

Annual Comprehensive Financial Report

County of New Kent, Virginia | Fiscal Year Ended June 30, 2024



COUNTY OF NEW KENT, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Prepared By:
Department of Financial Services

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INTRODUCTORY SECTION

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COUNTY OF NEW KENT, VIRGINIA
PRINCIPAL OFFICIALS
June 30, 2024

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
Joshua Everard.....	County Attorney
Brian Mikelaites	Building Development Director
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, 2024**

SCHOOL BOARD MEMBERS

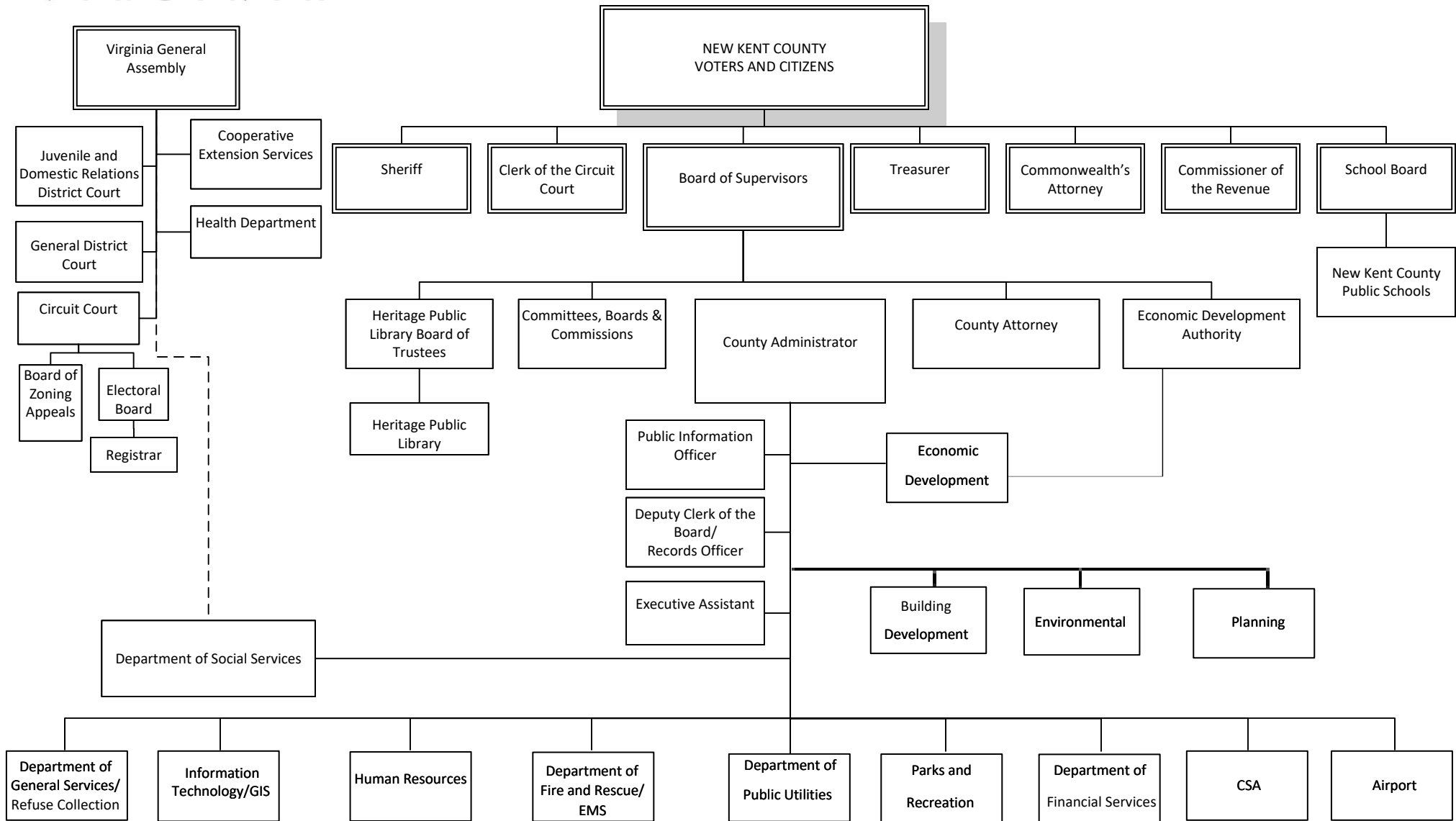
Keith A. Pagano District 1
Helena Cunha..... District 2
Heather Mae Donbrosky District 3
Ron Vaught, Vice-Chair District 4
Gregory B. Reimer, Chair District 5

SCHOOL BOARD ADMINISTRATIVE STAFF

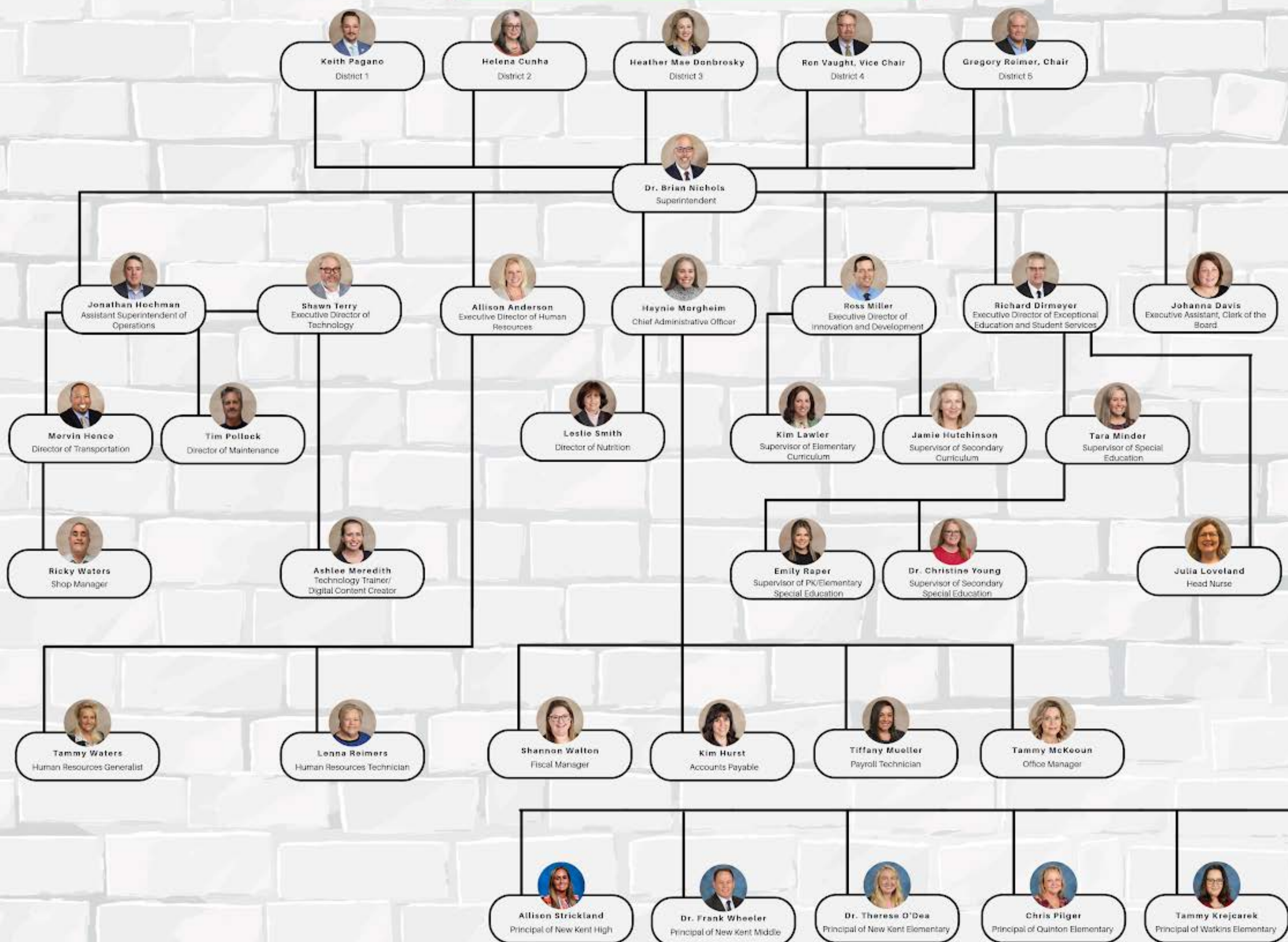
Brian Nichols Superintendent of Schools
Jonathan Hochman Assistant Superintendent of Operations
Haynie Morgheim Chief Administrative Officer
Allison Anderson Executive Director of Human Resources
Ross Miller Executive Director of Innovation and Development
Tim Pollock Director of Maintenance
Richard Dirmeyer..... Executive Director of Exceptional Education and Student Services
Shawn Terry..... Executive Director of Technology
Mervin Hence Director of Transportation
Leslie Smith. Director of School Nutrition



Organization of General Government Administrative Functions FY24



NKCPS Organizational Chart





Government Finance Officers Association

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For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

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 9, 2024

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, 2024. 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, 2024 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, 2024 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.

The independent audit of the financial statements of the County was part of a broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The

standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Compliance 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, 2023, the County is home to approximately 26,134 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 22,944. Since 2021, New Kent's population has grown 13.9%, making it the number one fastest growing jurisdiction in the Commonwealth. Even though the population density is at approximately 119 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 personnel and 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 decline in unemployment rates during FY 2024. Currently the County has an unemployment rate of 2.6%, which is closer to pre-pandemic rates and is substantially less than the 2.9% and 4.1% unemployment rates for Virginia and the United States, respectively. (Source: US Bureau Of Labor Statistics June 2024)

In FY 2024, New Kent County issued 402 single family dwelling permits, an increase of 36 homes over the previous year, along with 19 commercial building permits, an increase of 5 over the previous year. The continued increase in residential and commercial permitting, despite the economic fluctuations of past years, has continued into FY25. (Source: New Kent County Building Official and Building Development Office). Growth within the County remains extremely strong as evidenced by New Kent County remaining the fastest growing jurisdiction per capita in the Commonwealth of Virginia.

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 2024, 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 –

- In March of 2023, Buc-ee's announced their intent to construct a 74,000SF store in Land Bay 5 of the Farms of New Kent and has since purchased 25 acres of land, which has drawn a lot of commercial interest to this area of the county.
- Weir Creek Commerce Park, located on U. S. Route 33 is a 150-acre tract of land planned for an industrial park. CarMax is currently constructing a wholesale/service center on a portion of the property. This 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.

- AutoZone is currently constructing an 805,000SF distribution center within New Kent City Center at exit 211 and construction is expected to be completed by Q1 of 2025. The facility will create 352 full-time positions.
- The County and the Economic Development Authority have partnered with the Virginia Department of Transportation and secured a \$2M grant to build an industrial access road into the northwestern quadrant of New Kent City Center. The road, which was recently accepted into the state system, will serve the AutoZone distribution Center and approximately 235 additional acres of land.
- Scannell Properties has recently completed phase 1 of an industrial access road and site plans for phase 2 are under review by the county. The new roadway will provide access to 612 acres of industrially zoned property.

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.
- Added twenty-five (25) public safety positions mid-year to increase coverage and services for County residents. These positions included eighteen (18) Fire-Rescue and seven (7) Sheriff positions.
- 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 2024 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 amended subdivision ordinance to better manage growth and ensure that development is consistent with the County's Comprehensive Plan.
- County amended the County Code to establish commercial corridor overlay districts to ensure that growth along our commercial corridors is aesthetically pleasing.
- County completed the construction of a new Fire Station in the Lanexa area of the County
- New Kent County received the GFOA's Certificate of Achievement for Excellence in Financial Reporting dated June 30, 2023. 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 Renovation - \$55,000,000
- Schools – NKMS Additional Classrooms - \$3,500,000
- Schools – Turf Field and New Track - \$2,000,000

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.co.new-kent.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

FINANCIAL SECTION

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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, 2024, 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, 2024, 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 100% of the assets, fund balance, and revenues of the CDA fund as of June 30, 2024. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Management's Responsibility for the Financial Statements (Continued)

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.

Required Supplementary Information (Continued)

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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 9, 2024 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 9, 2024

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, 2024 (FY 2024). 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 2023, reflects an increase of \$11,481,172. The County operates a water and wastewater utility department, its one business-type activity. FY 2024 business-type activities net position reflects an increase of \$1,845,866.
- 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 \$214,311,154, an increase of \$13,327,038 over the FY 2023 total of \$200,984,116. Of this amount, \$81,978,238 (*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 \$122,336,702; a \$23,802,177 increase over the FY 2023 total of \$98,534,525. (See Exhibit 1)
- The Statement of Activities reflects net governmental program expenses totaling \$59,736,105, which consist of total expenses of \$74,945,921 minus program-related revenues of \$15,209,816. The \$59,736,105 that was not funded by program revenues, such as charges for services (\$2,264,758), and grants (\$12,945,058), must be funded by local taxes and other miscellaneous revenues totaling \$71,217,277. This calculation is an excellent indicator of the County's reliance on local sources of revenues (especially general property taxes of \$41,389,188) to fund daily governmental operations. The \$41,389,188 of general property taxes (real estate & personal property) reflects 69% of the \$59,736,105 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 five 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, and the County Capital Improvements Fund, all of which are considered major funds. The Human Services Fund and Central Virginia Transportation Authority are considered to be a non-major funds.

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 non-major Special Revenue Funds. Also included are the Combining Statement of Fiduciary Net Position – Custodial Fund, 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 \$214,311,154 at the close of the most recent fiscal year. A \$13,327,038 increase over the prior year's total of \$200,984,116.

A large portion of the County's net position (\$122,336,702, 57% 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, 2024 and 2023.

Description	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2024	2023	2024	2023	2024	2023	2024**	2023
Current and other Assets	\$ 106,359,454	\$ 97,559,380	\$ 24,622,261	\$ 24,852,788	\$ 130,981,715	\$ 122,412,168	\$ 18,136,902	\$ 10,365,749
Capital Assets	108,732,265	106,753,585	77,290,568	76,448,610	186,022,833	183,202,195	44,802,529	41,758,106
Total Assets	\$ 215,091,719	\$ 204,312,965	\$ 101,912,829	\$ 101,301,398	\$ 317,004,548	\$ 305,614,363	\$ 62,939,431	\$ 52,123,855
Deferred Outflows of Resources	\$ 2,931,761	\$ 3,499,175	\$ 653,414	\$ 753,923	\$ 3,585,175	\$ 4,253,098	\$ 9,368,415	\$ 7,068,389
Total Assets and Deferred Outflows of Resources	\$ 218,023,480	\$ 207,812,140	\$ 102,566,243	\$ 102,055,321	\$ 320,589,723	\$ 309,867,461	\$ 72,307,846	\$ 59,192,244
Current and other Liabilities	\$ 23,180,795	\$ 16,303,942	\$ 2,776,853	\$ 2,672,516	\$ 25,957,648	\$ 18,976,458	\$ 10,272,495	\$ 6,402,417
Long-term Liabilities	58,576,465	66,436,679	18,894,123	20,321,111	77,470,588	86,757,790	97,287,814	25,302,590
Total Liabilities	\$ 81,757,260	\$ 82,740,621	\$ 21,670,976	\$ 22,993,627	\$ 103,428,236	\$ 105,734,248	\$ 107,560,309	\$ 31,705,007
Deferred Inflows of Resources	\$ 2,754,491	\$ 3,040,962	\$ 95,842	\$ 108,135	\$ 2,850,333	\$ 3,149,097	\$ 31,009,482	\$ 5,545,095
Total Liabilities and Deferred Inflows of Resources	\$ 84,511,751	\$ 85,781,583	\$ 21,766,818	\$ 23,101,762	\$ 106,278,569	\$ 108,883,345	\$ 138,569,791	\$ 37,250,102
Net Position								
Net Investment in Capital Assets	\$ 56,630,940	\$ 34,969,622	\$ 65,705,762	\$ 63,564,903	\$ 122,336,702	\$ 98,534,525	\$ (29,095,997)	\$ 38,650,086
Restricted For:								
Net Pension Asset	-	-	-	-	-	-	-	-
Revenue amount not yet spent on specific purp	9,904,970	7,185,672	-	-	9,904,970	7,185,672	-	-
E-911 Wireless	51,457	46,773	-	-	51,457	46,773	-	-
Asset Forfeiture	37,349	30,485	-	-	37,349	30,485	-	-
Litter Control	5,408	2,560	-	-	5,408	2,560	-	-
Grants	(130)	44,585	-	-	(130)	44,585	-	-
Treasury Bonds	-	-	-	-	-	-	6,068,442	-
Social Services	(2,840)	2,571	-	-	(2,840)	2,571	-	-
Unrestricted (deficit)	66,884,575	79,748,289	15,093,663	15,388,656	81,978,238	95,136,945	(44,234,390)	(16,707,944)
Total Net Position	\$ 133,511,729	\$ 122,030,557	\$ 80,799,425	\$ 78,953,559	\$ 214,311,154	\$ 200,984,116	\$ (67,261,945)	\$ 21,942,142
Net position - FY19 restatement	-	-	-	-	-	-	-	-
Total Net position - restated	\$ 133,511,729	\$ 122,030,557	\$ 80,799,425	\$ 78,953,559	\$ 214,311,154	\$ 200,984,116	\$ (67,261,945)	\$ 21,942,142

**Fiscal year 2024 is the first year New Kent County has included the Farms of New Kent CDA as a Component Unit in its ACFR

Statement of Net Position – Primary Government

The net position of the primary government, which totals \$214,311,154, increased \$13,327,038 (6.6%) when compared to the FY 2023 total of \$200,984,116. Governmental activities reflect an increase in net position totaling \$11,481,172, while business-type activities reflect an increase of \$1,845,866. This change is summarized in the following schedule.

Primary Government							
Category	Fiscal Year 2024			Fiscal Year 2023			Total Increase (Decrease)
	Governmental	Business-Type	Total	Governmental	Business-Type	Total	
Current & Other Assets	\$ 106,359,454	\$ 24,622,261	\$ 130,981,715	\$ 97,559,380	\$ 24,852,788	\$ 122,412,168	\$ 8,569,547
Capital Assets	108,732,265	77,290,568	186,022,833	106,753,585	76,448,610	183,202,195	2,820,638
Deferred Outflows of Resources	2,931,761	653,414	3,585,175	3,499,175	753,923	4,253,098	(667,923)
Total Assets and Deferred Outflows	\$ 218,023,480	\$ 102,566,243	\$ 320,589,723	\$ 207,812,140	\$ 102,055,321	\$ 309,867,461	\$ 10,722,262
Current & Other Liabilities	23,180,795	2,776,853	25,957,648	16,303,942	2,672,516	18,976,458	6,981,190
Long-term Liabilities	58,576,465	18,894,123	77,470,588	66,436,679	20,321,111	86,757,790	(9,287,202)
Deferred Inflows of Resources	2,754,491	95,842	2,850,333	3,040,962	108,135	3,149,097	(298,764)
Total Liabilities and Deferred Inflows	\$ 84,511,751	\$ 21,766,818	\$ 106,278,569	\$ 85,781,583	\$ 23,101,762	\$ 108,883,345	\$ (2,604,776)
Total Net Position	\$ 133,511,729	\$ 80,799,425	\$ 214,311,154	\$ 122,030,557	\$ 78,953,559	\$ 200,984,116	\$ 13,327,038

Current and other assets for the primary government increased \$8,569,547, compared to an increase of \$10,816,558 for the prior year. Of this amount, governmental activities reflect an increase of \$8,800,074; and, business-type activities reflect a decrease of \$230,527. Of the \$8,800,074 overall increase in governmental activities, cash and cash equivalents reflect an increase of \$8,180,440 as a result of the following, when compared to FY 2023. Overall, capital assets for the primary government reflect an increase of \$2,820,638, which consists of a \$1,978,680 increase in governmental assets and a \$841,958 increase in business-type assets.

In FY 2024, total primary government and component unit long-term liabilities of \$174,758,402 reflect an overall increase of \$51,919,464 when compared to the prior fiscal year total of \$122,838,938. Of this amount, large change factors included outstanding bonds reflect a net decrease of \$7,910,589 and the pension liability increased \$1,411,064, and the addition of the CDA as a component unit in the County's financial report. No new debt was issued in FY 2024.

