Percentage of Levy				Amount (1)	Percentage of Levy
2025	\$ 31,319,763	\$ 30,895,733	98.65%	\$ -	\$ 31,319,763	\$ -	\$ 30,895,733	98.65%
2024	28,666,042	28,265,963	98.60%	(1,948)	28,664,094	217,416	28,483,379	99.37%
2023	27,642,203	27,250,322	98.58%	(4,688)	27,637,515	284,573	27,534,895	99.63%
2022	26,394,964	25,917,348	98.19%	(1,753)	26,393,211	412,220	26,329,568	99.76%
2021	25,661,558	25,184,200	98.14%	(7,035)	25,654,523	425,256	25,609,456	99.82%
2020	24,199,591	23,686,335	97.88%	15,010	24,214,601	491,248	24,177,583	99.85%
2019	23,458,330	22,948,975	97.83%	27,790	23,486,120	501,094	23,450,069	99.85%
2018	21,754,066	21,103,580	97.01%	8,531	21,762,597	635,126	21,738,706	99.89%
2017	21,283,082	20,587,847	96.73%	12,469	21,295,551	691,122	21,278,969	99.92%
2016	20,167,115	19,423,778	96.31%	11,816	20,178,931	740,538	20,164,316	99.93%

Notes:

(1) Exclusive of penalties and interest. Includes real estate taxes only - not personal property. Prepared on cash basis.

County of New Kent, Virginia
Assessed and Estimated Actual Value of Real Property
Last Ten Fiscal Years

Table 7

Fiscal Year	Residential/ Agricultural Property (4) (5)	Commercial Property (4)	Total Assessed Value	Less: Land-Use Property (4)	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Value (1)	Taxable Assessed Value as a % of Est. Actual Value (2)
2025	\$ 4,932,745,296	\$ 703,480,700	\$ 5,636,225,996	\$ 155,333,566	\$ 5,480,892,430	\$ 0.59	N/A	N/A
2024	3,998,385,178	522,273,619	4,520,658,797	133,069,866	4,387,588,931	0.67	5,492,902,548	79.88%
2023	3,823,680,067	517,204,000	4,340,884,067	131,548,166	4,209,335,901	0.67	4,780,836,763	88.05%
2022	3,067,536,666	458,349,800	3,525,886,466	108,005,566	3,417,880,900	0.79	4,336,350,346	78.82%
2021	2,987,944,056	400,478,800	3,388,422,856	112,237,066	3,276,185,790	0.79	3,447,862,953	95.02%
2020	2,712,147,340	361,363,900	3,073,511,240	88,333,800	2,985,177,440	0.82	3,236,315,525	92.24%
2019	2,632,221,040	360,857,100	2,993,078,140	88,364,300	2,904,713,840	0.82	3,013,188,631	96.40%
2018	2,412,608,040	339,698,160	2,752,306,200	93,489,900	2,658,816,300	0.83	2,732,596,403	97.30%
2017	2,356,232,640	317,636,760	2,673,869,400	86,620,500	2,587,248,900	0.83	2,697,861,210	95.90%
2016	2,199,446,161	287,800,983	2,487,247,144	76,160,300	2,411,086,844	0.84	2,623,955,210	91.89%

- Notes:**
Real property is the County's primary local source revenue. Assessment information for other property taxes is provided in Table 8.
- (1) Estimated true full value of real estate as computed by the Virginia Department of Taxation and published in their annual Assessment/Sales Ratio Study.
 - (2) Ratio based on Estimated Ratio provided by the Department of Taxation.
 - (3) Tax rate per \$100 of assessed value.
 - (4) Source, Real Estate Assessments from Commissioner of Revenue, Class 4.
 - (5) Includes Land Use Exemptions.

County of New Kent, Virginia
Assessed Value of Taxable Property Other than Real Property
Last Ten Fiscal Years

Table 8

Fiscal Year	Personal Property (1)	Machinery & Tools (1)	Aircraft (1)	Public Service (2,3)	Total
2025	\$ 469,551,372	\$10,565,575	\$ 2,438,198	\$ 244,099,257	\$ 726,654,402
2024	457,878,125	7,738,088	2,019,808	208,798,223	676,434,244
2023	453,484,412	8,775,012	1,619,101	199,606,636	663,485,161
2022	324,945,536	6,684,166	1,599,664	161,668,493	494,897,859
2021	281,491,151	4,628,961	1,778,039	180,924,661	468,822,812
2020	257,760,951	4,495,650	1,552,583	153,666,593	417,475,777
2019	237,025,872	10,654,824	1,459,008	144,509,764	393,649,468
2018	221,039,645	8,901,837	1,318,080	136,421,200	367,680,762
2017	208,527,111	637,147	1,342,334	134,966,269	345,472,861
2016	194,598,143	513,582	1,220,227	128,928,446	325,260,398

Notes:

Real property shown on Table 7 is the County's primary local source revenue. Assessment information for other property taxes is provided above for additional reference.