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

Historically, the School Board and Economic Development Authority (EDA) make up the County's component units. For FY 2024, the Farms of New Kent Community Development Authority has been included in the County's reporting as a Component Unit. The net position of the three component units totals (\$66,261,945). However, when reviewing the two historical Component Units to their prior year figures, there was an overall increase of \$4,981,463 compared to FY 2023. The information for FY 2024 is summarized in the following schedule:

Component Units - Net Position								
Category	Fiscal Year 2024				Fiscal Year 2023			Total Increase (Decrease)
	School	EDA	Farms of New Kent CDA	Total	School	EDA	Total	
Current & Other Assets	\$ 10,390,389	\$ 1,654,100	\$ 6,092,413	\$ 18,136,902	\$ 8,454,825	\$ 1,910,924	\$ 10,365,749	\$ 7,771,153
Capital Assets	41,476,640	2,749,087	576,802	44,802,529	39,015,321	2,742,785	41,758,106	3,044,423
Deferred Outflows of Resources	9,368,415	-	-	9,368,415	7,068,389	-	7,068,389	2,300,026
Total Assets	\$ 61,235,444	\$ 4,403,187	\$ 6,669,215	\$ 72,307,846	\$ 54,538,535	\$ 4,653,709	\$ 59,192,244	\$ 13,115,602
Current & Other Liabilities	\$ 7,159,815	\$ 455,035	\$ 2,657,645	\$ 10,272,495	\$ 5,609,927	\$ 792,490	\$ 6,402,417	\$ 3,870,078
Long-term Liabilities	27,583,959	-	69,703,855	97,287,814	25,302,590	-	25,302,590	71,985,224
Deferred Inflows of Resources	3,516,217	-	27,493,265	31,009,482	5,545,095	-	5,545,095	25,464,387
Total Liabilities	\$ 38,259,991	\$ 455,035	\$ 99,854,765	\$ 138,569,791	\$ 36,457,612	\$ 792,490	\$ 37,250,102	\$ 101,319,689
Total Net Position	\$ 22,975,453	\$ 3,948,152	\$ (93,185,550)	\$ (66,261,945)	\$ 18,080,923	\$ 3,861,219	\$ 21,942,142	\$ (88,204,087)

**Fiscal year 2024 is the first year New Kent County has included the Farms of New Kent CDA as a Component Unit in its ACFR

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, 2024, this fund reflected a net position of \$1,928,672, a \$499,270 increase over the FY 2023 total of \$1,429,602. Of this amount, cash and cash held by the plan administrator total \$1,664,636. (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 2024, net position totaled \$567,938, a decrease of \$153,538 from FY 2023. (Exhibits 31 & 32)

Statement of Activities

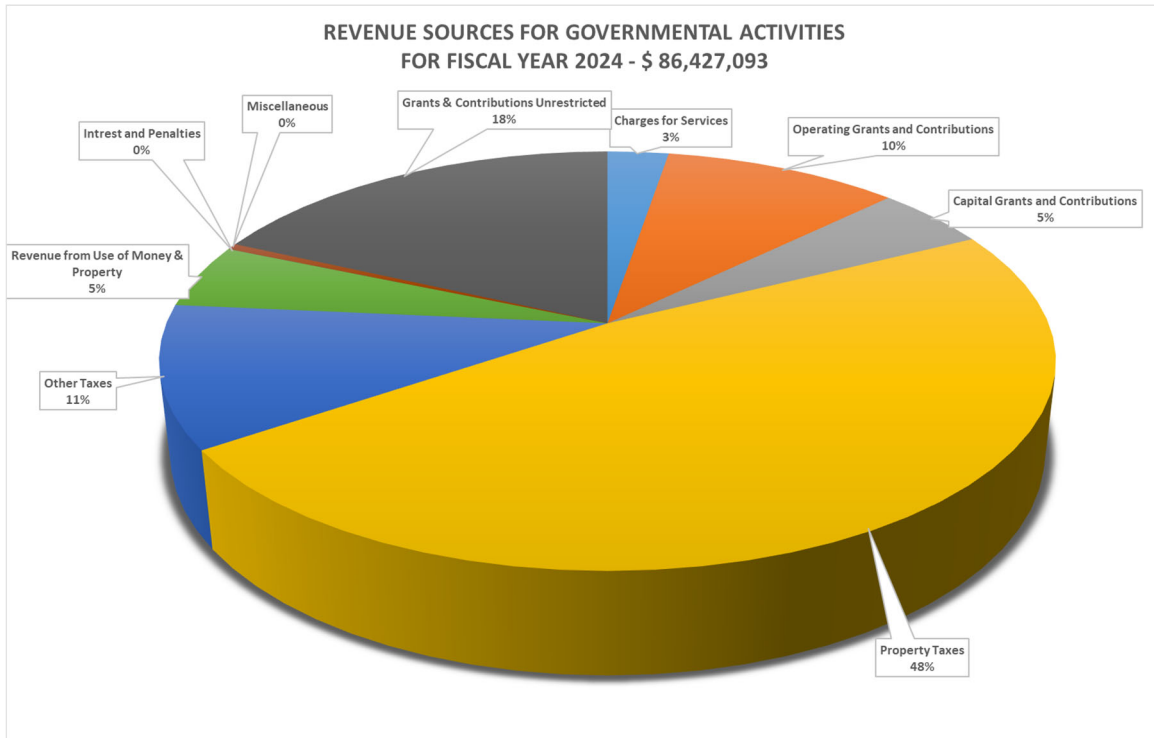
The statement of activities, which also uses the full accrual basis of accounting, illustrates the cost of governmental activities net of related revenues. It also reflects the general revenue sources that fund governmental operations. The following table summarizes the revenue and expenses of government-wide activities for the fiscal years ended June 30, 2024 and 2023:

Description	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2024	2023	2024	2023	2024	2023	2024**	2023
Revenues:								
Program revenues:								
Charges for services	\$ 2,264,758	\$ 2,426,661	\$ 7,485,149	\$ 7,588,954	\$ 9,749,907	\$ 10,015,615	\$ 11,846,360	\$ 1,851,671
Operating grants and contributions	8,739,421	7,645,299	40,000	-	8,779,421	7,645,299	28,526,766	29,936,910
Capital grants and contributions	4,205,637	3,231,855	-	-	4,205,637	3,231,855	-	-
General revenues:								
Property taxes	41,389,188	40,443,014	6	143,331	41,389,194	40,586,345	-	-
Other taxes	9,489,521	9,308,412	-	-	9,489,521	9,308,412	-	-
Unrestricted revenues from use of money and property	4,271,008	2,669,413	-	-	4,271,008	2,669,413	290,851	8,299
Interest and penalties	7,915	15,791	757,478	492,679	765,393	508,470	25,614	28,834
Gain (loss) on sale of property	-	-	(12,234)	(12,953)	(12,234)	(12,953)	14,086	56,204
Miscellaneous	411,247	514,374	112,439	32,602	523,686	546,976	109,122	96,083
Grant and contributions not restricted to specific programs	15,648,398	14,895,715	-	-	15,648,398	14,895,715	-	-
Payment from New Kent County	-	-	-	-	-	-	19,400,051	18,787,271
Total Revenues	\$ 86,427,093	\$ 81,150,534	\$ 8,882,838	\$ 8,244,613	\$ 94,809,931	\$ 89,395,147	\$ 60,212,850	\$ 50,765,272
Expenses:								
General government administration	\$ 6,086,210	\$ 5,758,220	\$ -	\$ -	\$ 6,086,210	\$ 5,758,220	\$ -	\$ -
Judicial administration	2,363,647	2,203,177	-	-	2,363,647	2,203,177	-	-
Public safety	18,302,856	16,331,358	-	-	18,302,856	16,331,358	-	-
Public works	3,450,104	3,039,988	-	-	3,450,104	3,039,988	-	-
Health and welfare	3,416,891	3,103,720	-	-	3,416,891	3,103,720	-	-
Education	26,031,397	25,061,574	-	-	26,031,397	25,061,574	-	-
Parks, recreation, and cultural	989,225	950,819	-	-	989,225	950,819	-	-
Community development	12,714,668	3,926,146	-	-	12,714,668	3,926,146	-	-
Interest on long-term debt	1,590,923	1,786,847	-	-	1,590,923	1,786,847	-	-
Business type activities:								
Water & Sewer	-	-	5,990,831	5,364,366	5,990,831	5,364,366	-	-
Bottoms Bridge	-	-	546,141	559,497	546,141	559,497	-	-
Component Units:								
School Board	-	-	-	-	-	-	44,721,112	41,311,949
Economic Development Authority	-	-	-	-	-	-	285,734	510,269
Community Development Authority	-	-	-	-	-	-	1,660,603	-
Total Expenses	\$ 74,945,921	\$ 62,161,849	\$ 6,536,972	\$ 5,923,863	\$ 81,482,893	\$ 68,085,712	\$ 46,667,449	\$ 41,822,218
Transfers	-	-	-	-	-	-	-	-
Change in net position:	\$ 11,481,172	\$ 18,988,685	\$ 1,845,866	\$ 2,320,750	\$ 13,327,038	\$ 21,309,435	\$ 13,545,401	\$ 8,943,054
Net position - beginning	122,030,557	103,041,872	78,953,559	76,632,809	200,984,116	179,674,681	(79,807,346)	12,999,088
Net position - ending	\$ 133,511,729	\$ 122,030,557	\$ 80,799,425	\$ 78,953,559	\$ 214,311,154	\$ 200,984,116	\$ (66,261,945)	\$ 21,942,142
Net position - FY20 restatement	-	-	-	-	-	-	-	-
Adjusted Total - Net Position	\$ 133,511,729	\$ 122,030,557	\$ 80,799,425	\$ 78,953,559	\$ 214,311,154	\$ 200,984,116	\$ (66,261,945)	\$ 21,942,142

**Fiscal year 2024 is the first year New Kent County has included the Farms of New Kent CDA as a Component Unit in its ACFR

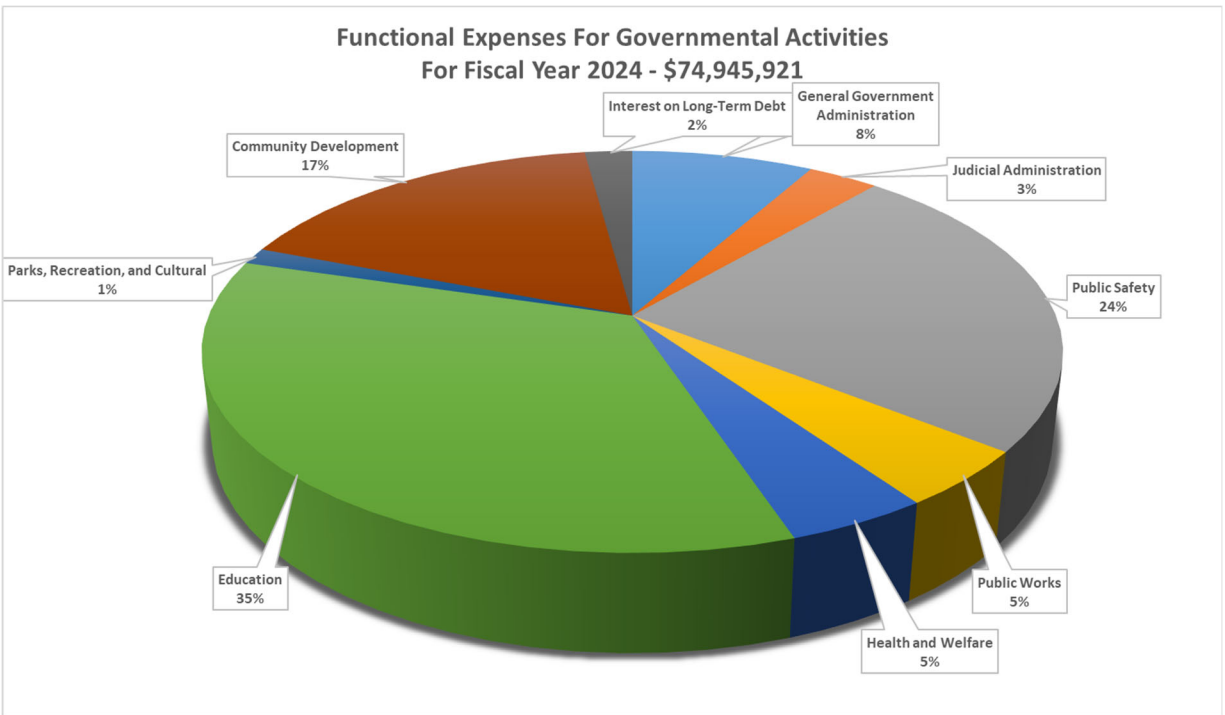
Governmental Activities –

For the fiscal year ended June 30, 2024, revenues for governmental activities totaled \$86,427,093, an increase of \$5,276,559 when compared to the FY 2023 revenue total of \$81,150,534. The following chart summarizes the major sources of revenues for governmental activities.



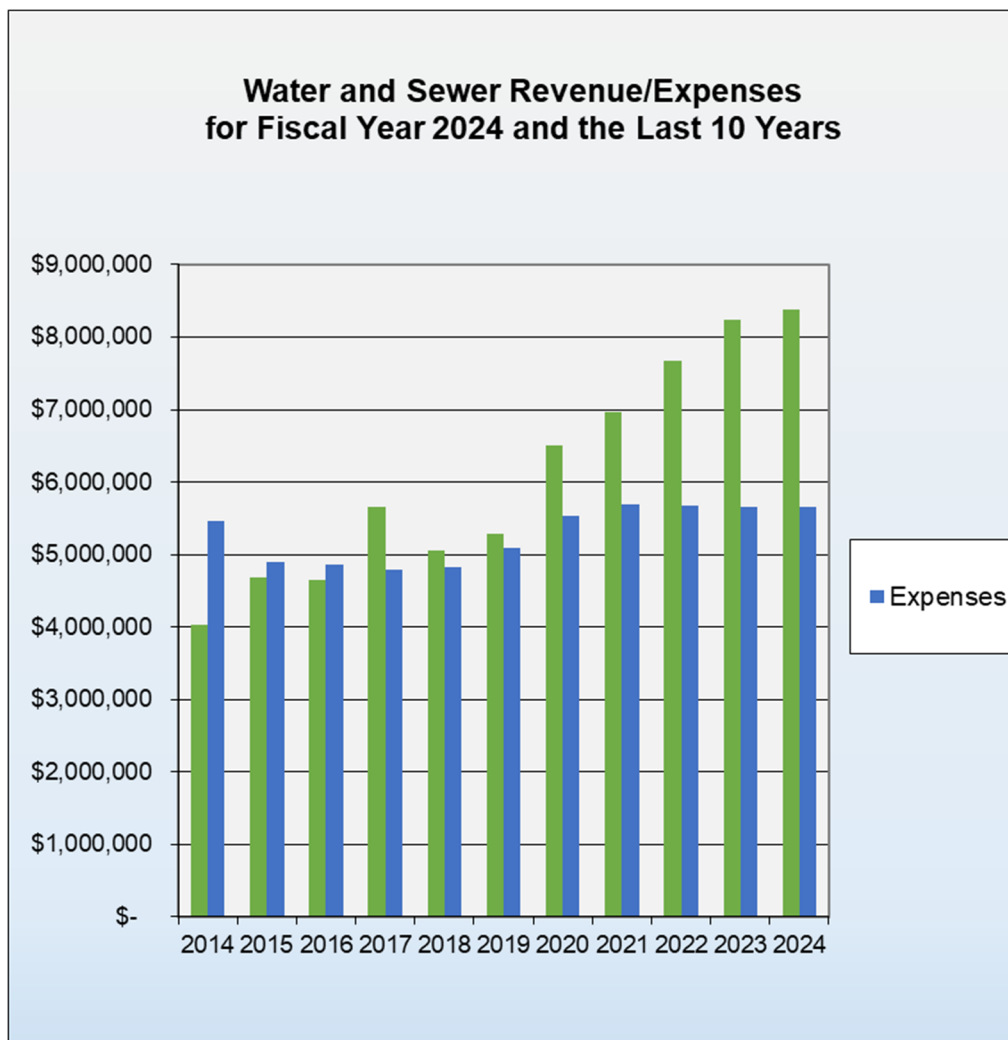
Revenue totals \$86,427,093; of which, property taxes comprise 48%. While the Board of Supervisors has statutory authority to increase property tax rates, there is very little opportunity for additional revenues relative to other taxes as these rates and fees are restricted by the Code of Virginia in many cases. One penny on the real estate tax rate for FY 2024 equates to approximately \$438,758. Combined, operating and capital grants and contributions make up 33% 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 FY2024 totaled \$74,945,921, which increased \$12,784,072 (20.57%) compared to FY 2023 expenses of \$62,161,849. Of the \$74,945,922 total expenses, \$2,264,758 was financed with charges for services and \$12,945,058 from operating and capital grants and contributions. The remaining \$62,000,861 was primarily funded with tax revenues totaling \$50,878,709, which demonstrates the County's reliance on this revenue source. The following chart summarizes 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 \$1,835,466 for FY 2024. 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 \$113,905 (1.74%) which is a reflection of population growth, and a resulting increase in customer connections. Non-operating revenues increased \$48,141 mainly due to a \$264,799 increase in interest income with a positive interest environment. Operating expenses increased \$636,930 (11.67%), due to an increase in maintenance costs resulting from increased water and wastewater volume as well as an aging sewer system. The chart below denotes revenues and expenses for FY 2024 and the last 10 years.



Component Unit – School Board –

For FY 2024, School Board revenues total \$49,601,556, which is a \$1,866,115 increase over the FY 2023 total of \$47,735,441. Total annual support from the County, which totals \$19,070,051, accounts for 38% of total revenues. Operating Grants and Contributions, the largest component of revenues for the School Board, totals \$28,509,224 and accounts for 57% of total revenues. Of this amount, funding from the Commonwealth of Virginia totals \$24,430,765, an increase of \$691,550 over the FY 2023 total of \$23,739,215. Federal revenues total \$4,078,459, an increase of \$467,214 when compared to the prior year of \$3,611,245. Annual support from the County increased by \$641,113 mainly due to additional funding appropriated for school operations in FY 2024. The increase in Federal and Commonwealth revenues are mainly due to the increased growth in the County and therefore increase in the number of students. (Exhibit 28)

Component Unit – Economic Development Authority –

The net position of the EDA, which totals \$3,948,152 for FY 2024, reflects an increase \$86,933 from the prior year. EDA operating revenues which totaled \$347,542 consist of a \$330,000 contribution from the County for the local portions of business incentives and sponsorships. Expenses total \$285,734 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 2023 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 (TBD) and is expected to create 175 full-time jobs.

Component Unit – Farms of New Kent CDA –

The net position of the CDA, which totals \$(93,185,550) for FY 2024, reflects an increase of \$8,563,938 from the prior year's total of \$(101,749,488). CDA operating revenues totaled 9,942,754 while operating expenses totaled \$231,787. (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 2024, the County's governmental funds reported a combined ending fund balance of \$87,083,913, an increase of \$1,227,143 from the prior fiscal year total of \$85,856,770. Exhibit 3 indicates that the unassigned fund balance increased \$2,069,702.

The June 30, 2024 total fund balance for governmental funds totaled \$87,083,913 and is comprised of the following components:

- **Nonspendable - \$322,985:** This amount is not available for expenditure and consists of prepaid items.
- **Restricted - \$20,567,630:** 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 - \$49,813,391:** Funds reported as committed are constrained for county's capital projects, general fund, and debt service fund.
- **Assigned - \$1,073,476:** These funds have been assigned (designated) for debt service.
- **Unassigned Fund Balance - \$15,306,431:** 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 2024, the fund balance for this fund totaled \$15,745,387 an increase of \$1,946,328 from the prior year total of \$13,799,059. 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 2024, the County transferred \$3,371,854 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 \$1,946,328 in General Fund balance is primarily due to

revenues coming in higher than anticipated. In particular, interest earned on investments and bank deposits were \$2,609,149 higher than budgeted revenues. The significant increase in interest revenues were mainly due to interest rate yields during FY 2024, 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 2024, the fund balance for this fund totaled \$(7,917), a decrease of \$17,590 from the FY 2023 balance of \$9,673. The decrease in fund balance is primarily due to an increase in non-reimbursable expenditures in FY 2024 as compared to FY 2023.

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 2024, the fund balance increased \$103,619. Hence, fund balance is comparable to the prior year as the County did not issue debt in FY 2024.

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 from Colonial Downs, the remaining portion is funded through the end of year 15% fund balance transfer. For FY 2024, the fund balance for this fund decreased \$3,321,451 due to project expenditures funded by revenues received from Colonial Downs increasing in FY 2024.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following schedule presents the General Fund budgetary highlights for FY 2024. (See Exhibit 11)

General Fund Budgetary Highlights Fiscal Year 2024					
	Original Budget	Final Budget	Actual Rev & Exp	Original Budget vs. Actual Exp.	Final Budget vs. Actual Exp.
Revenues					
Taxes	\$ 49,756,993	\$ 49,756,993	\$ 50,416,296	\$ 659,303	\$ 659,303
Intergovernmental	14,950,858	17,822,157	20,165,975	5,215,117	2,343,818
Other	3,157,842	3,615,605	6,906,692	3,748,850	3,291,087
Total	\$ 67,865,693	\$ 71,194,755	\$ 77,488,963	\$ 9,623,270	\$ 6,294,208
Expenditures and Other Financing Sources (Uses)					
Expenditures	\$ 50,416,873	\$ 53,750,537	\$ 50,386,905	\$ 29,968	\$ 3,363,632
Net Transfers Out	19,110,682	22,340,651	25,155,730	(6,045,048)	(2,815,079)
Total	\$ 69,527,555	\$ 76,091,188	\$ 75,542,635	\$ (6,015,080)	\$ (548,553)
Net Change in Fund Balance	\$ (1,661,862)	\$ (4,896,433)	\$ 1,946,328	\$ 3,608,190	\$ 6,842,761

The actual revenues exceeded amended General Fund revenue budget by a total of \$6,294,208 for FY 2024. The \$3,291,087 amount by which other revenues exceeded the amended budget was primarily the result of

an increasing interest rate throughout FY24. Collections across several tax revenue streams saw slight increases including general property taxes (\$131,900) and other local taxes (\$527,403).

CAPITAL ASSETS

At the end of FY 2024, the County's investment in capital assets for the governmental, business-type and component unit activities total \$228,076,275 (net of accumulated depreciation), a net increase of \$5,858,759 when compared to the restated prior fiscal year total of \$222,217,516 due to GASB 96 implementation. The \$5,858,759 increase consists of a \$2,820,638 governmental fund increase and a \$3,044,423 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, 2024 and 2023								
	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2024	2023	2024	2023	2024	2023	2024	2023
Capital assets:								
Held for development	-	-	-	-	-	-	2,749,087	2,742,785
Nondepreciable	7,967,758	8,151,941	10,498,605	8,478,886	18,466,363	16,630,827	3,405,767	3,233,129
Depreciable, net	\$ 100,764,507	\$ 98,601,644	\$ 66,791,963	\$ 67,969,724	\$ 167,556,470	\$ 166,571,368	\$ 38,647,675	\$ 35,782,192
Capital assets net depreciation	108,732,265	106,753,585	77,290,568	76,448,610	186,022,833	183,202,195	44,802,529	41,758,106

LONG-TERM DEBT

At the end of fiscal year 2024, the County had total debt obligations (including principal and interest) of \$165,805,613 an increase of \$60,509,454, over last fiscal year due to the addition of the CDA 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, 2024 and 2023										
	County Obligations		School Obligations		Enterprise Obligations		CDA Obligations**		Total Obligations	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Outstanding Debt										
Lease Revenue Bonds	\$ 27,279,910	\$ 30,181,065	\$ 16,483,747	\$ 19,778,770	\$ 22,945,488	\$ 24,689,318	\$ -	\$ -	\$ 66,709,145	\$ 74,649,153
Leases	1,811,059	1,958,338	-	-	-	-	-	-	1,811,059	1,958,338
Subscription Liabilities	72,001	241,883	-	-	-	12,516	-	-	72,001	254,399
General Obligation Bonds	-	-	26,069,215	28,434,269	-	-	-	-	26,069,215	28,434,269
Special Assessment Bonds	-	-	-	-	-	-	71,144,193	-	71,144,193	-
Gross Assets	\$ 29,162,970	\$ 32,381,286	\$ 42,552,962	\$ 48,213,039	\$ 22,945,488	\$ 24,701,834	\$ 71,144,193	\$ -	\$ 165,805,613	\$ 105,296,159

OTHER INFORMATION

The FY 2025 budget was adopted May 29, 2024 and totals \$112,844,288. The FY 2025 adopted General Fund expenditure budget totals \$74,521,244 (including transfers of \$40,838,417), which reflects a \$6,655,551 increase over the FY 2024 budget of \$67,865,693.

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 is currently constructing an 805,000SF distribution center within New Kent City Center at exit 211 and construction is expected to be completed by Quarter 1 of 2025. The facility will create 352 full-time positions. In March of 2023, Buc-ee's announced their intent to construct a 74,000SF store in Land Bay 5 of the Farms of New Kent and has since purchased 25 acres of land, which has drawn a lot of commercial interest to this area of the county.

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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EXHIBIT 1

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF NET POSITION
June 30, 2024

	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)	\$ 41,613,174	\$ 23,301,253	\$ 64,914,427	\$ 7,297,800	\$ 114,974	\$ -
Cash and cash equivalents, restricted (Note 3)	56,186,075	113,743	56,299,818	-	-	6,068,442
Investments (Note 3)	-	-	-	-	355,118	-
Receivables, net:						
Taxes receivable	3,449,896	-	3,449,896	-	-	-
Accounts receivable	496,343	1,207,265	1,703,608	1,099,202	462,500	-
Leases (Note 8)	1,726,049	-	1,726,049	-	-	-
Interest	-	-	-	-	-	23,971
Due from other governments (Note 4)	2,564,932	-	2,564,932	1,993,387	-	-
Inventory	-	-	-	-	721,508	-
Prepaid items	322,985	-	322,985	-	-	-
Capital assets: (Note 5)						
Held for development	-	-	-	-	2,749,087	-
Nondepreciable	7,967,758	10,498,605	18,466,363	3,405,767	-	-
Depreciable, net	100,764,507	66,791,963	167,556,470	38,070,873	-	576,802
Total assets	<u>215,091,719</u>	<u>101,912,829</u>	<u>317,004,548</u>	<u>51,867,029</u>	<u>4,403,187</u>	<u>6,669,215</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on bond refundings	335,402	413,470	748,872	-	-	-
Items related to measurement of net pension liability (Notes 13 and 14)	2,311,073	213,579	2,524,652	8,007,444	-	-
Items related to measurement of other postemployment benefit liability (Notes 16, 17 and 18)	285,286	26,365	311,651	1,360,971	-	-
Total deferred outflows of resources	<u>2,931,761</u>	<u>653,414</u>	<u>3,585,175</u>	<u>9,368,415</u>	<u>-</u>	<u>-</u>
LIABILITIES						
Accounts payable	13,295,700	833,930	14,129,630	973,863	455,035	96,867
Accrued liabilities	243,965	-	243,965	4,703,321	-	-
Accrued interest payable	684,224	92,111	776,335	-	-	1,060,778
Unearned revenue (Note 10)	213,005	-	213,005	907,810	-	-
Deposits payable	321,122	363,142	684,264	-	-	-
Noncurrent liabilities due in more than one year:						
Due within one year (Note 7)	8,422,779	1,487,670	9,910,449	574,821	-	1,500,000
Due in more than one year (Note 7)	56,106,911	18,665,897	74,772,808	64,548	-	69,703,855
Net pension liability (Notes 13 and 14)	1,787,704	165,212	1,952,916	22,158,683	-	-
Net other postemployment benefit liability (Notes 16, 17 and 18)	681,850	63,014	744,864	5,360,728	-	-
Total liabilities	<u>81,757,260</u>	<u>21,670,976</u>	<u>103,428,236</u>	<u>34,743,774</u>	<u>455,035</u>	<u>72,361,500</u>
DEFERRED INFLOWS OF RESOURCES						
Leases (Note 8)	1,717,414	-	1,717,414	-	-	-
Deferred gain on refunding	-	-	-	-	-	27,493,265
Items related to measurement of net pension liability (Notes 13 and 14)	924,551	85,443	1,009,994	2,497,212	-	-
Items related to measurement of other postemployment benefit liability (Notes 16, 17 and 18)	112,526	10,399	122,925	1,019,005	-	-
Total deferred inflows of resources	<u>2,754,491</u>	<u>95,842</u>	<u>2,850,333</u>	<u>3,516,217</u>	<u>-</u>	<u>27,493,265</u>
NET POSITION						
Net investment in capital assets	56,630,940	65,705,762	122,336,702	41,471,394	-	(70,567,391)
Restricted:						
Revenue amounts not yet spent on specified purposes	9,904,970	-	9,904,970	-	-	-
E-911 Wireless	51,457	-	51,457	-	-	-
Asset forfeiture	37,349	-	37,349	-	-	-
Litter control	5,408	-	5,408	-	-	-
Grants	(130)	-	(130)	-	-	-
Treasury bonds	-	-	-	-	-	6,068,442
Social services	(2,840)	-	(2,840)	-	-	-
Unrestricted (deficit)	<u>66,884,575</u>	<u>15,093,663</u>	<u>81,978,238</u>	<u>(18,495,941)</u>	<u>3,948,152</u>	<u>(28,686,601)</u>
Total net position	<u>\$ 133,511,729</u>	<u>\$ 80,799,425</u>	<u>\$ 214,311,154</u>	<u>\$ 22,975,453</u>	<u>\$ 3,948,152</u>	<u>\$ (93,185,550)</u>

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

COUNTY OF NEW KENT, VIRGINIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
					Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	School Board	EDA	Farmers of New Kent CDA
Primary Government:										
Governmental activities:										
General government administration	\$ 6,086,210	\$ -	\$ 579,913	\$ -	\$ (5,506,297)	\$ -	\$ (5,506,297)	\$ -	\$ -	\$ -
Judicial administration	2,363,647	489,908	614,381	-	(1,259,358)	-	(1,259,358)	-	-	-
Public safety	18,302,856	1,192,582	2,561,041	116,663	(14,432,570)	-	(14,432,570)	-	-	-
Public works	3,450,104	99,946	2,947,483	1,134,081	731,406	-	731,406	-	-	-
Health and welfare	3,416,891	61,523	1,849,858	-	(1,505,510)	-	(1,505,510)	-	-	-
Education	26,031,397	-	-	165,112	(25,866,285)	-	(25,866,285)	-	-	-
Parks, recreation, and cultural	989,225	420,364	-	-	(568,861)	-	(568,861)	-	-	-
Community development	12,714,668	435	186,745	2,789,781	(9,737,707)	-	(9,737,707)	-	-	-
Interest	1,590,923	-	-	-	(1,590,923)	-	(1,590,923)	-	-	-
Total governmental activities	74,945,921	2,264,758	8,739,421	4,205,637	(59,736,105)	-	(59,736,105)	-	-	-
Business-type activities										
Water and sewer	5,990,831	7,484,201	40,000	-	-	1,533,370	1,533,370	-	-	-
Bottom’s Bridge	546,141	948	-	-	-	(545,193)	(545,193)	-	-	-
Total business-type activities	6,536,972	7,485,149	40,000	-	-	988,177	988,177	-	-	-
Total primary government	\$ 81,482,893	\$ 9,749,907	\$ 8,779,421	\$ 4,205,637	\$ (59,736,105)	\$ 988,177	\$ (58,747,928)	\$ -	\$ -	\$ -
Component Units:										
School Board	\$ 44,721,112	\$ 1,903,606	\$ 28,509,224	\$ -	\$ -	\$ -	\$ -	\$ (14,308,282)	\$ -	\$ -
Economic Development Authority	285,734	-	17,542	-	-	-	-	-	(268,192)	-
Community Development Authority	1,660,603	9,942,754	-	-	-	-	-	-	-	8,282,151
Total component units	\$ 46,667,449	\$ 11,846,360	\$ 28,526,766	\$ -	\$ -	\$ -	\$ -	\$ (14,308,282)	\$ (268,192)	\$ 8,282,151
General revenues:										
General property taxes					\$ 41,389,188	\$ 6	\$ 41,389,194	\$ -	\$ -	\$ -
Local sales and use					3,602,559	-	3,602,559	-	-	-
Taxes on recordation and wills					732,170	-	732,170	-	-	-
Business license tax					1,587,070	-	1,587,070	-	-	-
Vehicle registration tax					690,966	-	690,966	-	-	-
Meals tax					2,331,371	-	2,331,371	-	-	-
Other local taxes					545,385	-	545,385	-	-	-
Unrestricted revenues from use of money and property					4,271,008	-	4,271,008	9,553	-	281,298
Interest and penalties					7,915	757,478	765,393	-	25,125	489
Gain (loss) on sale of property					-	(12,234)	(12,234)	14,086	-	-
Miscellaneous					411,247	112,439	523,686	109,122	-	-
Grants and contributions not restricted to specific programs					15,648,398	-	15,648,398	-	-	-
County contribution					-	-	-	19,070,051	330,000	-
Total general revenues					71,217,277	857,689	72,074,966	19,202,812	355,125	281,787
Change in net position					11,481,172	1,845,866	13,327,038	4,894,530	86,933	8,563,938
NET POSITION AT JULY 1					122,030,557	78,953,559	200,984,116	18,080,923	3,861,219	(101,749,488)
NET POSITION AT JUNE 30					\$ 133,511,729	\$ 80,799,425	\$ 214,311,154	\$ 22,975,453	\$ 3,948,152	\$ (93,185,550)

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

COUNTY OF NEW KENT, VIRGINIA

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General	Airport	Debt Service	County Capital Improvements	Nonmajor Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 14,063,904	\$ -	\$ 1,423,476	\$ 26,113,155	\$ 12,639	\$ 41,613,174
Cash and cash equivalents, restricted	-	-	-	47,433,959	8,752,116	56,186,075
Receivables, net:						
Taxes receivable	3,449,896	-	-	-	-	3,449,896
Accounts receivable	489,119	7,224	-	-	-	496,343
Leases	1,726,049	-	-	-	-	1,726,049
Due from other funds	21,379	-	-	-	-	21,379
Due from other governments	1,747,290	3,498	-	-	814,144	2,564,932
Prepaid items	289,264	5,466	-	28,055	200	322,985
Total assets	<u>\$ 21,786,901</u>	<u>\$ 16,188</u>	<u>\$ 1,423,476</u>	<u>\$ 73,575,169</u>	<u>\$ 9,579,099</u>	<u>\$ 106,380,833</u>
LIABILITIES						
Accounts payable	383,556	965	-	12,634,741	276,438	13,295,700
Accrued liabilities	243,204	761	-	-	-	243,965
Due to other funds	-	21,379	-	-	-	21,379
Unearned revenue	213,005	-	-	-	-	213,005
Deposits payable	-	1,000	-	320,122	-	321,122
Total liabilities	<u>839,765</u>	<u>24,105</u>	<u>-</u>	<u>12,954,863</u>	<u>276,438</u>	<u>14,095,171</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	1,717,414	-	-	-	-	1,717,414
Unavailable revenue	3,484,335	-	-	-	-	3,484,335
Total deferred inflows of resources	<u>5,201,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,201,749</u>
FUND BALANCES						
Nonspendable	289,264	5,466	-	28,055	200	322,985
Restricted	91,244	-	-	11,173,725	9,302,661	20,567,630
Committed	44,865	-	350,000	49,418,526	-	49,813,391
Assigned	-	-	1,073,476	-	-	1,073,476
Unassigned	15,320,014	(13,383)	-	-	(200)	15,306,431
Total fund balances	<u>15,745,387</u>	<u>(7,917)</u>	<u>1,423,476</u>	<u>60,620,306</u>	<u>9,302,661</u>	<u>87,083,913</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,786,901</u>	<u>\$ 16,188</u>	<u>\$ 1,423,476</u>	<u>\$ 73,575,169</u>	<u>\$ 9,579,099</u>	<u>\$ 106,380,833</u>

COUNTY OF NEW KENT, VIRGINIA

RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2024

Total fund balances - Governmental Funds	\$ 87,083,913
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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	\$ 7,967,758	
Depreciable, net	<u>100,764,507</u>	108,732,265
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.		3,484,335
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	2,311,073	
Deferred inflows of resources related to pensions	(924,551)	
Deferred outflows of resources related to other postemployment benefits	285,286	
Deferred inflows of resources related to other postemployment benefits	<u>(112,526)</u>	1,559,282
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(58,955,752)	
Bond issuance premium, net of accumulated amortization	(2,515,433)	
Leases and subscriptions payable	(1,726,161)	
Deferred charge on refundings, net of accumulated amortization	335,402	
Interest payable	(684,224)	
Net pension liability	(1,787,704)	
Net other postemployment benefit liability	(681,850)	
Compensated absences	<u>(1,332,344)</u>	(67,348,066)
Net position of governmental activities		<u><u>\$ 133,511,729</u></u>

COUNTY OF NEW KENT, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2024**

	General	Airport	Debt Service	County Capital Improvements	Nonmajor Governmental Funds	Total
REVENUES						
General property taxes	\$ 40,918,860	\$ -	\$ -	\$ -	\$ -	\$ 40,918,860
Other local taxes	9,497,436	-	-	-	-	9,497,436
Permits, privilege fees, and regulatory licenses	1,184,817	-	-	-	-	1,184,817
Fines and forfeitures	241,173	-	-	-	-	241,173
Revenue from the use of money and property	3,552,543	90,107	-	347,738	280,620	4,271,008
Charges for services	727,500	49,743	-	-	-	777,243
Contributions and proffers	-	-	-	1,100,586	-	1,100,586
Miscellaneous	261,403	-	-	56,761	-	318,164
Recovered costs	939,256	-	-	-	-	939,256
Intergovernmental revenues:						
Commonwealth	18,770,952	27,123	-	300,000	2,961,553	22,059,628
Other local governments	-	-	-	-	61,524	61,524
Federal	1,395,023	275,592	-	2,789,781	-	4,460,396
Total revenues	77,488,963	442,565	-	4,594,866	3,303,697	85,830,091
EXPENDITURES						
Current:						
General government administration	5,521,687	-	-	-	-	5,521,687
Judicial administration	2,259,048	-	-	-	-	2,259,048
Public safety	16,165,284	-	-	-	-	16,165,284
Public works	2,330,741	189,912	-	-	409,151	2,929,804
Health and welfare	2,647,278	-	-	-	723,153	3,370,431
Education	18,582,312	-	-	487,739	-	19,070,051
Parks, recreation, and cultural	872,178	-	-	-	-	872,178
Community development	1,600,383	-	-	-	-	1,600,383
Capital projects	-	355,517	-	23,580,647	-	23,936,164
Debt service:						
Principal retirement	388,961	-	6,536,517	43,317	-	6,968,795
Interest and other fiscal charges	19,033	-	2,023,072	-	-	2,042,105
Total expenditures	50,386,905	545,429	8,559,589	24,111,703	1,132,304	84,735,930
Excess (deficiency) of revenues over expenditures	27,102,058	(102,864)	(8,559,589)	(19,516,837)	2,171,393	1,094,161
OTHER FINANCING SOURCES (USES)						
Issuance of subscriptions	-	-	-	132,982	-	132,982
Transfers in	839,240	85,274	8,663,208	16,388,094	344,844	26,320,660
Transfers out	(25,994,970)	-	-	(325,690)	-	(26,320,660)
Total other financing sources (uses)	(25,155,730)	85,274	8,663,208	16,195,386	344,844	132,982
Net change in fund balances	1,946,328	(17,590)	103,619	(3,321,451)	2,516,237	1,227,143
FUND BALANCES AT JULY 1	13,799,059	9,673	1,319,857	63,941,757	6,786,424	85,856,770
FUND BALANCES AT JUNE 30	\$ 15,745,387	\$ (7,917)	\$ 1,423,476	\$ 60,620,306	\$ 9,302,661	\$ 87,083,913

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

COUNTY OF NEW KENT, VIRGINIA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024**

Net Change in Fund Balance - Governmental Funds		\$ 1,227,143
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	\$ 10,359,480	
Depreciation and amortization	(5,338,994)	
Allocation of jointly owned assets, net	<u>(2,909,201)</u>	
		2,111,285
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.		
		(147,873)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		
		15,270
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	1,729,775	
Pension expense	(1,317,163)	
Other postemployment benefit contributions	92,695	
Other postemployment benefit expense	<u>(55,050)</u>	
		450,257
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		581,731
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	(132,982)	
Payments of principal on long-term obligations	<u>6,968,795</u>	
		6,835,813
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	(43,636)	
Change in interest payable	86,364	
Amortization of deferred amounts on refunding	(159,597)	
Amortization of premium on bonds payable	<u>524,415</u>	
		407,546
Changes in net position of governmental activities		<u>\$ 11,481,172</u>

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

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2024

	Enterprise Funds		
	Water & Sewer	Bottom's Bridge	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 23,294,413	\$ 6,840	\$ 23,301,253
Cash and cash equivalents, restricted	113,743	-	113,743
Receivables, net:			
Accounts receivable	1,207,265	-	1,207,265
Total current assets	24,615,421	6,840	24,622,261
Noncurrent assets:			
Capital assets:			
Infrastructure	57,197,129	20,733,848	77,930,977
Land	1,231,400	1,253,041	2,484,441
Water production and distribution facilities	6,211,577	-	6,211,577
Machinery and equipment	5,452,304	-	5,452,304
Intangible assets	453,769	-	453,769
Right-to-use subscriptions	24,168	-	24,168
Construction in progress	8,014,164	-	8,014,164
Accumulated depreciation and amortization	(18,177,116)	(5,103,716)	(23,280,832)
Total noncurrent assets	60,407,395	16,883,173	77,290,568
Total assets	85,022,816	16,890,013	101,912,829
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on bond refunding	-	413,470	413,470
Items related to measurement of net pension liability	213,579	-	213,579
Items related to measurement of other postemployment benefits liability	26,365	-	26,365
Total deferred outflows of resources	239,944	413,470	653,414
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	833,930	-	833,930
Accrued interest payable	53,863	38,248	92,111
Deposits payable	363,142	-	363,142
Compensated absences - current portion	103,174	-	103,174
Bonds payable - current portion	579,496	805,000	1,384,496
Total current liabilities	1,933,605	843,248	2,776,853
Noncurrent liabilities:			
Compensated absences - net of current portion	23,431	-	23,431
Bonds payable - net of current portion	9,887,466	8,755,000	18,642,466
Net pension liability	165,212	-	165,212
Net other postemployment benefit liability	63,014	-	63,014
Total noncurrent liabilities	10,139,123	8,755,000	18,894,123
Total liabilities	12,072,728	9,598,248	21,670,976
DEFERRED INFLOWS OF RESOURCES			
Items related to measurement of net pension liability	85,443	-	85,443
Items related to measurement of other postemployment benefit liability	10,399	-	10,399
Total deferred inflows of resources	95,842	-	95,842
NET POSITION			
Net investment in capital assets	57,969,119	7,736,643	65,705,762
Unrestricted	15,125,071	(31,408)	15,093,663
Total net position	\$ 73,094,190	\$ 7,705,235	\$ 80,799,425

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

EXHIBIT 8**COUNTY OF NEW KENT, VIRGINIA****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS****Year Ended June 30, 2024**

	Enterprise Funds		
	Water & Sewer	Bottom's Bridge	Total
OPERATING REVENUES			
Charges for services:			
Water and sewer revenues	\$ 5,983,745	\$ -	\$ 5,983,745
Other revenues	69,846	-	69,846
Total operating revenues	6,053,591	-	6,053,591
OPERATING EXPENSES			
Personnel services	1,370,599	-	1,370,599
Fringe benefits	468,620	-	468,620
Contractual services	1,299,786	-	1,299,786
Other charges	1,378,455	-	1,378,455
Depreciation	1,256,134	318,982	1,575,116
Total operating expenses	5,773,594	318,982	6,092,576
Operating income (loss)	279,997	(318,982)	(38,985)
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental - Federal	40,000	-	40,000
Connection and reconnections fees	1,026,050	948	1,026,998
Investment income	757,478	-	757,478
Availability fees	404,560	-	404,560
Miscellaneous	112,439	-	112,439
Loss on disposal of assets	(12,234)	-	(12,234)
Tax revenue	-	6	6
Interest expense	(217,237)	(227,159)	(444,396)
Total non-operating revenues (expenses)	2,111,056	(226,205)	1,884,851
Income (loss) before transfers	2,391,053	(545,187)	1,845,866
Transfers in	-	965,820	965,820
Transfers out	(965,820)	-	(965,820)
Change in net position	1,425,233	420,633	1,845,866
NET POSITION AT JULY 1	71,668,957	7,284,602	78,953,559
NET POSITION AT JUNE 30	\$ 73,094,190	\$ 7,705,235	\$ 80,799,425

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

EXHIBIT 9

COUNTY OF NEW KENT, VIRGINIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2024

	Enterprise Funds		
	Water & Sewer	Bottom's Bridge	Total
OPERATING ACTIVITIES			
Receipts from customers and users	\$ 6,310,648	\$ -	\$ 6,310,648
Payments to suppliers	(2,573,574)	-	(2,573,574)
Payments to employees	(1,863,707)	-	(1,863,707)
Other revenue	112,439	391	112,830
Net cash provided by operating activities	1,985,806	391	1,986,197
NONCAPITAL FINANCING ACTIVITIES			
Proceeds from federal grants	40,000	-	40,000
Transfers to other funds	(965,820)	-	(965,820)
Transfers from other funds	-	965,820	965,820
Net cash provided by (used in) noncapital financing activities	(925,820)	965,820	40,000
CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from disposal of capital assets	22,611	-	22,611
Purchases of capital assets	(2,451,919)	-	(2,451,919)
Principal payments on bonds and subscriptions	(581,320)	(805,000)	(1,386,320)
Connection and availability fees	1,430,610	948	1,431,558
Interest expense	(219,953)	(155,319)	(375,272)
Net cash used for capital and related financing activities	(1,799,971)	(959,371)	(2,759,342)
INVESTING ACTIVITIES			
Investment income	757,478	-	757,478
Net cash provided by investing activities	757,478	-	757,478
Net increase in cash and cash equivalents	17,493	6,840	24,333
CASH AND CASH EQUIVALENTS, beginning at July 1	23,390,663	-	23,390,663
CASH AND CASH EQUIVALENTS, ending at June 30	<u>\$ 23,408,156</u>	<u>\$ 6,840</u>	<u>\$ 23,414,996</u>
RECONCILIATION TO EXHIBIT 7			
Cash and cash equivalents	\$ 23,294,413	\$ 6,840	\$ 23,301,253
Cash and cash equivalents, restricted	113,743	-	113,743
	<u>\$ 23,408,156</u>	<u>\$ 6,840</u>	<u>\$ 23,414,996</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 279,997	\$ (318,982)	\$ (38,985)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	1,256,134	318,982	1,575,116
Other revenue	112,439	391	112,830
Pension expense net of employer contributions	(35,372)	-	(35,372)
OPEB expense net of employer contributions	(1,625)	-	(1,625)
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	254,025	-	254,025
Prepaid items	450	-	450
(Decrease) increase in:			
Accounts payable	104,217	-	104,217
Deposits	3,032	-	3,032
Compensated absences	12,509	-	12,509
Net cash provided by operating activities	<u>\$ 1,985,806</u>	<u>\$ 391</u>	<u>\$ 1,986,197</u>

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

COUNTY OF NEW KENT, VIRGINIA

**STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
June 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 5,185</u>
Total assets	<u><u>\$ 5,185</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u><u>\$ 5,185</u></u>

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

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

For the fiscal year ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Member contributions	\$ 9,328
Total additions	<u>9,328</u>
DEDUCTIONS	
Payment made to welfare recipients	<u>6,794</u>
Total deductions	<u>6,794</u>
Change in fiduciary net position	2,534
Total net position - beginning	<u>2,651</u>
Total net position - ending	<u><u>\$ 5,185</u></u>

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

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2024.