(1) Source - Assessments from Commissioner of Revenue; includes Mobile Homes.

(2) Public Service Corporation property assessments performed by the State Corporation Commission.

(3) Includes Real Estate.

County of New Kent, Virginia
Direct Property Tax Rates
Last Ten Fiscal Years

Table 9

Fiscal Year	Public Service		Machinery & Tools	Aircraft	Mobile Homes
	Real Estate	Personal Property			
2025	\$ 0.59	\$ 3.75	\$ 0.75	\$ 0.75	\$ 0.59
2024	0.67	3.75	0.75	0.75	0.67
2023	0.67	3.75	0.75	0.75	0.67
2022	0.79	3.75	0.75	0.75	0.79
2021	0.79	3.75	0.75	0.75	0.79
2020	0.82	3.75	0.75	0.75	0.82
2019	0.82	3.75	1.50	0.75	0.82
2018	0.83	3.75	1.50	0.75	0.83
2017	0.83	3.75	1.50	0.75	0.83
2016	0.84	3.75	1.50	0.75	0.84

Note:

Per \$100 of assessed value. There are no overlapping property tax rates with other governments.

County of New Kent, Virginia
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities				Business-Type Activities			Summary Totals		
	General Obligation Bonds	Lease and Subscription Liabilities	Lease Revenue & Acquisition Bond	All Bond Premiums	Revenue Bonds	Lease Obligations	Subscription Obligations	Total Primary Government	Percentage of Total Personal Income	Per Capita Personal Income (1)
2025	\$ 19,162,489	\$ 1,893,397	\$ 33,019,999	\$ 2,065,453	\$ 18,642,466	\$ -	\$ -	\$ 74,783,804	N/A	N/A
2024	20,742,753	1,726,161	38,212,999	2,515,433	20,026,962	-	-	83,224,308	2.57%	124,129
2023	22,282,270	2,025,456	43,210,000	3,039,848	21,401,034	-	12,248	91,970,856	3.58%	102,849
2022	23,787,599	222,818	47,998,000	4,129,475	22,741,695	11,920	-	98,891,507	4.47%	88,630
2021	25,093,406	445,636	35,778,000	4,470,290	14,605,054	23,840	-	80,416,226	3.74%	90,086
2020	6,233,690	916,014	39,629,000	2,684,243	12,416,818	35,760	-	61,915,525	3.35%	77,957
2019	7,069,164	1,386,392	43,292,000	3,296,042	13,007,829	47,680	-	68,099,107	3.92%	75,221
2018	7,900,061	1,114,090	43,462,000	3,953,698	13,567,688	59,600	-	70,057,137	4.27%	73,502
2017	8,726,826	1,622,712	43,280,000	4,648,039	14,106,418	71,520	-	72,455,515	5.00%	66,794
2016	9,548,336	-	43,770,602	5,378,815	14,624,042	-	-	73,321,795	6.99%	52,442

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Total personal income and per capital personal income data for 2013 through 2022 was obtained from Calculations by the Virginia Regional Economic Analysis Project (VA-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis - BEARFACTS

N/A - This information was not available.

County of New Kent, Virginia
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 11

Fiscal Year	General Obligation Bonds	Total General Bonded Debt	Net Bonded Debt Per Capita	Percent of General Bonded Debt to Assessed Real Property Value
2025	\$ 19,162,489	\$ 19,162,489	\$ 704	0.34%
2024	20,742,573	20,742,573	794	0.46%
2023	25,243,469	25,243,469	1,010	0.58%
2022	23,787,599	23,787,599	972	0.67%
2021	25,093,406	25,093,406	1,076	0.75%
2020	6,233,690	6,233,690	270	0.20%
2019	7,069,164	7,069,164	315	0.24%
2018	7,900,061	7,900,061	362	0.29%
2017	8,726,826	8,726,826	402	0.33%
2016	9,548,336	9,548,336	477	0.38%

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.
 See Table 7 for property value data.