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, 2024. 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

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

B. Individual Component Unit Disclosures (Continued)

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 financial report, which can be obtained from the CDA.

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, 2024, was \$571,701. 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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

C. Other Related Organizations (Continued)

Central Virginia Transit Authority

The Central Virginia Transit 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 \$2,644,768 during fiscal year 2024. 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 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 fund and fiduciary fund financial statements, except for custodial funds. 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.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 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.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

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

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, and County Capital Improvements Fund as major governmental 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.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

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

1. Governmental Funds (Continued)

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 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.

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 Special Revenue Funds are the Human Services (Children's Services Act) Fund and Central Virginia Transportation Authority 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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

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

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. The SSI fund has no assets and no activity during the year.
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.

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.

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 \$93,928 at June 30, 2024, comprised of the water and sewer receivables.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

G. Receivables and Payables (Continued)

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.

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

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

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

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 \$91,244 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 \$11,173,725 and \$9,302,661, 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.
- 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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows/Inflows of Resources (Continued)

- 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. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to received sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

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 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. Assignments shall not create a deficit in any fund or segment of fund balance.

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.

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

S. Fund Balance (Continued)

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.

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COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

S. Fund Balance (Continued)

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	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Prepaid items	\$ 289,264	\$ 5,466	\$ -	\$ 28,055	\$ 200	\$ 322,985
Total Nonspendable						
Fund Balances	289,264	5,466	-	28,055	200	322,985
Restricted:						
General government						
administration	(130)	-	-	-	-	(130)
Public safety	88,806	-	-	-	-	88,806
Public works	5,408	-	-	-	-	5,408
Health and welfare	(2,840)	-	-	-	-	(2,840)
Capital projects	-	-	-	11,173,725	9,302,661	20,476,386
Total Restricted						
Fund Balance	91,244	-	-	11,173,725	9,302,661	20,567,630
Committed:						
General government	44,865	-	-	-	-	44,865
Capital projects	-	-	350,000	49,418,526	-	49,768,526
Total Committed						
Fund Balance	44,865	-	350,000	49,418,526	-	49,813,391
Assigned:						
General government	-	-	1,073,476	-	-	1,073,476
Total Assigned						
Fund Balance	-	-	1,073,476	-	-	1,073,476
Unassigned:	15,320,014	(13,383)	-	-	(200)	15,306,431
Total Fund Balances	\$ 15,745,387	\$ (7,917)	\$ 1,423,476	\$ 60,620,306	\$ 9,302,661	\$ 87,083,913

T. Subsequent Events

Management has evaluated subsequent events through December 9, 2024, the date the financial statements were available to be issued.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 and Airport), 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 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 not reallocate resources without Board approval, at the department level. He is authorized to transfer appropriations by line item within departments, except for payroll and employee benefits line items. 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.

Compliance at the legal level of budgetary control is demonstrated in a separately issued report, which will be available on the County's website under Financial Services department in the Annual Financial Reports section.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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.

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, 2024, 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, 2024, 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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 3. Deposits and Investments (Continued)

Credit Risk of Debt Securities (Continued)

Rated Debt Investments' Values			
Rated Debt Investments	Fair Value	S&P Credit Rating	Weighted-Average Maturity
County:			
Local Government Investment Pool (LGIP)	\$ 4,585	AAAm	85 days
Virginia Investment Pool – NAV Liquidity Pool	49,412,546	AAAm	74 days
	<u>\$ 49,417,131</u>		
EDA:			
Local Government Investment Pool (LGIP)	\$ 355,118	AAAm	85 days

The County's investments are included in cash and cash equivalents at June 30, 2024.

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.

Restricted cash and investments

Restricted cash and investments consist of the following:

	Primary Government
Unspent bond proceed restricted for future capital projects	\$ 10,760,619
Proceeds from the State in the Central Virginia Transportation Authority Fund for constructions and maintenance of roads, sidewalks, etc.	8,752,116
Proceeds from Colonial Downs restricted for other future capital projects	35,940,111
Proffers	413,107
Escrow deposits (Capital Improvements Fund)	320,122
Escrow deposits (Water and Sewer Fund)	113,743
	<u>\$ 56,299,818</u>

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 4. Due from Other Governments

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

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
State sales tax	\$ -	\$ 773,810
Department of social services	51,418	-
Constitutional officers reimbursement	178,030	-
E-911 wireless funds	17,299	-
Casino tax receivable	276,768	-
CSA	74,396	-
Local sales tax	656,866	-
Franchise tax	61,145	-
Central Virginia Transportation Authority	739,747	-
Opioid settlement funds	255,621	-
Other state grants	102,756	-
Federal Government:		
School fund grants	-	1,219,577
Welfare	99,731	-
Victim witness grant	10,305	-
Other federal grants	40,850	-
Total due from other governments	<u>\$ 2,564,932</u>	<u>\$ 1,993,387</u>

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2024, is as follows:

Governmental Activities	Beginning Balance	Transfers and Increases	Transfers and Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,150,457	\$ 1,005,968	\$ -	\$ 4,156,425
Easements	1,353,047	-	-	1,353,047
Construction in progress	3,648,437	4,827,470	6,017,621	2,458,286
Total capital assets, not being depreciated	8,151,941	5,833,438	6,017,621	7,967,758
Capital assets, being depreciated/ amortized:				
Buildings	44,101,816	6,962,285	6,714	51,057,387
Buildings - leases	242,501	-	-	242,501
Machinery and equipment	25,460,921	3,407,496	1,633,920	27,234,497
Machinery and equipment - leases	1,815,091	-	-	1,815,091
Capital improvements	4,324,330	17,681	-	4,342,011
Right-to-use subscriptions	576,635	136,683	-	713,318
Intangible assets	346,157	34,786	-	380,943
Jointly owned assets - buildings	65,753,514	-	4,208,597	61,544,917
Total capital assets, being depreciated/amortized:	142,620,965	10,558,931	5,849,231	147,330,665
Accumulated depreciation/amortization:				
Buildings	12,673,601	973,409	1,065,859	12,581,151
Buildings - leases	78,864	36,146	-	115,010
Machinery and equipment	15,562,814	2,448,459	426,902	17,584,371
Machinery and equipment - leases	280,090	128,373	-	408,463
Capital improvements	1,904,112	109,183	-	2,013,295
Right-to-use subscriptions	263,344	290,732	-	554,076
Intangible assets	168,417	24,358	-	192,775
Jointly owned assets - buildings	13,088,079	1,328,334	1,299,396	13,117,017
Total accumulated depreciation/ amortization	44,019,321	5,338,994	2,792,157	46,566,158
Total capital assets, being depreciated/amortized, net	98,601,644	5,219,937	3,057,074	100,764,507
Governmental activities capital assets, net	\$ 106,753,585	\$ 11,053,375	\$ 9,074,695	\$ 108,732,265

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 5. Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2024, is as follows: (Continued)

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	5,994,445	2,040,585	20,866	8,014,164
Total capital assets, not being depreciated	8,478,886	2,040,585	20,866	10,498,605
Capital assets, being depreciated/ amortized:				
Water production and distribution	6,211,577	-	-	6,211,577
Machinery and equipment	5,154,004	376,293	77,993	5,452,304
Intangible assets	397,861	55,908	-	453,769
Right-to-use subscriptions	24,168	-	-	24,168
Infrastructure	77,975,976	-	44,999	77,930,977
Total capital assets, being depreciated/amortized	89,763,586	432,201	122,992	90,072,795
Accumulated depreciation/amortization:				
Water production and distribution	2,903,465	132,422	-	3,035,887
Machinery and equipment	3,030,870	231,908	77,993	3,184,785
Intangible assets	74,961	-	-	74,961
Right-to-use subscriptions	12,084	12,084	-	24,168
Infrastructure	15,772,482	1,198,702	10,153	16,961,031
Total accumulated depreciation/ amortization	21,793,862	1,575,116	88,146	23,280,832
Total capital assets, being depreciated/amortized, net	67,969,724	(1,142,915)	34,846	66,791,963
Business-type activities capital assets, net	\$ 76,448,610	\$ 897,670	\$ 55,712	\$ 77,290,568

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 5. Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2024, is as follows: (Continued)

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	-	172,638
Total capital assets, not being depreciated	3,233,129	172,638	-	3,405,767
Capital assets, being depreciated/amortized:				
Buildings	2,857,783	19,309	-	2,877,092
Jointly owned assets - buildings	46,814,318	4,208,598	-	51,022,916
Financed equipment purchase	357,071	-	357,071	-
Machinery and equipment	8,750,413	1,433,509	114,895	10,069,027
Machinery and equipment - leases	13,336	-	-	13,336
Total capital assets, being depreciated/amortized	58,792,921	5,661,416	471,966	63,982,371
Accumulated depreciation/amortization:				
Buildings	777,704	151,237	-	928,941
Jointly owned assets - buildings	16,537,082	2,286,304	-	18,823,386
Machinery and equipment	5,690,696	578,123	114,895	6,153,924
Machinery and equipment - leases	5,247	-	-	5,247
Total accumulated depreciation/amortization	23,010,729	3,015,664	114,895	25,911,498
Total capital assets, being depreciated/amortized, net	35,782,192	2,645,752	357,071	38,070,873
School Board capital assets, net	\$ 39,015,321	\$ 2,818,390	\$ 357,071	\$ 41,476,640

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 5. Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2024, is as follows: (Continued)

<u>Component Unit – Farms of New Kent:</u>	<u>Beginning Balance</u>	<u>Transfers and Increases</u>	<u>Transfers and Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated/amortized:				
Roads and improvements	\$ 640,891	\$ -	\$ -	\$ 640,891
Software	18,000	-	-	18,000
Total capital assets, being depreciated/amortized	658,891	-	-	658,891
Accumulated depreciation/amortization:				
Roads and improvements	42,726	21,363	-	64,089
Software	18,000	-	-	18,000
Total accumulated depreciation/amortization	60,726	21,363	-	82,089
Total capital assets, being depreciated/amortized, net	598,165	(21,363)	-	576,802
Farms of New Kent capital assets, net	<u>\$ 598,165</u>	<u>\$ (21,363)</u>	<u>\$ -</u>	<u>\$ 576,802</u>

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

Governmental activities:

General government administration	\$ 611,869
Judicial administration	119,718
Public safety	2,306,845
Public works	528,679
Health and welfare	83,492
Education	1,329,079
Parks, recreation, and cultural	114,339
Community development	244,973
Total Governmental activities	<u>\$ 5,338,994</u>

Component Unit School Board \$ 2,895,909

Component Unit Farms of New Kent CDA \$ 21,363

Business-type activities

Water and sewer	\$ 1,256,134
Bottom's Bridge	318,982
Total Business-type activities	<u>\$ 1,575,116</u>

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 5. Capital Assets (Continued)

The increase in the School's accumulated depreciation of \$3,015,664 includes \$119,755 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, 2024, is that school-financed assets in the amount of \$48,427,900 are reported in the Primary Government for financial reporting purposes.

Note 6. Interfund Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following:

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General	\$ 839,240	\$ 25,994,970
Human Services	344,844	-
County Capital Improvements	16,388,094	325,690
Debt Service	8,663,208	-
Airport	85,274	-
	<u>26,320,660</u>	<u>26,320,660</u>
Total Governmental Funds		
Enterprise Funds:		
Water and Sewer	-	965,820
Bottom's Bridge	965,820	-
	<u>965,820</u>	<u>965,820</u>
Total Enterprise Funds		
	<u>\$ 27,286,480</u>	<u>\$ 27,286,480</u>
Total Primary Government		

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 6. Interfund Transfers (Continued)

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 and the County Capital Improvements Funds in the amount of \$8,563,208 and \$16,388,094, respectively. 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 \$325,690 consists of transfers to the:

Computer Fund (included with the General Fund)	\$ 167,500
General Fund	31,890
Airport Fund	19,300
Social Services Fund	7,000
Debt Services Fund	100,000
	<u>\$ 325,690</u>

The majority of the transfers in were funds transferred from the General Fund. The largest, as discussed above, is to the Debt Service Fund and the County Capital Improvements Fund. The General Fund also supports the Airport Fund with local funds, which totaled \$65,974. The remaining transfers consist of the County's support of Human Services, Social Services, Grant Funds, and General Activities for \$344,844, \$601,903, \$3,947, and \$27,000, 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 \$965,820 in additional support.

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Incurred by County:					
Compensated absences	\$ 1,288,708	\$ 1,561,522	\$ (1,517,886)	\$ 1,332,344	\$ 1,085,766
Net pension liability	2,504,035	-	(716,331)	1,787,704	-
Net other postemployment benefit liability	646,014	35,836	-	681,850	-
Lease revenue bonds	25,372,622	-	(2,327,920)	23,044,702	2,379,889
Leases	1,788,743	-	(128,247)	1,660,496	92,886
Subscription liabilities	236,713	132,982	(304,030)	65,665	20,882
Bond premium	78,649	-	(25,358)	53,291	19,667
Total incurred by County	31,915,484	1,730,340	(5,019,772)	28,626,052	3,599,090
Incurred for the School Board:					
General obligation bonds	22,282,270	-	(1,539,517)	20,742,753	1,580,264
Lease revenue bonds	17,837,378	-	(2,669,081)	15,168,297	2,813,112
Bond premium	2,961,199	-	(499,057)	2,462,142	430,313
Total incurred for the School Board	43,080,847	-	(4,707,655)	38,373,192	4,823,689
Total Governmental Activities	<u>\$ 74,996,331</u>	<u>\$ 1,730,340</u>	<u>\$ (9,727,427)</u>	<u>\$ 66,999,244</u>	<u>\$ 8,422,779</u>
<u>Business-Type Activities</u>					
Compensated absences	\$ 114,096	\$ 138,772	\$ (126,263)	\$ 126,605	\$ 103,174
Net pension liability	222,920	-	(57,708)	165,212	-
Net other postemployment benefit liability	57,511	5,503	-	63,014	-
Subscription liabilities	12,248	-	(12,248)	-	-
Lease revenue bonds	21,401,034	-	(1,374,072)	20,026,962	1,384,496
Total Business-Type Activities	<u>\$ 21,807,809</u>	<u>\$ 144,275</u>	<u>\$ (1,570,291)</u>	<u>\$ 20,381,793</u>	<u>\$ 1,487,670</u>

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 7. Long-Term Obligations (Continued)

Primary Government: (Continued)

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
2025	\$ 2,379,889	\$ 518,266	\$ 92,886	\$ 17,776	\$ 20,882	\$ 3,120
2026	2,430,361	468,083	93,375	16,781	21,872	2,128
2027	1,936,341	422,354	99,584	15,720	22,911	1,088
2028	1,784,317	379,565	105,272	14,596	-	-
2029	1,470,794	337,284	111,254	13,408	-	-
2030-2034	5,342,000	1,293,303	566,493	48,538	-	-
2035-2039	4,716,000	709,849	414,314	21,930	-	-
2040-2044	2,985,000	106,504	177,318	1,814	-	-
Total	\$ 23,044,702	\$ 4,235,208	\$ 1,660,496	\$ 150,563	\$ 65,665	\$ 6,336

School Obligations				
Year Ending June 30	General Obligation Bond		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 1,580,264	\$ 748,122	\$ 2,813,112	\$ 485,461
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
2030-2034	5,130,000	1,631,790	-	-
2035-2039	6,125,000	633,999	-	-
2040-2044	2,640,000	61,065	-	-
Total	\$ 20,742,753	\$ 5,326,462	\$ 15,168,297	\$ 1,315,450

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 7. Long-Term Obligations (Continued)

Primary Government: (Continued)

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

<u>Year Ending June 30</u>	<u>Business-Type Obligations</u>	
	<u>Lease</u>	
	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,384,496	\$ 353,757
2026	1,399,934	336,196
2027	1,416,387	316,890
2028	1,441,855	295,531
2029	1,464,338	272,156
2030-2034	7,681,445	953,164
2035-2039	3,636,507	335,739
2040-2044	1,602,000	55,093
Total	<u>\$ 20,026,962</u>	<u>\$ 2,918,526</u>

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(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 7. Long-Term Obligations (Continued)

Primary Government: (Continued)

Details of long-term indebtedness are as follows:

	<u>Year Issued</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
Governmental Activities Obligations:					
Incurred by County:					
Lease revenue Bonds					
2014 refunding lease revenue bond	2015	2.125%-5.125%	10/1/2028	\$ 1,681,702	\$ 311,889
2017 lease revenue bond	2017	2.16%	10/1/2027	1,354,000	328,000
2021A refunding revenue bond	2021	1.10%	10/1/2033	5,189,000	1,089,000
2022 lease revenue bond	2022	2.65%	10/1/2041	14,820,000	651,000
				<hr/>	<hr/>
Total lease revenue bonds				23,044,702	2,379,889
Leases	various	1.10%	various	1,660,496	92,886
Subscriptions	various	various	various	65,665	20,882
				<hr/>	<hr/>
				<hr/>	<hr/>
Total incurred by County				24,770,863	2,493,657
				<hr/>	<hr/>
Incurred for the School Board:					
General obligation bonds					
2007 School bond	2008	5.10%	7/15/2027	1,469,191	361,797
2006 School bond	2007	4.225%-5.10%	7/15/2026	1,115,573	369,923
2005 School bond - primary school	2006	4.60%-5.10%	7/15/2025	257,989	128,544
2020 School bond	2020	2.30%-5.05%	7/15/2040	17,900,000	720,000
				<hr/>	<hr/>
Total general obligation bonds				20,742,753	1,580,264
				<hr/>	<hr/>
Lease revenue bond					
2014 refunding lease revenue bond	2015	2.125%-5.125%	10/1/2028	15,168,297	2,813,112
				<hr/>	<hr/>
Total incurred for the School Board				35,911,050	4,393,376
				<hr/>	<hr/>
Total Governmental Activities Obligations				<u>\$ 60,681,913</u>	<u>\$ 6,887,033</u>
Business-type Activities Obligations:					
Lease revenue bonds					
2020B refunding bond	2020	0.403%-1.649%	11/1/2029	4,455,000	725,000
2020C refunding bond	2020	0.412%-2.198%	11/1/2034	5,105,000	80,000
2021 taxable revenue bond	2020	1.00%-2.09%	3/1/2036	1,742,962	143,496
2021B refunding bond	2021	1.10%	10/1/2032	561,000	65,000
2022 revenue bond	2022	2.27%	10/1/2041	8,163,000	371,000
				<hr/>	<hr/>
Total Business-type Obligations				<u>\$ 20,026,962</u>	<u>\$ 1,384,496</u>

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 7. Long-Term Obligations (Continued)

Primary Government: (Continued)

Direct Borrowings

The County has Public Facilities Lease Revenue Bonds outstanding from direct borrowings related to governmental activities totaling \$14,820,000. 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, 2024, the following bonds are considered defeased:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Series 2021 – refunding of 2012B	\$ 4,330,000	\$ -	\$ (645,000)	\$ 3,685,000
Series 2021 – refunding of 2012C	4,845,000	-	(40,000)	4,805,000
Series 2020 – refunding of 2018 bond	2,493,000	-	(189,000)	2,304,000
Series 2021A – refunding of 2015, 2016A, 2016B, and 2020 bonds	6,171,000	-	(1,035,000)	5,136,000
Series 2021B – refunding of 2014 bond	621,624	-	(60,869)	560,755
	<u>\$ 18,460,624</u>	<u>\$ -</u>	<u>\$ (1,969,869)</u>	<u>\$ 16,490,755</u>

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 7. Long-Term Obligations (Continued)

Primary Government: (Continued)

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
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

*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, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 423,956	\$ 410,378	\$ (324,211)	\$ 510,123	\$ 447,871
Leases	8,164	-	(2,918)	5,246	2,950
Financed purchases	357,071	-	(357,071)	-	-
Net pension liability	19,973,580	2,185,103	-	22,158,683	-
Other postemployment benefits	5,272,027	212,701	-	5,484,728	124,000
	<u>\$ 26,034,798</u>	<u>\$ 2,808,182</u>	<u>\$ (684,200)</u>	<u>\$ 28,158,780</u>	<u>\$ 574,821</u>

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 7. Long-Term Obligations (Continued)

Component Unit – School Board (Continued):

<u>Year Ending June 30</u>	<u>School Board</u>	
	<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,950	\$ 44
2026	2,012	15
2027	284	-
Total	<u>\$ 5,246</u>	<u>\$ 59</u>

Component Unit – Farms of New Kent CDA:

The following is a summary of long-term obligations of the Component Unit – School Board for the year ended June 30, 2024:

	<u>Beginning</u>		<u>Interest</u>		<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Increases</u>	<u>Accretion</u>	<u>Decreases</u>	<u>Balance</u>	<u>One Year</u>
Series 2021A bonds	\$ 35,060,000	\$ -	\$ -	\$ 5,470,000	\$ 29,590,000	\$ 1,500,000
Series 2021B bonds	42,721,983	-	2,110,736	3,378,526	41,454,193	-
Total series 2021 bonds	<u>77,781,983</u>	<u>-</u>	<u>2,110,736</u>	<u>8,848,526</u>	<u>71,044,193</u>	<u>1,500,000</u>
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	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total incurred by CDA	<u>\$ 77,881,983</u>	<u>\$ -</u>	<u>\$ 2,110,736</u>	<u>\$ 8,848,526</u>	<u>\$ 71,144,193</u>	<u>\$ 1,500,000</u>

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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 7. Long-Term Obligations (Continued)

Component Unit – Farms of New Kent CDA (Continued):

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. 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 2021 Bonds are paid in full. Unpaid interest of \$59,662 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:

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

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 7. Long-Term Obligations (Continued)

Component Unit – Farms of New Kent CDA (Continued):

Special Assessment Bonds, Series 2021A (Continued)

2. Extraordinary Redemption: (Continued)

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 \$4,060,000 and \$5,470,000 were made on the Series 2021A Bonds in fiscal years 2024 and 2023, 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.

<u>Year Ending June 30</u>	<u>Farms of New Kent CDA</u>	
	<u>Series 2021A 3.75% \$46,900,000</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,500,000	\$ 1,109,625
2026	1,640,000	1,053,375
2027	1,795,000	991,875
2028	1,955,000	924,563
2029	2,120,000	851,250
2030-2034	13,590,000	2,918,625
2035-2036	6,990,000	396,938
Total	<u>\$ 29,590,000</u>	<u>\$ 8,246,251</u>

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 are 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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 7. Long-Term Obligations (Continued)

Component Unit – Farms of New Kent CDA (Continued):

Special Assessment Bonds, Series 2021B (Continued)

On June 14, 2023, Kent Farms Holding Company closed on the sale of 27.686 acres of commercial land located in Land Bay V. The commercial land was sold to Buc-ee's New Kent, LLC for a gross purchase price of \$6,506,210. Special assessments in the amount of \$2,077,030 were prepaid and transferred to the Trustee for the benefit of the Series 2021B bondholders. The remaining proceeds, after taxes, fees, and commissions, were transferred to Kent Farms Holding Company for continued development of the District.

1. Extraordinary Repairs

The Series 2021B 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, plus interest accrued to the date of redemption. Redemptions may come from any moneys deposited into the 2021B Prepayment Account or 2021B Extraordinary Redemption Account.

2. Turbo Redemption

The Series 2021B 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 2021B Turbo Redemption Account. In the event of a partial turbo redemption, the bonds shall be redeemed in inverse order of their maturity. In fiscal year 2024, \$3,378,526 in Series 2021B Bonds were redeemed.

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.

Note 8. Leases

County as Lessor

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

The Airport has a lease as lessor with RAB Aviation for the use of hangar space. An initial lease receivable was recorded in the amount of \$30,986. As of June 30, 2024, the value of the lease receivable was \$-0-. The lessee is required to make monthly fixed payments of \$900. The lease has an interest rate of 1.10%. The value of the deferred inflow of resources as of June 30, 2024, was \$-0-, and the County recognized lease revenue of \$9,378 during the fiscal year. The lessee has four extension options, each for 12 months. With the extension options included, the lease expired in May 2024. The lessee chose to extend the lease an additional twelve months effective in July 2024.

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 8. Leases (Continued)

County as Lessor (Continued)

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, 2024, the value of the lease receivable was \$1,203,223. 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, 2024, was \$1,188,552, 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, 2024, the value of the lease receivable was \$266,365. 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, 2024, was \$262,368, 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, 2024, the value of the lease receivable was \$248,251. 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, 2024, was \$261,025, 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, 2024, the value of the lease receivable was \$8,210. 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, 2024, was \$5,469, and the County recognized lease revenue of \$4,102 during the fiscal year. The lease is expected to expire in October 2025.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 8. Leases (Continued)

County as Lessor (Continued)

The lease receivables are due as follows:

Year Ending	Principal	Interest
2025	\$ 100,624	\$ 18,761
2026	98,174	17,553
2027	97,710	16,476
2028	99,367	15,395
2029	101,060	14,295
Thereafter	1,229,114	108,152
	<u>\$ 1,726,049</u>	<u>\$ 190,632</u>

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 \$374,056 and \$77,811, respectively. During the fiscal year, the County made \$28,064 in principal payments leaving an ending lease liability of \$407,104 as of June 30, 2024.

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 \$1,017,288 and \$121,466, respectively. During the fiscal year, the County made \$33,806 in principal payments leaving an ending lease liability of \$1,104,503 as of June 30, 2024.

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 September 2024 through October 2030. 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.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 \$3,228,714 are not available for funding of current expenditures. Additionally, the County deferred \$255,621 related to the opioid abatement settlement to reflect funds expected to be received between 2025 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 tax payers totaled \$176,973. Approximately \$28,864 of Parks and Recreational program fees are also recorded as unearned revenue. Other miscellaneous unearned revenue is \$7,168.

Note 11. Commitments and Contingencies

Special Purpose Grants

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

The Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 11. Commitments and Contingencies (Continued)

Construction Commitments

The following construction contracts were outstanding at June 30, 2024:

Fund	Project	Contractor	Amount of Contract	Contract Outstanding June 30, 2024
Capital Improvements	Historic School Renovation (Pre-Construction Consultant	William J Hobbs	\$45,000	\$38,122
Capital Improvements	Broadband Expansion Services	Cox Communications	16,102,500	16,102,500
Capital Improvements	Fire Station 6 Construction	R G Brinkmann Company	5,656,694	5,428,683
Capital Improvements	Gateway Signage Design and Installation Services	Talley Sign Company	75,000	75,000
Water & Sewer	Solid Stabilization Facility Construction	ARCADIS	1,299,537	93,640
Water & Sewer	Engineering Services – Route 106 Interchange Improvements	Rinker Design Associates, Inc.	174,087	83,018

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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 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:

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

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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.

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>111</u>
Inactive members:	
Vested inactive members	47
Non-vested inactive members	62
Inactive members active elsewhere in VRS	<u>113</u>
Total inactive members	333
Active members	<u>222</u>
Total covered employees	<u><u>555</u></u>

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

County of New Kent (Continued)

Contributions

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2024, was 13.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$1,889,638 and \$1,718,711 for the years ended June 30, 2024 and June 30, 2023, respectively.

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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

County of New Kent (Continued)

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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees – 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 Projected to 2020 with various setbacks or set forwards for both males and females.

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

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

County of New Kent (Continued)

Actuarial Assumptions (Continued)

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 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:

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

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

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

County of New Kent (Continued)

Discount Rate

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

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2022	\$ 42,066,558	\$ 39,339,603	\$ 2,726,955
Changes for the year:			
Service cost	1,804,182	-	1,804,182
Interest	2,907,421	-	2,907,421
Differences between expected and actual experience	(538,824)	-	(538,824)
Contributions – employer	-	1,718,618	(1,718,618)
Contributions – employee	-	654,121	(654,121)
Net investment income	-	2,597,720	(2,597,720)
Benefit payments, including refunds of employee contributions	(1,595,659)	(1,595,659)	-
Administrative expenses	-	(24,698)	24,698
Other changes	-	1,057	(1,057)
Net changes	2,577,120	3,351,159	(774,039)
Balances at June 30, 2023	\$ 44,643,678	\$ 42,690,762	\$ 1,952,916

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

County of New Kent (Continued)

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)	\$ 8,407,036	\$ 1,952,916	\$ (3,298,314)

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

For the year ended June 30, 2024, the Political Subdivision recognized pension expense of \$1,441,561. At June 30, 2024, the Political Subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 230,864	\$ 443,714
Change in assumptions	404,150	-
Net difference between projected and actual earnings on pension plan investments	-	566,280
Employer contributions subsequent to the measurement date	1,889,638	-
Total	\$ 2,524,652	\$ 1,009,994

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

County of New Kent (Continued)

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

The \$1,889,638 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2025	\$ (90,346)
2026	(740,566)
2027	439,304
2028	16,628
2029	-
Thereafter	-

Pension Plan Data

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

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

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 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.

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>59</u>
Inactive members:	
Vested inactive members	22
Non-vested inactive members	23
Inactive members active elsewhere in VRS	<u>27</u>
Total inactive members	131
Active members	<u>60</u>
Total covered employees	<u><u>191</u></u>

Contributions

The school division’s contractually required contribution rate for the year ended June 30, 2024, was 7.55% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Contributions to the pension plan from the school division were \$117,851 and \$107,502 for the years ended June 30, 2024 and June 30, 2023, respectively.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

School Board Nonprofessionals (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2022	\$ 6,500,343	\$ 6,442,903	\$ 57,440
Changes for the year:			
Service cost	134,765	-	134,765
Interest	435,500	-	435,500
Changes of assumptions	-	-	-
Differences between expected and actual experience	10,287	-	10,287
Contributions – employer	-	107,659	(107,659)
Contributions – employee	-	72,292	(72,292)
Net investment income	-	410,830	(410,830)
Benefit payments, including refunds of employee contributions	(366,522)	(366,522)	-
Administrative expenses	-	(4,148)	4,148
Other changes	-	165	(165)
Net changes	214,030	220,276	(6,246)
Balances at June 30, 2023	\$ 6,714,373	\$ 6,663,179	\$ 51,194

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

The following presents the net pension liability of the school division using the discount rate of 6.75%, as well as what the 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)	\$ 855,221	\$ 51,194	\$ (633,125)

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 13. Defined Benefit Pension Plan (Continued)

School Board Nonprofessionals (Continued)

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

For the year ended June 30, 2024, the school division recognized pension benefit of \$(12,916). At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,244	\$ -
Net difference between projected and actual earnings on pension plan investments	-	109,504
Employer contributions subsequent to the measurement date	117,851	-
Total	<u>\$ 123,095</u>	<u>\$ 109,504</u>

The \$117,851 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2025	\$ (72,116)
2026	(128,568)
2027	92,987
2028	3,437
2029	-
Thereafter	-

Pension Plan Data

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

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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.

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those described in Note 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, 2024, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$3,762,236 and \$3,452,764 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 14. Defined Benefit Pension Plan – Teacher Cost-Sharing Plan (Continued)

General Information about the Teacher Cost-Sharing Plan (Continued)

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

At June 30, 2024, the school division reported a liability of \$22,107,489 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.20919% as compared to 0.21873% at June 30, 2024.

For the year ended June 30, 2024, the school division recognized pension expense of \$2,676,982. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022, measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,899,052	\$ 862,729
Change in assumptions	1,002,210	-
Net difference between projected and actual earnings on pension plan investments	-	1,437,433
Changes in proportionate share	1,220,851	87,546
Employer contributions subsequent to the measurement date	<u>3,762,236</u>	<u>-</u>
Total	<u><u>\$ 7,884,349</u></u>	<u><u>\$ 2,387,708</u></u>

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 14. Defined Benefit Pension Plan – Teacher Cost-Sharing Plan (Continued)

General Information about the Teacher Cost-Sharing Plan (Continued)

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

The \$3,762,236 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2025	\$ (24,846)
2026	(936,389)
2027	2,106,188
2028	589,452
2029	-
Thereafter	-

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

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

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 14. Defined Benefit Pension Plan – Teacher Cost-Sharing Plan (Continued)

General Information about the Teacher Cost-Sharing Plan (Continued)

Net Pension Liability (Continued)

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.

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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	\$ 39,188,693	\$ 22,107,489	\$ 8,065,334

Pension Plan Fiduciary Net Position

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

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

	<u>School Board</u>
Deferred outflows of resources	
VRS-School Non-professional	\$ 123,095
VRS-School Professional	7,884,349
Total deferred outflows of resources	<u>\$ 8,007,444</u>
Net pension liability	
VRS-School Non-professional	51,194
VRS-School Professional	22,107,489
Total pension liability	<u>\$ 22,158,683</u>
Deferred inflows of resources	
VRS-School Non-professional	109,504
VRS-School Professional	2,387,708
Total deferred inflows of resources	<u>\$ 2,497,212</u>

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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

Health Insurance

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.

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits – School Local Plan (Continued)

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive employees or beneficiaries:	
Currently receiving benefits	8
Active plan members	<u>426</u>
	<u><u>434</u></u>

Total OPEB Liability

The School's total OPEB liability of \$1,589,000 was measured as of July 1, 2023, and was determined based on an actuarial valuation performed as of July 1, 2022.

Actuarial Assumptions and other inputs

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

Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	3.86%
Salary increases, including inflation	4.00%
Healthcare cost trend rates	19.98% for fiscal year-end 2023 (to reflect actual experience) and 6.50% for fiscal year-end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%

Mortality rates: RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2018 through June 30, 2021.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 16. Other Postemployment Benefits – School Local Plan (Continued)

Changes in the Total OPEB Liability

Balance at July 1, 2023	\$ 1,361,000
Changes for the year:	
Service cost	64,000
Interest	50,000
Differences between expected and actual experience	257,000
Contributions - employer	(124,000)
Changes in assumptions	<u>(19,000)</u>
Net changes	<u>228,000</u>
Balance at June 30, 2024*	\$ <u>1,589,000</u>

*Measurement date is July 1, 2023

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 (2.86 %) or one percentage point higher (4.86%) than the current discount rate:

	<u>1.00% Decrease (2.86%)</u>	<u>Current Discount Rate (3.86%)</u>	<u>1.00% Increase (4.86%)</u>
Total OPEB liability	\$ <u>1,705,000</u>	\$ <u>1,589,000</u>	\$ <u>1,478,000</u>

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

The following presents the total OPEB liability of the Schools, as well as what the School's total OPEB liability would be if it was calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current healthcare cost trend rates:

	<u>1.00% Decrease (5.50%)</u>	<u>Current Healthcare Cost Trend Rates (6.50%)</u>	<u>1.00% Increase (7.50%)</u>
Total OPEB liability	\$ <u>1,431,000</u>	\$ <u>1,589,000</u>	\$ <u>1,771,000</u>

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 16. Other Postemployment Benefits – School Local Plan (Continued)

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

For the year ended June 30, 2024, the Schools recognized OPEB benefit of \$(24,000). At June 30, 2024, 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	\$ 218,000	\$ 520,000
Changes of assumptions	130,000	144,000
Employer contributions subsequent to the measurement date	124,000	-
	<hr/>	<hr/>
Total	<u>\$ 472,000</u>	<u>\$ 664,000</u>

The \$124,000 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, 2024. 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
	<hr/>
2025	\$ (145,000)
2026	(129,000)
2027	(57,000)
2028	(38,000)
2029	31,000
Thereafter	22,000

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

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/members/benefits/life-insurance/basic-group-life-insurance.asp>

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.asp>

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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Plan Descriptions (Continued)

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

	<u>County</u>	<u>Schools</u>
Inactive members or their beneficiaries currently receiving benefits	<u>7</u>	<u>9</u>
Inactive members – vested	5	2
Active elsewhere in VRS	67	27
Active members	<u>122</u>	<u>60</u>
Total covered employees	<u><u>201</u></u>	<u><u>98</u></u>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

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:	0.48% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024, Contribution – County	\$82,570
June 30, 2023, Contribution – County	\$75,059
June 30, 2024, Contribution – Schools	\$138,118
June 30, 2023, Contribution – Schools	\$125,210

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions (Continued)

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1401 and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.</i>
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, 2024, Contribution	\$287,404
June 30, 2023, Contribution	\$271,345

In June 2023, the Commonwealth made a special contribution of approximately \$4.0 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1400 and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.</i>
Total rate:	.22% of covered employee compensation (County) and .95% of covered employee compensation (Schools)

	County	Schools
June 30, 2024, Contribution	\$18,690	\$17,145
June 30, 2023, Contribution	\$16,897	\$15,553

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

The net OPEB liabilities were measured as of June 30, 2023, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Group Life Insurance Program

	County	Schools
June 30, 2024, proportionate share of liability	\$707,715	\$1,189,839
June 30, 2023, proportion	.059%	.0993%
June 30, 2022, proportion	.057%	.0963%
June 30, 2024, expense	\$61,420	\$73,239

Teacher Health Insurance Credit Program

June 30, 2024, proportionate share of liability	\$2,637,013
June 30, 2023, proportion	.218%
June 30, 2022, proportion	.208%
June 30, 2024, expense	\$242,009

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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COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program

Changes in the County's net OPEB liability 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 (a) – (b)
Balances at June 30, 2022	\$ 104,647	\$ 86,614	\$ 18,033
Changes for the year:			
Service cost	4,801	-	4,801
Interest	7,307	-	7,307
Differences between expected and actual experience	29,659	-	29,659
Contributions – employer	-	16,897	(16,897)
Net investment income	-	5,553	(5,553)
Benefit payments	(2,384)	(2,384)	-
Administrative expenses	-	(139)	139
Other changes	-	340	(340)
Net changes	39,383	20,267	19,116
Balances at June 30, 2023	\$ 144,030	\$ 106,881	\$ 37,149

For the year ended June 30, 2023, the County recognized OPEB expense related to the General Employee HIC Program of \$6,555.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

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)
Balances at June 30, 2022	\$ 167,968	\$ 18,111	\$ 149,857
Changes for the year:			
Service cost	1,335	-	1,335
Interest	11,285	-	11,285
Changes in assumptions	-	-	-
Differences between expected and actual experience	(76,516)	-	(76,516)
Contributions – employer	-	15,552	(15,552)
Net investment income	-	1,573	(1,573)
Benefit payments	(4,232)	(4,232)	-
Administrative expenses	-	(44)	44
Other changes	-	4	(4)
Net changes	(68,128)	12,853	(80,981)
Balances at June 30, 2023	\$ 99,840	\$ 30,964	\$ 68,876

For the year ended June 30, 2023, the Schools recognized OPEB benefit-related to the General Employee HIC Program of \$(5,925).

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

At June 30, 2024, 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	\$ 70,683	\$ 21,483
Change in assumptions	15,128	49,033
Net difference between projected and actual earnings on OPEB plan investments	-	28,440
Changes in proportion	89,679	190
Employer contributions subsequent to the measurement date	82,570	-
Total	<u>\$ 258,060</u>	<u>\$ 99,146</u>

Group Life Insurance Program - Schools

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 118,836	\$ 36,118
Change in assumptions	25,433	82,436
Net difference between projected and actual earnings on OPEB plan investments	-	47,814
Changes in proportion	57,566	2,313
Employer contributions subsequent to the measurement date	138,118	-
Total	<u>\$ 339,953</u>	<u>\$ 168,681</u>

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 116,068
Change in assumptions	61,385	2,657
Net difference between projected and actual earnings on OPEB plan investments	1,323	-
Changes in proportion	172,397	11,487
Employer contributions subsequent to the measurement date	287,404	-
Total	<u>\$ 522,509</u>	<u>\$ 130,212</u>

General Employee Health Insurance Credit Program - County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,234	\$ 22,685
Change in assumptions	5,436	1,094
Net difference between projected and actual earnings on OPEB plan investments	231	-
Employer contributions subsequent to the measurement date	18,690	-
Total	<u>\$ 53,591</u>	<u>\$ 23,779</u>

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program - Schools

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,615	\$ 56,112
Change in assumptions	7,394	-
Net difference between projected and actual earnings on OPEB plan investments	355	-
Employer contributions subsequent to the measurement date	17,145	-
Total	<u>\$ 26,509</u>	<u>\$ 56,112</u>

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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program

Year Ending June 30,	Effect on OPEB Expense	
	County	Schools
2025	\$ 22,102	\$ 7,051
2026	(3,212)	(35,884)
2027	32,646	30,918
2028	13,489	13,325
2029	11,319	17,744
Thereafter	-	-

Teacher Health Insurance Credit Program

Year Ending June 30,	Effect on OPEB Expense
2025	\$ 24,879
2026	20,574
2027	24,333
2028	12,272
2029	12,067
Thereafter	10,768

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program

<u>Year Ending June 30,</u>	<u>Effect on OPEB Expense</u>	
	<u>County</u>	<u>Schools</u>
2025	\$ 994	\$ (16,982)
2026	801	(17,020)
2027	3,271	(12,752)
2028	2,995	6
2029	3,175	-
Thereafter	(114)	-

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2022, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases, including inflation:	
• Locality- general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%

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.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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, 2023, 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	\$ 3,907,052	\$ 1,475,471
Plan fiduciary net position	2,707,739	264,054
Employers' net OPEB liability	\$ 1,199,313	\$ 1,211,417
Plan fiduciary net position as a percentage of total OPEB liability	69.30%	17.90%

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in Note 13.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Long-Term Expected Rate of Return (Continued)

Group Life Insurance and Health Insurance Credit Programs (Continued)

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

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

Discount Rate

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

(Continued)

COUNTY OF NEW KENT, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

The following presents the net OPEB liabilities of the County, as well as what the County's net OPEB liabilities 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:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability - County	\$ 1,049,055	\$ 707,715	\$ 431,739
GLI Net OPEB liability - Schools	\$ 1,763,713	\$ 1,189,839	\$ 725,858
Teacher HIC Net OPEB liability	\$ 2,982,757	\$ 2,637,013	\$ 2,344,026
General Employee HIC Net OPEB liability - County	\$ 56,908	\$ 37,149	\$ 20,826
General Employee HIC Net OPEB liability - Schools	\$ 80,649	\$ 68,876	\$ 58,957

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 18. Summary of Other Postemployment Benefit Elements

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Schools</u>
<u>Deferred outflows of resources – OPEB</u>				
Changes in proportion				
VRS – Group Life Insurance	\$ 82,092	\$ 7,587	\$ 89,679	\$ 57,566
VRS – Teacher HIC	-	-	-	172,397
Difference between expected and actual experience				
VRS – Group Life Insurance	64,703	5,980	70,683	118,836
VRS – General Employee HIC	26,761	2,473	29,234	1,615
Local Plan	-	-	-	218,000
Differences between expected and actual investment				
VRS – General Employee HIC	211	20	231	355
VRS – Teacher HIC	-	-	-	1,323
Changes of assumptions				
Local Plan	-	-	-	130,000
VRS – Group Life Insurance	13,848	1,280	15,128	25,433
VRS – General Employee HIC	4,976	460	5,436	7,394
VRS – Teacher HIC	-	-	-	61,385
Employer contributions subsequent to the measurement date				
Local Plan	-	-	-	124,000
VRS – Group Life Insurance	75,585	6,985	82,570	138,118
VRS – Teacher HIC	-	-	-	287,404
VRS – General Employee HIC	17,110	1,580	18,690	17,145
Total deferred outflow of resources - OPEB	<u>\$ 285,286</u>	<u>\$ 26,365</u>	<u>\$ 311,651</u>	<u>\$ 1,360,971</u>
<u>Net OPEB liability</u>				
Local Plan	\$ -	\$ -	\$ -	\$ 1,589,000
VRS – Group Life Insurance	647,844	59,871	707,715	1,189,839
VRS – Teacher HIC	-	-	-	2,637,013
VRS – General Employee HIC	34,006	3,143	37,149	68,876
Total net OPEB liability	<u>\$ 681,850</u>	<u>\$ 63,014</u>	<u>\$ 744,864</u>	<u>\$ 5,484,728</u>
<u>Deferred inflows of resources – OPEB</u>				
Changes in proportion				
VRS – Group Life Insurance	\$ 174	\$ 16	\$ 190	\$ 2,313
VRS – Teacher HIC	-	-	-	11,487
Differences between expected and actual experience				
Local Plan	-	-	-	520,000
VRS – Group Life Insurance	19,666	1,817	21,483	36,118
VRS- Teacher HIC	-	-	-	116,068
VRS- General Employee HIC	20,766	1,919	22,685	56,112
Differences between expected and actual investment				
VRS – Group Life Insurance	26,034	2,406	28,440	47,814
Changes of assumptions				
Local Plan	-	-	-	144,000
VRS – Group Life Insurance	44,885	4,148	49,033	82,436
VRS – Teacher HIC	-	-	-	2,657
VRS – General Employee HIC	1,001	93	1,094	-
Total deferred inflow of resources - OPEB	<u>\$ 112,526</u>	<u>\$ 10,399</u>	<u>\$ 122,925</u>	<u>\$ 1,019,005</u>

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>	<u>Schools</u>
OPEB Expense (Benefit)				
Local Plan	\$ -	\$ -	\$ -	\$ (24,000)
VRS – Group Life Insurance	56,224	5,196	61,420	73,239
VRS – Teacher HIC	-	-	-	242,009
VRS – General Employee HIC	6,000	555	6,555	(5,925)
Total OPEB Expense	\$ <u>62,224</u>	\$ <u>5,751</u>	\$ <u>67,975</u>	\$ <u>285,323</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.