County of New Kent, Virginia
Demographic and Economic Statistics
Last Ten Calendar Years

Table 12

Year	Population (4)	Total Personal Income (in thousands) (1)	Per Capita Personal Income (1)	County Unemployment Rate (2)	School Enrollment (3)
2025	27,218	N/A	N/A	3.4	3,570
2024	26,134	3,243,978	124,129	2.5	3,572
2023	24,986	2,559,780	102,449	2.5	3,536
2022	24,485	2,214,507	90,443	2.5	3,436
2021	23,313	2,152,794	92,343	3.9	3,273
2020	23,066	1,843,526	79,924	2.4	3,040
2019	22,462	1,736,922	77,327	2.5	3,354
2018	21,850	1,640,346	75,073	2.9	3,307
2017	21,682	1,448,210	66,793	3.3	3,244
2016	20,019	1,048,795	52,390	4.7	2,977

Notes:

- (1)** Total personal income and per capital personal income data for 2013 through 2022 was obtained from Calculations by the VA-REAP with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis - BEARFACTS
- (2)** U.S. Bureau of Labor Statistics - Unemployment Rates by County, Not Seasonally Adjusted at June of each year.
- (3)** Virginia Department of Education Fall Membership Reports (division totals)
 Fall Membership is the number of students enrolled in public school on September 30th of each year.
- (4)** United States Census Bureau, Population Estimates of the Resident Population for Counties of Virginia.

N/A - This information was not available.

County of New Kent, Virginia
Principal Employers
Current and Nine Years Ago

Table 13

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment **	Employees	Rank	Percentage of Total County Employment **
Cd-Va Enterprises LLC	1000 and over	1				
New Kent County School Board	500 to 999	2		250 to 499	1	
Curtis Contracting Inc	250 to 499	3		250 to 499	2	
County of New Kent	250 to 499	4		100 to 249	4	
Food Lion	100 to 249	5		100 to 249	5	
AHS Cumberland Hospital	100 to 249	6		100 to 249	3	
County Waste LLC	50 to 99	7				
County of Henrico	50 to 99	8		100 to 249	6	
Loves Travel Stops & Country Stores Inc	50 to 99	9		100 to 249	7	
McDonald's	50 to 99	10		50 to 99	9	
Bruce Howard Contracting Inc				100 to 249	8	
Denton Concrete Paving Company				50 to 99	10	

Notes:

Source: Virginia Employment Commission

**The Virginia Employment Commission is precluded from disclosing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act - Title V of Public Law 107-347.

COUNTY OF NEW KENT, VIRGINIA
 Full-Time County Government Employees by Function/Program
 Last Ten Fiscal Years