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.

In addition to the significant agreement discussed above, the EDA has several other business incentive grants totaling \$296,030. Of this amount, \$226,017 is considered unearned and will be paid as the businesses meet specific requirements.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Note 20. New Accounting Standards

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

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

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

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

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COUNTY OF NEW KENT, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 40,786,960	\$ 40,786,960	\$ 40,918,860	\$ 131,900
Other local taxes	8,970,033	8,970,033	9,497,436	527,403
Permits, privilege fees, and regulatory licenses	985,984	985,984	1,184,817	198,833
Fines and forfeitures	260,000	270,855	241,173	(29,682)
Revenue from the use of money and property	821,500	821,500	3,552,543	2,731,043
Charges for services	547,590	556,176	727,500	171,324
Miscellaneous	29,200	179,937	261,403	81,466
Recovered costs	513,568	801,153	939,256	138,103
Intergovernmental revenues:				
Commonwealth	14,882,515	17,724,709	18,770,952	1,046,243
Federal	68,343	97,448	1,395,023	1,297,575
Total revenues	67,865,693	71,194,755	77,488,963	6,294,208
EXPENDITURES				
General government administration	5,959,644	6,246,039	5,521,687	724,352
Judicial administration	2,324,102	2,427,960	2,259,048	168,912
Public safety	15,204,436	17,847,409	16,165,284	1,682,125
Public works	2,548,685	2,564,444	2,330,741	233,703
Health and welfare	2,710,193	2,862,122	2,647,278	214,844
Education	18,929,595	18,929,595	18,582,312	347,283
Parks, recreation, and cultural	1,073,937	1,113,529	872,178	241,351
Community development	1,666,281	1,730,406	1,600,383	130,023
Debt service:				
Principal retirement	-	29,033	388,961	(359,928)
Interest and other fiscal charges	-	-	19,033	(19,033)
Total expenditures	50,416,873	53,750,537	50,386,905	3,363,632
Excess of revenues over expenditures	17,448,820	17,444,218	27,102,058	9,657,840
OTHER FINANCING SOURCES (USES)				
Reserved for contingency	(300,000)	(25,648)	-	25,648
Transfers in	167,500	226,390	839,240	612,850
Transfers out	(18,978,182)	(22,541,393)	(25,994,970)	(3,453,577)
Total other financing sources (uses)	(19,110,682)	(22,340,651)	(25,155,730)	(2,815,079)
Net change in fund balance	(1,661,862)	(4,896,433)	1,946,328	6,842,761
FUND BALANCE, JULY 1	1,661,862	4,896,433	13,799,059	8,902,626
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,745,387</u>	<u>\$ 15,745,387</u>

COUNTY OF NEW KENT, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
AIRPORT FUND
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from use of money and property	\$ 86,940	\$ 86,940	\$ 90,107	\$ 3,167
Charges for services	66,100	66,100	49,743	(16,357)
Miscellaneous	1,000	1,000	-	(1,000)
Intergovernmental revenues:				
Commonwealth	84,354	554,114	27,123	(526,991)
Federal	868,500	2,803,500	275,592	(2,527,908)
Total revenues	<u>1,106,894</u>	<u>3,511,654</u>	<u>442,565</u>	<u>(3,069,089)</u>
EXPENDITURES				
Public works	227,168	236,878	189,912	46,966
Capital projects	965,000	3,654,348	355,517	3,298,831
Total expenditures	<u>1,192,168</u>	<u>3,891,226</u>	<u>545,429</u>	<u>3,345,797</u>
Excess (deficiency) of revenues over expenditures	<u>(85,274)</u>	<u>(379,572)</u>	<u>(102,864)</u>	<u>276,708</u>
OTHER FINANCING SOURCES				
Fund balance used	-	132,308	-	(132,308)
Transfers in	85,274	85,274	85,274	-
Total other financing sources	<u>85,274</u>	<u>217,582</u>	<u>85,274</u>	<u>(132,308)</u>
Net change in fund balance	-	(161,990)	(17,590)	144,400
FUND BALANCE, JULY 1	<u>-</u>	<u>-</u>	<u>9,673</u>	<u>9,673</u>
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ (161,990)</u>	<u>\$ (7,917)</u>	<u>\$ 154,073</u>

COUNTY OF NEW KENT, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PRIMARY GOVERNMENT
Year Ended June 30, 2024

	Plan Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 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	\$ 940,029
Interest on total pension liability	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	1,375,536
Changes of assumptions	-	-	1,722,026	-	1,004,421	-	(135,401)	-	-	-
Difference between actual and expected experience	(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	(1,595,659)	(1,593,190)	(1,409,803)	(1,461,728)	(1,078,096)	(1,074,541)	(952,919)	(940,234)	(679,609)	(666,080)
Net change in total pension liability	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	1,649,485
Total pension liability (beginning)	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	19,983,552
Total pension liability (ending)	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
Plan Fiduciary Net Position										
Contributions - employer	1,718,618	1,288,563	1,166,956	1,004,471	913,743	768,787	741,927	830,373	789,667	888,904
Contributions - employee	654,121	587,943	538,960	502,290	455,239	447,731	430,503	432,382	409,532	388,169
Net investment income (loss)	2,597,720	(62,743)	8,433,484	579,036	1,875,927	1,907,103	2,787,517	399,167	958,373	2,755,972
Benefit payments, including refunds of employee contributions	(1,595,659)	(1,593,190)	(1,409,803)	(1,461,728)	(1,078,096)	(1,074,541)	(952,919)	(940,234)	(679,609)	(666,080)
Administrative expenses	(24,698)	(24,095)	(20,126)	(19,044)	(17,739)	(15,998)	(15,573)	(13,345)	(12,422)	(14,214)
Other	1,057	924	803	(686)	(1,190)	(1,718)	(2,507)	(166)	(207)	145
Net change in plan fiduciary net position	3,351,159	197,402	8,710,274	604,339	2,147,884	2,031,364	2,988,948	708,177	1,465,334	3,352,896
Plan fiduciary net position - beginning	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	17,132,985
Plan fiduciary net position - ending	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
Net pension liability (asset) - ending	\$ 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	\$ 1,147,156
Plan fiduciary net position as a percentage of total pension liability	96%	94%	101%	87%	92%	94%	94%	90%	94%	95%
Covered payroll	\$ 13,826,728	12,380,173	11,092,296	10,453,364	9,451,474	9,131,109	8,724,191	8,259,154	7,802,880	7,546,356
Net pension liability (asset) as a percentage of covered payroll	14%	22%	-3%	44%	27%	21%	20%	30%	18%	15%

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

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

COUNTY OF NEW KENT, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
COMPONENT UNIT - SCHOOL NONPROFESSIONAL
Year Ended June 30, 2024

	Plan Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 134,765	\$ 130,586	\$ 122,015	\$ 128,801	\$ 121,795	\$ 113,813	\$ 118,032	\$ 133,967	\$ 152,260	\$ 148,983
Interest on total pension liability	435,500	427,898	393,339	373,742	359,598	339,476	335,264	314,163	295,305	279,406
Changes of assumptions	-	-	209,052	-	158,986	-	7,127	-	-	-
Difference between actual and expected experience	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	(366,522)	(462,521)	(287,912)	(246,895)	(291,480)	(245,180)	(224,566)	(217,821)	(208,453)	(194,074)
Net change in total pension liability	214,030	60,441	468,695	310,842	377,514	310,611	70,472	304,814	274,087	234,315
Total pension liability (beginning)	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	4,088,552
Total pension liability (ending)	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
Plan Fiduciary Net Position										
Contributions - employer	107,659	96,430	92,105	85,568	67,983	78,027	76,102	79,204	85,947	122,227
Contributions - employee	72,292	68,448	65,501	68,610	63,364	60,776	60,153	58,414	63,501	73,877
Net investment income (loss)	410,830	(1,665)	1,469,068	103,490	344,371	364,919	547,610	77,785	198,775	596,911
Benefit payments, including refunds of employee contributions	(366,522)	(462,521)	(287,912)	(246,895)	(291,480)	(245,180)	(224,566)	(217,821)	(208,453)	(194,074)
Administrative expenses	(4,148)	(4,264)	(3,679)	(3,506)	(3,505)	(3,177)	(3,187)	(2,818)	(2,745)	(3,189)
Other	165	151	33	(122)	(216)	(324)	(486)	(33)	(42)	32
Net change in plan fiduciary net position	220,276	(303,421)	1,335,116	7,145	180,517	255,041	455,626	(5,269)	136,983	595,784
Plan fiduciary net position - beginning	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	3,785,381
Plan fiduciary net position - ending	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
Net pension liability (asset) - ending	\$ 51,194	\$ 57,440	\$ (306,422)	\$ 559,999	\$ 256,302	\$ 59,305	\$ 3,735	\$ 388,889	\$ 78,806	(58,298)
Plan fiduciary net position as a percentage of total pension liability	99%	99%	105%	91%	95%	99%	100%	92%	98%	101%
Covered payroll	\$ 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	1,454,410
Net pension liability (asset) as a percentage of covered payroll	3%	4%	-22%	38%	20%	4%	0%	34%	6%	-4%

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

COUNTY OF NEW KENT, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
VRS TEACHER RETIREMENT PLAN
June 30, 2024

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
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%
2015	0.19841%	23,977,000	14,464,067	165.77%	70.88%

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

COUNTY OF NEW KENT, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
June 30, 2024

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					
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%
2015	888,961	888,961	-	7,802,880	11.39%
Schools - Nonprofessional Employees					
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%
2015	93,023	85,947	7,076	1,250,311	6.87%
Schools - Professional Employees					
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%
2015	2,110,075	2,110,075	-	14,552,241	14.50%

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

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
June 30, 2024

	Plan Year															
	2023		2024		2022		2023		2021		2022		2020		2021	
	County		Schools		County		Schools		County		Schools		County		Schools	
	VRS Health Insurance Credit General Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit General Employees	
		Local Plan		Local Plan		Local Plan		Local Plan		Local Plan		Local Plan		Local Plan		Local Plan
Total OPEB Liability																
Service cost	\$ 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		
Interest on total OPEB liability	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		
Changes in benefit terms	-	-	-	34,000	-	-	(3,300)	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	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	-	(19,000)	4,966	(171,000)	434	108,000	-	79,000	2,825	65,000	-	-	(5,581)	-	-	-
Benefit payments	(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	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		
Total OPEB liability - beginning	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		
Total OPEB liability - ending	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		
Plan Fiduciary Net Position																
Contributions - employer	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)	5,553	-	(138)	-	13,506	-	748	-	1,878	-	1,003	-	586	-		
Benefit payments	(2,384)	(124,000)	(4,352)	(11,000)	(2,732)	(7,000)	(1,896)	(20,000)	(401)	(14,000)	(78)	-	78	-		
Administrative expenses	(139)	-	(160)	-	(191)	-	(87)	-	(47)	-	(36)	-	(24)	-		
Other	340	-	6,346	-	-	-	-	-	(2)	-	-	-	-	-		
Net change in plan fiduciary net position	20,267	-	16,872	-	24,388	-	11,512	-	12,727	-	10,928	-	10,187	-		
Plan fiduciary net position - beginning	86,614	-	69,742	-	45,354	-	33,842	-	21,115	-	10,187	-	-	-		
Plan fiduciary net position - ending	106,881	-	86,614	-	69,742	-	45,354	-	33,842	-	21,115	-	10,187	-		
Net OPEB liability - ending	\$ 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	\$ 65,321	\$ 1,984,000		
Plan fiduciary net position as a percentage of total OPEB liability	74%	0%	83%	0%	72%	0%	56%	0%	35%	0%	27%	0%	13%	0%		
Covered-employee payroll	\$ 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		
Net OPEB liability as a percentage of covered payroll	0%	8%	0%	7%	0%	8%	1%	7%	1%	9%	1%	8%	1%	12%		

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.

COUNTY OF NEW KENT, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
June 30, 2024

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

COUNTY OF NEW KENT, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
June 30, 2024

Entity Fiscal Year Ended June 30	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Health Insurance Credit - County General Employees					
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.

COUNTY OF NEW KENT, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
June 30, 2024

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					
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					
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)					
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.

COUNTY OF NEW KENT, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS - COST-SHARING PLANS
June 30, 2024

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Health Insurance Credit - Teachers					
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**					
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					
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					
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, 2024

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

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better-fit experience at each 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. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better-fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

(Continued)

COUNTY OF NEW KENT, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

Note 2. Changes of Assumptions (Continued)

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

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

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NONMAJOR GOVERNMENTAL FUNDS

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 Central Virginia Transportation Authority (CVTA). The CVTA Fund is a nonmajor Special Revenue Fund.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2024

	Central Virginia Transportation Authority Fund	Human Services Fund	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 12,639	\$ 12,639
Cash and cash equivalents, restricted (Note 3)	8,752,116	-	8,752,116
Due from other governments (Note 4)	739,747	74,397	814,144
Prepaid items	-	200	200
Total assets	<u>\$ 9,491,863</u>	<u>\$ 87,236</u>	<u>\$ 9,579,099</u>
LIABILITIES			
Accounts payable	189,202	87,236	276,438
Total liabilities	<u>189,202</u>	<u>87,236</u>	<u>276,438</u>
FUND BALANCES			
Restricted	9,302,661	-	9,302,661
Total fund balances	<u>9,302,661</u>	<u>-</u>	<u>9,302,661</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,491,863</u>	<u>\$ 87,236</u>	<u>\$ 9,579,099</u>

COUNTY OF NEW KENT, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2024**

	Central Virginia Transportation Authority Fund	Human Services Fund	Total
REVENUES			
Intergovernmental revenues:			
Commonwealth	\$ 2,644,768	\$ 316,785	\$ 2,961,553
Other local governments	-	61,524	61,524
Interest income	280,620	-	280,620
Total revenues	<u>2,925,388</u>	<u>378,309</u>	<u>3,303,697</u>
EXPENDITURES			
Health and welfare	-	723,153	723,153
Public Works	409,151	-	409,151
Total expenditures	<u>409,151</u>	<u>723,153</u>	<u>1,132,304</u>
Excess (deficiency) of revenues over expenditures	<u>2,516,237</u>	<u>(344,844)</u>	<u>2,171,393</u>
OTHER FINANCING SOURCES			
Transfers in	-	344,844	344,844
Total other financing sources	<u>-</u>	<u>344,844</u>	<u>344,844</u>
Net change in fund balances	2,516,237	-	2,516,237
FUND BALANCES AT JULY 1	<u>6,786,424</u>	<u>-</u>	<u>6,786,424</u>
FUND BALANCES AT JUNE 30	<u><u>\$ 9,302,661</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,302,661</u></u>

COUNTY OF NEW KENT, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal retirement	\$ 6,536,518	\$ 6,536,518	\$ 6,536,517	\$ 1
Interest and other fiscal charges	2,026,690	2,026,690	2,023,072	3,618
Total expenditures	8,563,208	8,563,208	8,559,589	3,619
Excess (deficiency) of revenues over expenditures	(8,563,208)	(8,563,208)	(8,559,589)	3,619
OTHER FINANCING SOURCES (USES)				
Fund balance used	-	250,000	-	(250,000)
Reserved for contingency	-	(350,000)	-	350,000
Transfers in	8,563,208	8,663,208	8,663,208	-
Total other financing sources	8,563,208	8,563,208	8,663,208	100,000
Net change in fund balance	-	-	103,619	103,619
FUND BALANCE, JULY 1	-	-	1,319,857	1,319,857
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ 1,423,476	\$ 1,423,476

COUNTY OF NEW KENT, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
COUNTY CAPITAL IMPROVEMENTS FUND
Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from use of money and property	\$ -	\$ 347,738	\$ 347,738	\$ -
Contributions and proffers	-	-	1,100,586	1,100,586
Miscellaneous	-	-	56,761	56,761
Recovered costs	-	199,350	-	(199,350)
Intergovernmental revenues:				
Commonwealth	-	400,000	300,000	(100,000)
Federal	-	-	2,789,781	2,789,781
Total revenues	-	947,088	4,594,866	3,647,778
EXPENDITURES				
Education	200,000	487,739	487,739	-
Capital projects	15,163,646	56,589,985	23,580,647	33,009,338
Debt service:				
Principal retirement	-	-	43,317	(43,317)
Total expenditures	15,363,646	57,077,724	24,111,703	32,966,021
Excess (deficiency) of revenues over expenditures	(15,363,646)	(56,130,636)	(19,516,837)	36,613,799
OTHER FINANCING SOURCES (USES)				
Fund balance used	5,586,856	42,276,118	-	(42,276,118)
Issuance of subscriptions	-	-	132,982	132,982
Transfers in	9,970,590	13,536,319	16,388,094	2,851,775
Transfers out	(193,800)	(325,690)	(325,690)	-
Total other financing sources (uses)	15,363,646	55,486,747	16,195,386	(39,291,361)
Net change in fund balance	-	(643,889)	(3,321,451)	(2,677,562)
FUND BALANCE, JULY 1	-	-	63,941,757	63,941,757
FUND BALANCE, JUNE 30	\$ -	\$ (643,889)	\$ 60,620,306	\$ 61,264,195

COUNTY OF NEW KENT, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2024

	Human Services Fund				Central Virginia Transportation Authority Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental revenues:								
Commonwealth	\$ 535,791	\$ 535,791	\$ 316,785	\$ (219,006)	\$ 1,790,000	\$ 1,790,000	\$ 2,644,768	\$ 854,768
Other local governments	58,589	58,589	61,524	2,935	-	-	-	-
Interest income	-	-	-	-	15,000	15,000	280,620	265,620
Total revenues	594,380	594,380	378,309	(216,071)	1,805,000	1,805,000	2,925,388	1,120,388
EXPENDITURES								
Health and welfare	1,014,496	1,014,496	723,153	291,343	-	-	-	-
Public works	-	-	-	-	252,863	624,031	409,151	214,880
Total expenditures	1,014,496	1,014,496	723,153	291,343	252,863	624,031	409,151	214,880
Excess (deficiency) of revenues over expenditures	(420,116)	(420,116)	(344,844)	75,272	1,552,137	1,180,969	2,516,237	1,335,268
OTHER FINANCING SOURCES								
Fund balance used	-	-	-	-	-	371,168	-	(371,168)
Reserved for contingency	-	-	-	-	(1,552,137)	(1,552,137)	-	1,552,137
Transfers in	420,116	420,116	344,844	(75,272)	-	-	-	-
Total other financing sources	420,116	420,116	344,844	(75,272)	(1,552,137)	(1,180,969)	-	1,180,969
Net change in fund balance	-	-	-	-	-	-	2,516,237	2,516,237
FUND BALANCE, JULY 1	-	-	-	-	-	-	6,786,424	6,786,424
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,302,661	\$ 9,302,661

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.

COUNTY OF NEW KENT, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2024

	<u>Special Welfare</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 5,185	\$ 5,185
Total assets	<u>5,185</u>	<u>5,185</u>
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	<u>5,185</u>	<u>5,185</u>
Total net position	<u><u>\$ 5,185</u></u>	<u><u>\$ 5,185</u></u>

COUNTY OF NEW KENT, VIRGINIA

COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2024

	Special Welfare	Total
ADDITIONS		
Member contributions	\$ 9,328	\$ 9,328
Total additions	<u>9,328</u>	<u>9,328</u>
DEDUCTIONS		
Payment made to welfare recipients	<u>6,794</u>	<u>6,794</u>
Total deductions	<u>6,794</u>	<u>6,794</u>
Change in fiduciary net position	2,534	2,534
Total net position - beginning	<u>2,651</u>	<u>2,651</u>
Total net position - ending	<u><u>\$ 5,185</u></u>	<u><u>\$ 5,185</u></u>

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.