Table 14

Function / Department	Full-time Equivalent Employees as of June 30									
	2025 (2)	2024 (2)	2023 (2)	2022 (2)	2021 (2)	2020 (2)	2019 (2)	2018 (1)	2017 (1)	2016 (1)
General Government:										
Clerk of the Board (includes purchasing)	4.0	5.0	5.0	5.0	4.0	3.0	4.0	3.9	3.9	4.1
Commissioner of the Revenue	10.0	10.0	10.0	9.0	9.0	9.0	9.0	8.6	8.6	7.9
Treasurer	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.9	5.0	4.9
Finance	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.7	5.5	5.5
Human Resources	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information Technologies	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.7
Registrar	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.7	2.6
County Attorney	2.0	2.0	0.0	-	-	-	-	-	-	-
Total General Government	37	37.0	35.0	33.0	32.0	30.0	31.0	31.7	31.7	30.7
Judicial Administration:										
Clerk of the Circuit Court	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1	3.9	4.1
Circuit Court Judge	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General District Court										
Victim Witness	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.7	1.6	1.1
Commonwealth Attorney	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.8	4.1	4.0
Total Judicial Administration	10.0	10.0	10.0	10.0	10.0	9.0	9.0	10.7	10.5	10.1
Public Safety:										
Sheriff and Animal Control	73.0	66.0	64.0	58.0	55.0	53.0	52.0	56.5	54.7	53.9
Fire and Emergency Mgmt.	70.0	53.0	53.0	52.0	52.0	40.0	35.0	40.6	38.4	32.4
Building Inspections	7.0	7.0	7.0	7.0	6.0	6.0	6.0	5.7	5.0	5.0
Total Public Safety	150.0	126.0	124.0	117.0	113.0	99.0	93.0	102.8	98.2	91.3
Public Works:										
General Services	12.0	12.0	12.0	12.0	12.0	12.0	10.0	18.5	18.1	17.5
Total Public Works	12.0	12.0	12.0	12.0	12.0	12.0	10.0	18.5	18.1	17.5
Health and Welfare:										
Social Services	22.0	21.0	21.0	20.0	19.0	19.0	16.0	16.5	16.1	16.7
Human Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	2.0	2.0
Total Health and Welfare	23.0	22.0	22.0	21.0	20.0	20.0	17.0	18.0	18.1	18.7
Community Development										
Planning/Environmental/Permitting	10.0	11.0	11.0	9.0	9.0	9.0	9.0	8.2	9.7	8.4
Extension	-	-	-	-	-	-	-	0.5	0.5	0.6
Economic Development	2.0	1.0	3.0	3.0	2.0	2.0	2.0	3.5	2.4	2.5
Transportation	1.0	0.0	0.0	-	-	-	-	-	-	-
Airport	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.8	1.7	1.7
Total Community Development	14.0	13.0	15.0	13.0	12.0	12.0	12.0	14.1	14.3	13.2
Parks, Recreation, and Cultural										
Parks and Recreation	6.0	6.0	6.0	5.0	5.0	4.0	4.0	8.9	8.3	8.1
Total Parks, Recreation, and Cultural	6.0	6.0	6.0	5.0	5.0	4.0	4.0	8.9	8.3	8.1
Total Governmental	252.0	226.0	224.0	211.0	204.0	186.0	176.0	204.8	199.1	189.5
Public Utilities										
Water/Sewer	24.0	22.0	22.0	20.0	20.0	20.0	19.0	18.5	18.5	18.8
Total Public Utilities	24.0	22.0	22.0	20.0	20.0	20.0	19.0	18.5	18.5	18.8
Total County	276.0	248.0	246.0	231.0	224.0	206.0	195.0	223.3	217.5	208.2

Source:

(1) This document previously provided Full-Time Equivalent Data but that information is no longer available.

(2) Adopted Budget-The number of approved positions by department (not full-time equivalent).

COUNTY OF NEW KENT, VIRGINIA

Table 15

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety (1)										
Fire and rescue companies	1	1	1	1	1	1	1	1	1	1
Number of Stations	6	5	5	5	5	5	4	4	4	4
Public Utilities (2)										
Active Vehicles	24	23	21	19	19	19	19	18	18	18
Refuse Collection (3)										
Refuse collected (tons per year)	6491	6,588	6,270	6,456	6,844	6,355	5,989	6,094	5,716	5,836
Number of refuse sites	4	4	4	4	4	4	4	4	4	4
Recyclables Collected										
Metal (tons)	374	359	307	279	333	314	289	297	287	254
ONP (tons) (7)	0	-	-	-	-	-	-	-	-	-
OCC (tons) (8)	0	-	-	-	-	-	152	158	126	100
Mixed Paper (8)	647	609	597	590	593	524	370	300	316	-
Propane Tanks (units)	0	-	300	-	-	180	71	96	55	56
Batteries (units)	170	394	311	436	478	372	427	268	229	367
Used Oil (gallons)	11310	10,467	10,544	12,056	11,599	11,941	13,690	12,056	11,725	10,995
Antifreeze (gallons)	130	185	465	265	485	470	103	265	315	228
Oil Filters (gallons)	1040	715	780	390	780	585	770	660	935	1,100
Category 1 (gallons)	1045	1,540	1,870	1,320	1,485	2,090	1,540	1,540	1,320	1,650
Co-Mix (tons)	259	234	230	227	228	202	31	94	122	123
Parks, Recreation & Cultural (4)										
Land acres	385	385	385	385	385	385	330	330	330	330
Trails (miles)	8	8	8	8	8	6	6	6	6	6
Number of visitors	44925	42,025	38,425	35,425	31,721	30,501	35,726	35,025	32,550	32,550
Library (5)										
Material circulated	55047	45,547	39,550	37,587	32,105	77,780	83,026	80,449	73,962	49,249
Library patrons	4559	17,417	16,723	15,565	14,809	14,353	13,688	12,968	12,368	11,998
Education (6)										
Elementary Schools										
Buildings	3	3	3	2	2	2	2	2	2	2
Primary Schools										
Buildings	0	0	0	0	0	0	0	0	0	0
Middle Schools										
Buildings	1	1	1	1	1	1	1	1	1	1
Capacity	1100	900	900	750	750	750	750	750	750	750
High Schools										
Buildings	1	1	1	1	1	1	1	1	1	1
Capacity	1400	1400	1400	1200	1200	1200	1200	1200	1200	1200
Number of school buses	77	74	62	62	62	62	57	57	54	54