COUNTY OF NEW KENT, VIRGINIA

COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2024

	School Operating Fund	Nonmajor Governmental Funds	Total Component Unit
ASSETS			
Cash and cash equivalents	\$ 3,658,847	\$ 1,974,317	\$ 5,633,164
Accounts receivable, net	84,692	-	84,692
Due from other governmental units	1,993,387	-	1,993,387
Total assets	<u>\$ 5,736,926</u>	<u>\$ 1,974,317</u>	<u>\$ 7,711,243</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	712,130	23,527	735,657
Accrued liabilities	4,116,986	74,067	4,191,053
Unearned revenue	907,810	-	907,810
Total liabilities	<u>5,736,926</u>	<u>97,594</u>	<u>5,834,520</u>
Fund balances:			
Assigned	-	421,082	421,082
Committed			
Cafeteria fund	-	968,039	968,039
Textbook fund	-	487,602	487,602
Total fund balances	<u>-</u>	<u>1,876,723</u>	<u>1,876,723</u>
Total liabilities and fund balances	<u>\$ 5,736,926</u>	<u>\$ 1,974,317</u>	<u>\$ 7,711,243</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:			
Total fund balances – governmental funds			\$ 1,876,723
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets cost		\$ 67,388,138	
Less: accumulated depreciation		<u>(25,911,498)</u>	41,476,640
Financial statement elements related to pension are applicable to future periods and, therefore, are not reported in the funds.			
Pension-related deferred outflows		8,007,444	
Pension-related deferred inflows		(2,497,212)	
Net pension liability		<u>(22,158,683)</u>	(16,648,451)
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		1,360,971	
Other postemployment benefit-related deferred inflows		(1,019,005)	
Other postemployment benefit liability		<u>(5,484,728)</u>	(5,142,762)
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.			1,928,672
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Leases		(5,246)	
Compensated absences		<u>(510,123)</u>	(515,369)
Net position of governmental activities			<u>\$ 22,975,453</u>

COUNTY OF NEW KENT, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2024**

	School Operating Fund	Nonmajor Governmental Funds	Total Component Unit
REVENUES			
Revenue from the use of money and property	\$ -	\$ 9,553	\$ 9,553
Charges for services	68,465	1,835,141	1,903,606
Miscellaneous revenues	81,184	27,938	109,122
Intergovernmental revenues:			
Contributions from County	19,070,051	-	19,070,051
Commonwealth	24,125,811	304,954	24,430,765
Federal	3,236,081	842,378	4,078,459
Total revenues	<u>46,581,592</u>	<u>3,019,964</u>	<u>49,601,556</u>
EXPENDITURES			
Current:			
Education	46,019,454	3,486,815	49,506,269
Capital outlay	20,090	-	20,090
Debt service:			
Principal retirement	359,989	-	359,989
Interest and other fiscal charges	75	-	75
Total expenditures	<u>46,399,608</u>	<u>3,486,815</u>	<u>49,886,423</u>
Excess (deficiency) of revenues over expenditures	<u>181,984</u>	<u>(466,851)</u>	<u>(284,867)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	196,070	196,070
Transfers out	(196,070)	-	(196,070)
Proceeds from the sale of capital assets	14,086	-	14,086
Total other financing sources (uses)	<u>(181,984)</u>	<u>196,070</u>	<u>14,086</u>
Net change in fund balances	-	(270,781)	(270,781)
FUND BALANCES AT JULY 1	<u>-</u>	<u>2,147,504</u>	<u>2,147,504</u>
FUND BALANCES AT JUNE 30	<u>\$ -</u>	<u>\$ 1,876,723</u>	<u>\$ 1,876,723</u>
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:			
Net change in fund balances – total governmental funds			\$ (270,781)
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		\$ 1,505,701	
Jointly owned asset additions		4,208,598	
Depreciation and amortization expense		<u>(2,895,909)</u>	2,818,390
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.			(357,071)
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			3,880,087
Pension expense			(2,341,408)
Other postemployment benefit contributions			566,667
Other postemployment benefit expense			(174,246)
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			(86,167)
The following transactions affecting financed purchases and leases consume current financial resources of governmental funds. However, the transactions have no effect on net position:			
Payments of principal on leases			2,918
Payments of principal on financed purchases			357,071
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.			<u>499,070</u>
Change in net position of governmental activities			<u>\$ 4,894,530</u>

COUNTY OF NEW KENT, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SCHOOL OPERATING FUND
Year Ended June 30, 2024**

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 45,000	\$ 45,000	\$ 68,465	\$ 23,465
Miscellaneous revenues	87,500	87,500	81,184	(6,316)
Intergovernmental revenues:				
Local government	19,129,595	19,417,334	19,070,051	(347,283)
Commonwealth	23,642,565	24,896,932	24,125,811	(771,121)
Federal	1,159,478	2,921,394	3,236,081	314,687
Total revenues	44,064,138	47,368,160	46,581,592	(786,568)
EXPENDITURES				
Current:				
Education	44,074,138	47,182,849	46,019,454	1,163,395
Capital outlay	-	-	20,090	(20,090)
Debt service:				
Principal retirement	-	-	359,989	(359,989)
Interest and other fiscal charges	-	-	75	(75)
Total expenditures	44,074,138	47,182,849	46,399,608	783,241
Excess (deficiency) of revenues over expenditures	(10,000)	185,311	181,984	(3,327)
OTHER FINANCING SOURCES				
Transfers out	-	(196,070)	(196,070)	-
Proceeds from the sale of capital assets	10,000	10,000	14,086	4,086
Total other financing sources	10,000	(186,070)	(181,984)	4,086
Net change in fund balances	-	(759)	-	759
FUND BALANCES, JULY 1	-	-	-	-
FUND BALANCES, JUNE 30	\$ -	\$ (759)	\$ -	\$ 759

COUNTY OF NEW KENT, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
Year Ended June 30, 2024

	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	\$ 3,000	\$ 3,000	\$ 9,553	\$ 6,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,553
Charges for services	824,085	824,085	1,023,828	199,743	-	-	-	-	811,313	1,835,141
Miscellaneous revenues	6,577	6,577	27,938	21,361	-	-	-	-	-	27,938
Intergovernmental revenues:										
Commonwealth	82,157	82,157	42,979	(39,178)	266,693	266,693	261,975	(4,718)	-	304,954
Federal	718,517	718,517	842,378	123,861	-	-	-	-	-	842,378
Total revenues	1,634,336	1,634,336	1,946,676	312,340	266,693	266,693	261,975	(4,718)	811,313	3,019,964
EXPENDITURES										
Current:										
Education	1,734,336	1,734,336	2,265,858	(531,522)	266,693	462,763	447,670	15,093	773,287	3,486,815
Excess (deficiency) of revenues over expenditures	(100,000)	(100,000)	(319,182)	(219,182)	-	(196,070)	(185,695)	10,375	38,026	(466,851)
OTHER FINANCING SOURCES										
Transfers in	-	-	-	-	-	196,070	196,070	-	-	196,070
Fund balance used	100,000	100,000	-	(100,000)	-	-	-	-	-	-
Total other financing sources	100,000	100,000	-	(100,000)	-	196,070	196,070	-	-	196,070
Net change in fund balances	-	-	(319,182)	(319,182)	-	-	10,375	10,375	38,026	(270,781)
FUND BALANCES, JULY 1	-	-	1,287,221	1,287,221	-	-	477,227	477,227	383,056	2,147,504
FUND BALANCES, JUNE 30	\$ -	\$ -	\$ 968,039	\$ 968,039	\$ -	\$ -	\$ 487,602	\$ 487,602	\$ 421,082	\$ 1,876,723

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

COUNTY OF NEW KENT, VIRGINIA

**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2024**

	<u>Bridging Communities</u>
ASSETS	
Cash and cash equivalents	\$ 678,617
Total assets	<u>678,617</u>
LIABILITIES	
Accounts payable	68,836
Accrued liabilities	<u>41,843</u>
Total liabilities	<u>110,679</u>
NET POSITION	
Held in trust for education	<u><u>\$ 567,938</u></u>

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2024

	<u>Bridging Communities</u>
ADDITIONS	
Tuition	\$ 1,078,667
Grants from the Commonwealth of Virginia	162,406
Contributions	17,957
Other revenues	7,545
Total additions	<u>1,266,575</u>
DEDUCTIONS	
Instruction	1,216,309
Operation and maintenance	36,649
Technology	56,963
Capital outlay	66,672
Debt service:	
Principal retirement	39,950
Interest and other fiscal charges	3,570
Total deductions	<u>1,420,113</u>
Change in net position	(153,538)
Net position, beginning	<u>721,476</u>
Net position, ending	<u><u>\$ 567,938</u></u>

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
June 30, 2024

	Self-Insurance Fund
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 1,664,636
Accounts receivable, net	<hr/> 1,014,510
	<hr/>
Total assets	2,679,146
	<hr/>
LIABILITIES	
Claims payable (Note 12)	238,206
Accrued expenses	<hr/> 512,268
Total liabilities	<hr/> 750,474
	<hr/>
NET POSITION	
Unrestricted	<hr/> 1,928,672
Total net position	<hr/> <hr/> \$ 1,928,672

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2024

	<u>Self-Insurance Fund</u>
OPERATING REVENUES	
Insurance premiums	\$ 5,772,399
Total revenues	<u>5,772,399</u>
OPERATING EXPENSES	
Insurance claims and expenses (Note 12)	<u>5,321,616</u>
Total expenses	<u>5,321,616</u>
Operating income	<u>450,783</u>
NON-OPERATING REVENUE	
Investment income	<u>48,287</u>
Change in net position	<u>499,070</u>
Net position, beginning	<u>1,429,602</u>
Net position, ending	<u><u>\$ 1,928,672</u></u>

COUNTY OF NEW KENT, VIRGINIA

**STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUND -
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD
Year Ended June 30, 2024**

	Self-Insurance Fund
OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 5,025,188
Payments for premiums	<u>(5,187,594)</u>
Net cash used in operating activities	<u>(162,406)</u>
INVESTING ACTIVITIES	
Investment income	<u>48,286</u>
Net cash provided by investing activities	<u>48,286</u>
Net decrease in cash and cash equivalents	(114,120)
CASH AND CASH EQUIVALENTS	
Beginning at July 1	<u>1,778,756</u>
Ending at June 30	<u><u>\$ 1,664,636</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating income	\$ 450,783
Adjustments to reconcile operating income to net cash used in operating activities:	
Decrease in accounts receivable	(747,211)
Increase in claims payable	54,499
Increase in accrued expenses	<u>79,523</u>
Total adjustments	<u>(613,189)</u>
Net cash used in operating activities	<u><u>\$ (162,406)</u></u>

**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.

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
ECONOMIC DEVELOPMENT AUTHORITY

June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 114,974
Receivables	7,500
Investments	355,118
Due from County	455,000
Total current assets	<u>932,592</u>

Noncurrent assets:

Inventories	721,508
Asset held for development	<u>2,749,087</u>
Total noncurrent assets	<u>3,470,595</u>
Total assets	<u>4,403,187</u>

LIABILITIES

Accounts payable	35
Grants payable	<u>455,000</u>
Total liabilities	<u>455,035</u>

NET POSITION

Unrestricted	<u><u>\$ 3,948,152</u></u>
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COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
ECONOMIC DEVELOPMENT AUTHORITY
Year Ended June 30, 2024

OPERATING REVENUES

Intergovernmental revenues:

Contributions from County	\$ 330,000
Other income - contributions for AutoZone project	17,542
Total revenues	<u>347,542</u>

OPERATING EXPENSES

Economic incentive agreements (Note 19)	105,000
Other charges	180,734
Total expenses	<u>285,734</u>
Operating income	<u>61,808</u>

NON-OPERATING REVENUE

Investment income	<u>25,125</u>
Total non-operating revenue	<u>25,125</u>

Change in net position	<u>86,933</u>
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Net position, beginning	<u>3,861,219</u>
Net position, ending	<u><u>\$ 3,948,152</u></u>

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT –
ECONOMIC DEVELOPMENT AUTHORITY
Year Ended June 30, 2024

OPERATING ACTIVITIES

Contribution from County	\$ 225,000
Other operating receipts	17,542
Payments for operating activities	<u>(613,603)</u>
Net cash used in operating activities	<u>(371,061)</u>

CAPITAL AND RELATED FINANCING ACTIVITIES

Payments made for asset held for development	<u>(6,305)</u>
Net cash used in capital and related financing activities	<u>(6,305)</u>

INVESTING ACTIVITIES

Decrease in fair value of investments	404,941
Investment income	<u>25,125</u>
Net cash provided by investing activities	<u>430,066</u>
Net increase in cash and cash equivalents	52,700

CASH AND CASH EQUIVALENTS

Beginning at July 1	<u>62,274</u>
Ending at June 30	<u><u>\$ 114,974</u></u>

RECONCILIATION OF OPERATING INCOME TO NET**CASH USED IN OPERATING ACTIVITIES:**

Operating income	\$ 61,808
Change in assets and liabilities:	
Increase in accounts receivable	(105,000)
Decrease in prepaids	9,586
Decrease in accounts payable	(204,967)
Decrease in governmental payable	(237,488)
Increase in grants payable	<u>105,000</u>
Net cash used in operating activities	<u><u>\$ (371,061)</u></u>

**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.

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
FARMS OF NEW KENT CDA
June 30, 2024

ASSETS

Current assets:

Interest receivable	\$ 23,971
Total current assets	<u>23,971</u>

Noncurrent assets:

Restricted cash and cash equivalents	6,068,442
Capital assets, net of depreciation	<u>576,802</u>
Total noncurrent assets	<u>6,645,244</u>

Total assets	<u>6,669,215</u>
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LIABILITIES

Current liabilities:

Accounts payable	96,867
Accrued bond interest	1,060,778
Short-term bonds payable	<u>1,500,000</u>
Total current liabilities	<u>2,657,645</u>

Noncurrent liabilities:

Bond interest payable	59,662
Bonds payable	<u>69,644,193</u>
Total noncurrent liabilities	<u>69,703,855</u>

Total liabilities	<u>72,361,500</u>
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Deferred gain on refunding	<u>27,493,265</u>
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NET POSITION

Net investment in capital assets	(70,567,391)
Restricted	6,068,442
Unrestricted	<u>(28,686,601)</u>
Total net position	<u>\$ (93,185,550)</u>

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT –
FARMS OF NEW KENT CDA
Year Ended June 30, 2024

OPERATING REVENUES

Special assessment revenues	\$ 4,812,485
Prepaid special assessment	5,130,269
Total revenues	<u>9,942,754</u>

OPERATING EXPENSES

Administrative fees	176,934
Accounting and audit fees	4,500
Legal fees	50,502
Total expenses	<u>231,936</u>

Operating income	<u>9,710,818</u>
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NON-OPERATING REVENUE (EXPENSES)

Interest and dividend income	281,298
Penalties and interest on delinquent assessments	489
Depreciation expense	(21,363)
Interest expense	(1,407,304)
Total non-operating expense	<u>(1,146,880)</u>

Change in net position	8,563,938
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Net position, beginning	<u>(101,749,488)</u>
Net position, ending	<u>\$ (93,185,550)</u>

COUNTY OF NEW KENT, VIRGINIA

STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT –
FARMS OF NEW KENT CDA
Year Ended June 30, 2024

OPERATING ACTIVITIES

Cash received from property owners	\$ 9,942,754
Cash payments for professional fees	<u>(186,174)</u>
Net cash provided by operating activities	<u>9,756,580</u>

INVESTING ACTIVITIES

Interest received on investments	<u>282,152</u>
Net cash provided by investing activities	<u>282,152</u>

CAPITAL AND RELATED FINANCING ACTIVITIES

Interest paid on bonds	(1,300,108)
Principal paid on bonds	(8,848,526)
Penalties and interest on delinquent assessments	<u>489</u>
Net cash used in capital and related financing activities	<u>(10,148,145)</u>

Net decrease in cash and cash equivalents (109,413)

CASH AND CASH EQUIVALENTS

Beginning at July 1	<u>6,177,855</u>
Ending at June 30	<u><u>\$ 6,068,442</u></u>

RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 9,710,818
Change in assets and liabilities:	
Increase in accounts payable	<u>45,762</u>
Net cash provided by operating activities	<u><u>\$ 9,756,580</u></u>

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STATISTICAL SECTION

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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.

Contents

Table

Financial Trends

1-4

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

Revenue Capacity

5-9

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

Debt Capacity

10-11

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 Information

12-13

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.

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COUNTY OF NEW KENT, VIRGINIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 21,130,986	\$ 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
Restricted	97,487	34,668	29,215	37,491	58,228	81,667	11,745,100	6,544,580	7,312,646	9,996,214
Unrestricted	25,034,225	24,913,810	27,163,210	30,661,519	34,053,322	33,479,192	30,075,023	50,141,266	79,748,289	66,884,575
Total governmental activities net position	\$ 46,262,698	\$ 48,959,701	\$ 49,443,585	\$ 51,355,466	\$ 57,026,839	\$ 64,902,566	\$ 83,590,048	\$ 103,041,871	\$ 122,030,557	\$ 133,511,729
Business-type activities										
Net investment in capital assets	\$ 64,641,023	\$ 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
Restricted	-	-	-	-	-	-	-	26,230	-	-
Unrestricted	6,761,564	7,482,355	9,068,490	10,066,347	10,001,452	9,692,271	12,913,393	23,358,611	15,388,656	15,093,663
Total business-type activities net position	\$ 71,402,587	\$ 71,187,238	\$ 72,050,247	\$ 72,179,486	\$ 72,366,252	\$ 73,347,034	\$ 74,627,475	\$ 76,632,809	\$ 78,953,559	\$ 80,799,425
Primary Government										
Net investment in capital assets	\$ 85,772,009	\$ 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
Restricted	97,487	34,668	29,215	37,491	58,228	81,667	11,745,100	6,570,810	7,312,646	9,996,214
Unrestricted	31,795,789	32,396,165	36,231,700	40,727,866	44,054,774	43,171,463	42,988,416	73,499,877	95,136,945	81,978,238
Total Primary government net position	\$ 117,665,285	\$ 120,146,939	\$ 121,493,832	\$ 123,534,952	\$ 129,393,091	\$ 138,249,600	\$ 158,217,523	\$ 179,674,680	\$ 200,984,116	\$ 214,311,154

COUNTY OF NEW KENT, VIRGINIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2
Page 1 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
General government administration	\$ 3,460,790	\$ 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
Judicial administration	1,467,720	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
Public safety	7,874,442	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
Public works	1,382,495	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
Health and welfare	2,533,163	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
Education	16,771,912	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
Parks, recreation, and cultural	736,236	825,223	815,284	782,790	911,455	746,976	563,300	634,751	950,819	989,225
Community development	950,049	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
Interest and other financial charges	2,572,651	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
Total governmental activities	\$ 37,749,458	\$ 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
Business-type activities										
Water and Sewer	\$ 4,016,909	\$ 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
Bottoms Bridge	875,271	856,142	837,766	816,106	796,941	773,643	773,849	566,263	559,497	546,141
Total business-type activities	\$ 4,892,180	\$ 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
Total primary government expenses	\$ 42,641,638	\$ 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
Program Revenues										
Governmental activities										
Charges for services:										
Judicial administration	\$ 396,566	\$ 368,540	\$ 369,159	\$ 407,834	\$ 376,349	\$ 359,981	\$ 493,006	\$ 548,476	\$ 501,082	\$ 489,908
Public safety	569,757	550,385	717,286	735,618	716,582	722,403	1,139,486	1,082,909	1,466,603	1,192,582
Public works	111,840	69,039	101,822	95,825	89,159	63,845	68,221	122,705	90,267	99,946
Health and welfare	-	-	-	-	-	-	-	55,271	40,839	61,523
Parks, recreation, and cultural	317,367	301,733	358,905	353,261	385,036	249,125	111,905	229,547	327,018	420,364
Community development	2,305	2,240	999	908	640	771	1,080	1,306	852	435
Operating grants and contributions	3,542,972	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
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
Total governmental activities	\$ 4,940,807	\$ 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
Business-type activities										
Charges for services:										
Water and Sewer	\$ 3,945,220	\$ 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
Bottoms Bridge	467,175	533,775	603,400	260,161	303,998	523,823	144,848	81,198	47,323	948
Operating grants and contributions	-	-	-	-	-	-	26,400	-	-	40,000
Total business-type activities	\$ 4,412,395	\$ 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
Total primary government revenues	\$ 9,353,202	\$ 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

COUNTY OF NEW KENT, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2
(Continued)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental activities	\$ (32,808,651)	\$ (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)
Business-type activities	(479,785)	(498,553)	512,991	(196,704)	(311,850)	385,591	826,518	1,651,203	1,665,091	988,177
Total primary government net expense	\$ (33,288,436)	\$ (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)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 25,661,803	\$ 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
Other local taxes	4,069,547	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
Investment earnings	553,401	827,194	558,206	742,952	978,650	906,912	732,419	768,027	2,685,204	4,271,008
Miscellaneous	354,380	689,860	817,821	705,830	1,735,649	4,594,308	7,760,267	11,410,904	514,374	411,247
Non-categorical aid from the Commonwealth	2,924,756	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
Transfers	-	1,600	625	-	(2,118)	-	-	-	-	-
Total governmental activities	\$ 33,563,887	\$ 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
Business-type activities:										
Taxes	\$ 213,391	\$ 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	52,533	53,056	58,839	106,059	177,175	139,109	95,660	100,922	492,679	757,478
Miscellaneous	-	-	10,258	5,556	2,111	125,418	42,971	5,928	32,602	112,439
Transfers	-	(1,600)	(625)	-	2,118	-	-	-	-	-
Total business-type activities	\$ 265,924	\$ 283,204	\$ 350,018	\$ 413,951	\$ 498,616	\$ 595,191	\$ 453,923	\$ 354,131	\$ 655,659	\$ 857,689
Total primary government	\$ 33,829,811	\$ 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
Changes in Net Position										
Governmental activities	\$ 755,236	\$ 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
Business-type activities	(213,861)	(215,349)	863,009	217,247	186,766	980,782	1,280,441	2,005,334	2,320,750	1,845,866
Total primary government	\$ 541,375	\$ 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

COUNTY OF NEW KENT, VIRGINIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 297,507	\$ 310,819	\$ 508,094	\$ 557,826	\$ 654,630	\$ 671,052	\$ 454,127	\$ 493,322	\$ 313,232	\$ 289,264
Restricted	97,487	34,668	29,215	37,491	58,228	81,667	65,832	87,174	126,974	91,244
Committed	73,339	75,444	81,050	150,758	96,332	133,935	116,785	99,211	108,569	44,865
Unassigned	8,169,368	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
Total general fund	\$ 8,637,701	\$ 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
All other governmental funds										
Reserved for:										
Nonspendable	\$ 8,469	\$ 8,753	\$ 104,777	\$ 68,266	\$ 66,340	\$ 49,572	\$ 8,896	\$ 128,588	\$ 64,702	\$ 33,721
Restricted	-	-	-	1,388,725	846,541	846,541	20,371,821	22,199,198	23,368,163	20,476,386
Committed	1,392,202	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
Assigned	15,904,990	14,991,927	89,244	1,207,604	667,592	497,930	637,561	1,121,272	1,069,857	1,073,476
Unassigned	(13,757)	76,123	(706)	(685)	(662)	(652)	-	-	(13,555)	(13,583)
Total all other governmental funds	\$ 17,291,904	\$ 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
Total Fund Balance	\$ 25,929,605	\$ 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

COUNTY OF NEW KENT, VIRGINIA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
General property taxes	\$ 25,641,948	\$ 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
Other local taxes	4,069,547	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
Permits, privilege fees, and licenses	561,042	542,595	706,972	727,158	707,645	716,577	1,130,859	1,073,550	1,458,557	1,184,817
Fines and Forfeitures	244,896	216,030	230,561	249,528	223,514	202,150	263,720	272,103	226,544	241,173
Revenue from use of money and property	553,401	827,194	558,207	742,952	978,650	906,912	757,420	768,027	2,669,413	4,271,008
Charges for services	591,897	533,312	609,756	616,760	636,607	477,398	419,120	639,290	700,721	777,243
Contributions and proffers	-	-	-	849,474	662,014	489,481	546,372	947,673	1,158,680	1,100,586
Miscellaneous	354,380	689,860	843,826	705,830	1,735,649	4,739,383	7,846,738	11,522,135	400,117	318,164
Recovered costs	617,157	475,656	427,766	469,782	551,190	678,192	709,196	1,025,408	839,188	939,256
Commonwealth of Virginia	5,529,241	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
Other local governments	-	-	-	-	-	-	-	55,271	40,839	61,524
Federal Government	938,487	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
Total revenues	\$ 39,101,996	\$ 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
Expenditures										
General government administration	\$ 3,366,101	\$ 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
Judicial administration	1,413,082	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
Public Safety	7,796,549	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
Public works	1,596,335	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
Health and welfare	2,517,092	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
Education	12,527,071	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
Parks, recreation, and cultural	691,829	724,004	735,648	732,024	750,822	714,639	603,712	600,134	824,472	872,178
Community development	777,280	889,349	1,017,152	955,763	1,130,829	968,811	1,383,732	1,586,007	1,522,596	1,600,383
Capital projects	4,296,214	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
Debt service										
Principal retirement	2,967,281	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
Interest and other fiscal charges	2,577,144	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
Bond issuance costs	707,305	-	39,582	-	-	81,596	-	113,862	-	-
Total expenditures	\$ 41,233,283	\$ 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
Revenues over (under) expenditures	\$ (2,131,287)	\$ (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
Other financing sources (uses)										
Transfers in	\$ 8,740,963	\$ 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
Transfers out	(8,740,963)	(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)
Issuance of debt	4,850,000	-	2,246,000	3,179,000	3,942,680	3,021,000	22,533,658	16,113,550	15,465	132,982
Bond issuance premium	4,620,242	-	-	-	-	-	-	-	-	-
Refunding of bonds	39,195,000	-	1,919,000	-	-	-	-	7,304,000	-	-
Payment to refunded bond escrow agent	(43,103,995)	-	-	-	-	-	-	(7,435,943)	-	-
Total other financing sources	\$ 5,561,247	\$ 1,600	\$ 4,165,625	\$ 3,179,000	\$ 3,940,562	\$ 3,021,000	\$ 22,533,658	\$ 15,981,607	\$ 15,465	\$ 132,982
Net change in fund balances	\$ 3,429,960	\$ (595,894)	\$ 620,478	\$ 3,690,795	\$ 5,027,164	\$ 78,778	\$ 26,458,659	\$ 13,634,753	\$ 10,999,002	\$ 1,227,143
Debt service as a percentage of noncapital expenditures	14.69%	10.22%	10.14%	10.33%	10.20%	14.57%	9.32%	15.07%	14.89%	12.12%