Sources:

(1) New Kent County Fire Department

(2) Public Utilities

(3) New Kent County General Services and CVWMA (Central Virginia Waste Management Authority)

(4) New Kent County Parks and Recreation

(5) Heritage Public Library

The Heritage Public Library in the past had served two localities, New Kent County and Charles City County.

FY09 was the first full year the library recorded separate statistics for New Kent and Charles City County.

(6) New Kent County Public Schools

(7) As of FY15, Old News Print (ONP) is collected with mixed paper.

(8) As of FY20, New Kent County switched to single-stream recycling. Mixed paper tonnage includes cardboard (OCC) tonnage.

COUNTY OF NEW KENT, VIRGINIA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Sheriff's Department (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	19	19	19	19	19	19	19	19
Total calls dispatched	53,926	52,763	49,424	59,725	59,718	49,067	47,332	45,970	51,131	40,097
Calls dispatched for traffic	8,503	8,219	7,537	7,263	10,850	10,850	7,394	10,821	12,200	10,624
Calls dispatched for rescue	4,714	4,538	4,446	4,017	4,140	3,415	2,005	1,861	3,072	2,879
Number of criminal warrants served	1,636	1,521	1,809	1,942	1,567	1,527	1,490	1,157	1,317	1,125
Number of civil warrants and traffic notices	10,226	6,345	7,759	7,955	7,380	6,750	5,258	5,849	5,975	4,714
Fire and Rescue (2)										
Companies	1	1	1	1	1	1	1	1	1	1
Stations	6	5	5	5	5	5	4	4	4	4
Emergency responses	4,454	4,198	3,974	3,790	3,395	3,270	3,623	3,236	3,053	2,714
Fires extinguished	77	70	102	134	102	80	89	75	84	83
Inspections	740	893	696	453	386	377	470	453	466	50
Parks and recreation (3)										
Number of parks maintained	8	8	8	8	8	8	8	8	8	8
Park acreage owned by the County	385	385	385	385	385	385	330	330	330	330
Library (4)										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Public Utilities (5)										
Water										
Daily average consumption (gallons)	1,182,858	1,157,297	1,010,726	895,245	854,230	817,408	717,188	739,100	689,000	631,233
Number of connections	4,797	4,616	4,268	3,886	3,545	3,272	3,167	3,031	2,847	2,675
Wastewater										
Average daily wastewater treated (thousands of gallons)	504,110	468,493	416,400	392,000	390,685	351,233	394,520	271,000	270,000	272,877
Number of connections	3,177	3,168	2,710	2,374	2,019	1,812	1,755	1,658	1,515	1,365
Reclaimed										
Daily average consumption (gallons)	32,877	87,671	168,219	56,000	3,835	58,630	285,699	91,870	203,000	71,584
Number of connections	4	4	4	4	4	3	2	4	3	3

Sources:

- (1) New Kent County Sheriff's Office
- (2) New Kent County Fire Department
- (3) New Kent County Parks & Recreation
- (4) Heritage Public Library
- (5) New Kent County Public Utilities

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Compliance Section



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Members of the Board of Supervisors
County of New Kent, Virginia

We have audited, 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* and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of New Kent, Virginia, (the “County”) 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, and have issued our report thereon dated December 8, 2025. Our report includes a reference to other auditors who audit the financial statements of the Farms of New Kent Community Development Authority, as described in our report of the County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 8, 2025

County of New Kent, Virginia

Summary of Compliance Matters

June 30, 2025

As more fully described in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants shown below:

State Compliance Matters

Code of Virginia:

Budget and Appropriation Laws
Cash and Investment Laws
Comprehensive Services Act
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Sheriff Internal Controls
Uniform Disposition of Unclaimed Property Act

State Agency Requirements:

Education
Social Services
Fire Programs Aid to Localities
Opioid Abatement Program

County of New Kent, Virginia
Schedule of Findings and Responses
June 30, 2025

A – Findings – Financial Statement Audit

None.

B – Findings – Commonwealth of Virginia

None.