Table 5

COUNTY OF NEW KENT, VIRGINIA
Principal Real Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Assessments Effective January 1, 2024			Assessments Effective January 1, 2015		
	Rank	Assessed Valuation (1)	Percentage of Total Assessed Valuation	Rank	Assessed Valuation (1)	Percentage of Total Assessed Valuation
CD/VA Enterprises LLC	1	\$ 75,664,200	1.34%	1	\$ 27,400,900	1.12%
Kent Farms Holding Company LLC	2	68,965,200	1.22%			
City of Newport News	3	41,274,802	0.73%	2	25,896,600	1.06%
Autozone Texas LLC	4	35,739,300	0.63%			
Kinney Jonathan C Trustee	5	33,128,900	0.59%	4	23,112,400	0.94%
SPF Investments LLC	6	31,499,100	0.56%	6	11,762,200	0.48%
PFJ Southeast LLC	7	28,270,800	0.50%			
Kentland Investments LLC	8	26,049,200	0.46%	7	10,840,200	0.44%
Criss Cross Properties LLC	9	26,022,900	0.46%			
Virginia LC	10	20,584,600	0.37%			
New Kent Farms LLC				3	24,012,200	0.98%
NKP LB5 LLC				5	12,247,000	0.50%
NKP LB4 LLC				8	9,724,100	0.40%
Patriot's Landing Mgmt Corp.				9	8,849,400	0.36%
AHS Cumberland Hospital LLC				10	7,721,400	0.32%
Total		<u>\$ 387,199,002</u>	6.87%		<u>\$ 161,566,400</u>	6.61%
Total Assessed Valuation of RE September 1, 2024, COR*		<u>5,636,225,996</u>	100.00%		<u>2,445,949,944</u>	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
2024	\$ 28,666,042	\$ 28,265,963	98.60%	\$ -	\$ 28,666,042	\$ -	\$ 28,265,963	98.60%
2023	27,642,203	27,250,322	98.58%	(7,846)	27,634,718	202,395	27,250,322	98.58%
2022	26,394,964	25,917,348	98.19%	(3,717)	26,391,248	366,784	26,217,305	99.34%
2021	25,661,558	25,184,200	98.14%	(7,004)	25,654,554	389,370	25,537,030	99.55%
2020	24,199,591	23,686,335	97.88%	15,044	24,214,635	463,898	24,124,094	99.62%
2019	23,458,330	22,948,975	97.83%	27,823	23,486,153	481,456	23,400,061	99.63%
2018	21,754,066	21,103,580	97.01%	8,555	21,762,621	621,866	21,708,132	99.75%
2017	21,283,082	20,587,847	96.73%	12,469	21,295,551	677,290	21,250,113	99.78%
2016	20,167,115	19,423,778	96.31%	11,816	20,178,931	729,229	20,144,015	99.82%
2015	19,858,010	19,127,721	96.32%	973	19,858,983	711,377	19,829,914	99.85%

Notes:

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

COUNTY OF NEW KENT, VIRGINIA**Table 7****Assessed and Estimated Actual Value of Real Property
Last Ten Fiscal Years**

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)
2024	\$ 3,998,385,178	\$ 522,273,619	\$ 4,520,658,797	\$ 133,069,866	\$ 4,387,588,931	\$ 0.67	N/A	N/A
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	89.18%
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	81.31%
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	92.67%
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%
2015	2,159,481,911	286,468,033	2,445,949,944	71,259,400	2,374,690,544	0.84	2,563,888,830	92.62%

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**Table 8****Assessed Value of Taxable Property Other than Real Property
Last Ten Fiscal Years**

Fiscal Year	Personal Property (1)	Machinery & Tools (1)	Aircraft (1)	Public Service (2,3)	Total
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
2015	187,360,448	590,954	1,227,874	120,632,737	309,812,013

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			
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
2015	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	State or Local Lease Obligations	Subscription Obligations	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)
2024	\$ 20,742,753	\$ 1,660,496	\$ 65,665	\$ 38,212,999	\$ 2,515,433		\$ 20,026,962	\$ -	\$ -	\$ 83,229,556	N/A	N/A
2023	22,282,270	1,788,743	236,713	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	5.60%	62,213
2015	10,363,309	-	-	46,051,159	6,140,431		15,099,947	-	-	77,654,846	6.94%	54,876

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
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	452	0.38%
2015	10,363,309	10,363,309	507	0.42%

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)
2024	26,134	N/A	N/A	2.5	3,572
2023	24,986	2,559,780	102,849	2.5	3,536
2022	24,485	2,214,507	88,630	2.5	3,436
2021	23,313	2,152,794	90,086	3.9	3,273
2020	23,066	1,843,526	77,957	2.4	3,040
2019	22,462	1,736,922	75,221	2.5	3,354
2018	21,850	1,640,346	73,502	2.9	3,307
2017	21,682	1,448,210	66,794	3.3	3,244
2016	20,019	1,048,795	52,442	4.7	2,977
2015	19,504	966,330	49,581	5.4	3,001

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	2024			2015		
	Employees	Rank	Percentage of Total County Employment **	Employees	Rank	Percentage of Total County Employment **
Cd-Va Enterprises LLC	500 to 999	1				
New Kent County School Board	500 to 999	2		250 to 499	1	
Curtis Contracting Inc	250 to 499	3		100 to 249	4	
County of New Kent	250 to 499	4		100 to 249	2	
Food Lion	100 to 249	5		100 to 249	5	
AHS Cumberland Hospital	100 to 249	6		100 to 249	3	
Cornerstone Support Services	50 to 99	7				
County Waste LLC	50 to 99	8				
County of Henrico	50 to 99	9		100 to 249	7	
Loves Travel Stops & Country Stores Inc	50 to 99	10				
Bruce Howard Contracting Inc				100 to 249	6	
McDonald's				50 to 99	8	
Comfort Keepers 160				50 to 99	9	
Allied Pallet Company				20 to 49	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

Table 14

Full-Time County Government Employees by Function/Program
Last Ten Fiscal Years

Function / Department	Full-time Equivalent Employees as of June 30									
	2024 (2)	2023 (2)	2022 (2)	2021 (2)	2020 (2)	2019 (2)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
General government:										
Clerk of the Board (includes purchasing)	5.0	5.0	5.0	4.0	3.0	4.0	3.9	3.9	4.1	5.5
Commissioner of the Revenue	10.0	10.0	9.0	9.0	9.0	9.0	8.6	8.6	7.9	8.9
Treasurer	5.0	5.0	5.0	5.0	5.0	5.0	4.9	5.0	4.9	4.9
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.7	5.5	5.5	5.5
Human Resources	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information Technologies	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.7	3.7
Registrar	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.7	2.6	2.6
County Attorney	2.0	0.0	-	-	-	-	-	-	-	0.8
Total General Government	37.0	35.0	33.0	32.0	30.0	31.0	31.7	31.7	30.7	33.9
Judicial Administration:										
Clerk of the Circuit Court	4.0	4.0	4.0	4.0	4.0	4.0	4.1	3.9	4.1	4.4
Circuit Court Judge	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9
General District Court										
Victim Witness	1.0	1.0	1.0	1.0	1.0	1.0	1.7	1.6	1.1	0.7
Commonwealth Attorney	4.0	4.0	4.0	4.0	3.0	3.0	3.8	4.1	4.0	3.6
Total Judicial Administration	10.0	10.0	10.0	10.0	9.0	9.0	10.7	10.5	10.1	9.6
Public Safety:										
Sheriff and Animal Control	66.0	64.0	58.0	55.0	53.0	52.0	56.5	54.7	53.9	54.6
Fire and Emergency Mgmt.	53.0	53.0	52.0	52.0	40.0	35.0	40.6	38.4	32.4	32.4
Building Inspections	7.0	7.0	7.0	6.0	6.0	6.0	5.7	5.0	5.0	5.0
Total Public Safety		124.0	117.0	113.0	99.0	93.0	102.8	98.2	91.3	92.0
Public Works:										
General Services	12.0	12.0	12.0	12.0	12.0	10.0	18.5	18.1	17.5	17.6
Total Public Works	12.0	12.0	12.0	12.0	12.0	10.0	18.5	18.1	17.5	17.6
Health and Welfare:										
Social Services	21.0	21.0	20.0	19.0	19.0	16.0	16.5	16.1	16.7	14.2
Human Services	1.0	1.0	1.0	1.0	1.0	1.0	1.5	2.0	2.0	1.5
Total Health and Welfare	22.0	22.0	21.0	20.0	20.0	17.0	18.0	18.1	18.7	15.7
Community Development										
Planning/Environmental/Permitting	11.0	11.0	9.0	9.0	9.0	9.0	8.2	9.7	8.4	7.4
Extension							0.5	0.5	0.6	0.5
Economic Development	1.0	3.0	3.0	2.0	2.0	2.0	3.5	2.4	2.5	7.6
Airport	1.0	1.0	1.0	1.0	1.0	1.0	1.8	1.7	1.7	1.5
Total Community Development	13.0	15.0	13.0	12.0	12.0	12.0	14.1	14.3	13.2	17.0
Parks, Recreation, and Cultural										
Parks and Recreation	6.0	6.0	5.0	5.0	4.0	4.0	8.9	8.3	8.1	7.6
Total Parks, Recreation, and Cultural	6.0	6.0	5.0	5.0	4.0	4.0	8.9	8.3	8.1	7.6
Total Governmental	226.0	224.0	211.0	204.0	186.0	176.0	204.8	199.1	189.5	193.4
Public Utilities										
Water/Sewer	22.0	22.0	20.0	20.0	20.0	19.0	18.5	18.5	18.8	17.6
Total Public Utilities	22.0	22.0	20.0	20.0	20.0	19.0	18.5	18.5	18.8	17.6
Total County	248.0	246.0	231.0	224.0	206.0	195.0	223.3	217.5	208.2	211.0

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
Operating Indicators by Function
Last Ten Fiscal Years

Table 15

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety (1)										
Fire and rescue companies	1	1	1	1	1	1	1	1	1	1
Number of Stations	5	5	5	5	5	4	4	4	4	4
Public Utilities (2)										
Active Vehicles	23	21	19	19	19	19	18	18	18	18
Refuse Collection (3)										
Refuse collected (tons per year)	6,588	6,270	6,456	6,844	6,355	5,989	6,094	5,716	5,836	5,985
Number of refuse sites	4	4	4	4	4	4	4	4	4	4
Recyclables Collected										
Metal (tons)	359	307	279	333	314	289	297	287	254	202
ONP (tons) (7)	-	-	-	-	-	-	-	-	-	-
OCC (tons) (8)	-	-	-	-	-	152	158	126	100	88
Mixed Paper (8)	609	597	590	593	524	370	300	316	-	-
Propane Tanks (units)	-	300	-	-	180	71	96	55	56	82
Batteries (units)	394	311	436	478	372	427	268	229	367	121
Used Oil (gallons)	10,467	10,544	12,056	11,599	11,941	13,690	12,056	11,725	10,995	9,857
Antifreeze (gallons)	185	465	265	485	470	103	265	315	228	352
Oil Filters (gallons)	715	780	390	780	585	770	660	935	1,100	770
Category 1 (gallons)	1,540	1,870	1,320	1,485	2,090	1,540	1,540	1,320	1,650	1,540
Co-Mix (tons)	234	230	227	228	202	31	94	122	123	-
Parks, Recreation & Cultural (4)										
Land acres	385	385	385	385	385	330	330	330	330	330
Trails (miles)	8	8	8	8	6	6	6	6	6	6
Number of visitors	42,025	38,425	35,425	31,721	30,501	35,726	35,025	32,550	32,550	32,300
Library (5)										
Material circulated	45,547	39,550	37,587	32,105	77,780	83,026	80,449	73,962	49,249	45,596
Library patrons	17,417	16,723	15,565	14,809	14,353	13,688	12,968	12,368	11,998	11,993
Education (6)										
Elementary Schools										
Buildings	3	3	2	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	900	900	750	750	750	750	750	750	750	750
High Schools										
Buildings	1	1	1	1	1	1	1	1	1	1
Capacity	1400	1400	1200	1200	1200	1200	1200	1200	1200	1200
Number of school buses	74	62	62	62	62	57	57	54	54	55

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Sheriff's Department (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	19	19	19	19	19	19	19	19	19
Total calls dispatched	52,763	49,424	59,725	59,718	49,067	47,332	45,970	51,131	40,097	38,426
Calls dispatched for traffic	8,219	7,537	7,263	10,850	10,850	7,394	10,821	12,200	10,624	9,152
Calls dispatched for rescue	4,538	4,446	4,017	4,140	3,415	2,005	1,861	3,072	2,879	2,899
Number of criminal warrants served	1,521	1,809	1,942	1,567	1,527	1,490	1,157	1,317	1,125	1,223
Number of civil warrants and traffic notices	6,345	7,759	7,955	7,380	6,750	5,258	5,849	5,975	4,714	9,422
Fire and Rescue (2)										
Companies	1	1	1	1	1	1	1	1	1	1
Stations	5	5	5	5	5	4	4	4	4	4
Emergency responses	4,198	3,974	3,790	3,395	3,270	3,623	3,236	3,053	2,714	2,415
Fires extinguished	70	102	134	102	80	89	75	84	83	104
Inspections	893	696	453	386	377	470	453	466	50	84
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	330	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)	1,157,297	1,010,726	895,245	854,230	817,408	717,188	739,100	689,000	631,233	583,000
Number of connections	4,616	4,268	3,886	3,545	3,272	3,167	3,031	2,847	2,675	2,583
Wastewater										
Average daily wastewater treated (thousands of gallons)	468,493	416,400	392,000	390,685	351,233	394,520	271,000	270,000	272,877	283,000
Number of connections	3,168	2,710	2,374	2,019	1,812	1,755	1,658	1,515	1,365	1,246
Reclaimed										
Daily average consumption (gallons)	87,671	168,219	56,000	3,835	58,630	285,699	91,870	203,000	71,584	92,000
Number of connections	4	4	4	4	3	2	4	3	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

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**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 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, 2024, 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 9, 2024.

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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies or 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 9, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited the County of New Kent, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County of New Kent, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Report on Compliance for Each Major Federal Program (Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 9, 2024

COUNTY OF NEW KENT, VIRGINIA
SUMMARY OF COMPLIANCE MATTERS
Year Ended June 30, 2024

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the 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

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

COUNTY OF NEW KENT, VIRGINIA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Amounts	Federal Expenditures
U.S. Department of Agriculture:				
Pass-Through Payments:				
Department of Education:				
COVID-19 - State Pandemic Electronic Benefit Transfer (EBT)				
Administrative Costs	10.649	DOE86556	\$	3,256
CNP Team Nutrition	10.574	APE60072		1,050
School Breakfast Program	10.553	APE40253	223,616	
National School Lunch Program	10.555	APE40254, 41108	648,655	
National School Lunch Program - Commodities	10.555	00-310	40,000	
Total Child Nutrition Cluster				912,271
Department of Social Services:				
SNAP Cluster - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	84903, 85503, 85803, 84904, 85504, 85804		318,324
Total U.S. Department of Agriculture				1,234,901
U.S. Department of Justice:				
Direct payments:				
Bulletproof Vest Partnership Program	16.607	N/A		3,885
Pass-Through Payments:				
Department of Criminal Justice Service:				
Victim Witness Grant	16.575	118457		61,509
Edward Byrne Memorial Justice Assistance Grant Program	16.738	120131, 120134, 120571, 120128		71,932
COVID-19 - Coronavirus Emergency Supplemental Funding	16.034	118072		14,741
Public Safety Partnership and Community Policing Grants - COPS in Schools	16.710	CJS70072		60,000
Total U.S. Department of Justice				212,067
U.S. Department of Transportation:				
Direct payments:				
COVID-19 - Airport Improvement Program	20.106	N/A		275,592
Pass-Through Payments:				
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	605007-53000		21,691
Highway Safety Cluster - State and Community Highway Safety	20.600	605007-53000	6,362	
Highway Safety Cluster - National Priority Safety Programs	20.616	605007-53000	852	
Total Highway Safety Cluster				7,214
Total U.S. Department of Transportation				304,497
U.S. Department of Education:				
Direct payments:				
Title III Part A - Strengthening Institutions	84.031A	N/A		2,277
Pass-Through Payments:				
Commonwealth of Virginia Department of Education:				
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	S425C200042	-	-
COVID-19 - Elementary and Secondary School Emergency Relief	84.425D	APE50195		92,560
COVID-19 - Elementary and Secondary School Emergency Relief - Unfinished Learning	84.425D	S425D200008		-
COVID-19 - Elementary and Secondary School Emergency Relief - Unfinished Learning	84.425U	APE50175		130,512
COVID-19 - Elementary and Secondary School Emergency Relief - Before and After School	84.425U	APE50183		38,362
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	APE50193		1,015,103

COUNTY OF NEW KENT, VIRGINIA
Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Amounts	Federal Expenditures
Title I Part A - Grants to Local Educational Agencies	84.010	APE42901		352,188
Special Education Cluster - Grants to States	84.027	APE43071	728,980	
COVID-19 - Special Education Cluster - Grants to States	84.027	APE40287	100,862	
Special Education Cluster - Preschool Grants	84.173	APE 4062521, APE 4028600	28,919	
Total Special Education Cluster				858,761
Vocational Education - Basic Grants to States	84.048	APE60031		38,187
School-Based Mental Health Services Grant Program	84.184H	APE45285		125,040
Supporting Effective Instruction State Grants, Title II Part A	84.367	APE61480		81,914
Student Support and Academic Enrichment Program	84.424	APE60281		28,991
Total U.S. Department of Education				2,763,895
U.S. Department of Health and Human Services:				
Pass-Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	82201, 84928, 85528, 85828		7,242
Title IV-E Prevention Program	93.472	84951, 85551, 85851		3,406
Promoting Safe and Stable Families	93.556	84929, 85529, 85829, 86801		1,533
Temporary Assistance for Needy Families	93.558	84909, 84910, 84911, 84912, 84927, 85509, 85510, 85511, 85512, 85527, 85809, 85810, 85811, 85812, 85827, 85830		102,367
Refugee and Entrant Assistance	93.566	84913, 85513, 85813		396
Low-Income Home Energy Assistance	93.568	84914, 85514, 85814		21,326
CCDF Cluster - Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	84916, 84917, 84918, 85516, 85517, 85518, 85816, 85817, 85818		26,154
Chafee Education and Training Vouchers Program	93.599	86101		60
Child Welfare Services	93.645	84931, 85531, 85831		158
Foster Care - Title IV-E	93.658	81110, 81403, 84905, 84906, 84907, 84933, 84938, 84947, 85505, 85506, 85507, 85533, 85538, 85547, 85805, 85806, 85807, 85833, 85838, 85847 81201, 81203, 84908, 85508,		108,076
Adoption Assistance	93.659	85808		95,584
Social Services Block Grant	93.667	81701, 82904, 83306, 84920, 84922, 84923, 84924, 84925, 84926, 84942, 84957, 85520, 85522, 85523, 85524, 85525, 85526, 85542, 85557, 85820, 85822, 85823, 85824, 85825, 85826, 85842, 85857, 89501		
Chafee Foster Care Independence Program	93.674	84934, 85534, 85834, 88401		1,389
Elder Abuse Prevention Interventions Program	93.747	89801		5,138
State Children's Insurance Program	93.767	84902, 85502, 85802		2,892

COUNTY OF NEW KENT, VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Amounts	Federal Expenditures
Medicaid Cluster - Medical Assistance Program	93.778	84901, 84946, 84950, 85501, 85546, 85550, 85801, 85846, 85850		<u>259,800</u>
Total U.S. Department of Health and Human Services				<u>739,086</u>
U.S. Department of Homeland Security:				
Pass-Through Payments:				
Department of Emergency Services:				
Emergency Management Performance Grants	97.042	77501-52743		<u>42,593</u>
Total Department of Homeland Services				<u>42,593</u>
U.S. Department of the Treasury				
Direct payments:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		2,789,781
Pass-Through Payments:				
Virginia Tourism Corporation				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		22,582
Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		<u>472,188</u>
Total U.S. Department of Treasury				<u>3,284,551</u>
Total Expenditure of Federal Awards				\$ <u><u>8,581,590</u></u>

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Federal Expenditures includes the activity of all federally assisted programs of the County of New Kent, Virginia and is presented on the modified accrual basis of accounting, as described in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

NOTE 2 - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE 3 - DE MINIMIS INDIRECT COST RATE

The County of New Kent has not elected to use the 10% de minimis cost rate.

NOTE 4 - OUTSTANDING LOAN BALANCES

At June 30, 2024, the County of New Kent, had no outstanding loan balances requiring continuing disclosure.

COUNTY OF NEW KENT, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies and no material weaknesses** relating to the audit of the financial statements was reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to the major programs**.
7. The programs tested as major were:

<u>Name of Program:</u>	<u>Assistance Listing Number</u>
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027

8. The **threshold for** distinguishing Type A and B programs was **\$750,000**.
9. The County was determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

None.

COUNTY OF NEW KENT, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-002: Cash Entries (Significant Deficiency) – County

Condition: As part of the audit, we proposed two significant journal entries in relation to the County's cash and investment accounts.

Recommendation: All accounts should be reconciled between the bank balance and the general ledger to ensure all transactions are properly reflected. Additionally, all reconciling items should be scrutinized to ensure they are proper reconciling items, with the concept of pooled cash kept in mind.

Current Status: No such entries were made during the audit process. Appears to be resolved in 2024.

B. FINDINGS – COMMONWEALTH OF VIRGINIA

2023-001 Department of Social Services – System Access

Condition: During our review of system access, we noted one individual who had more access than what they were initially approved for.

Recommendation: We recommend that system access request forms be maintained and reviewed annually for each employee of the County of New Kent's Department of Social Services.

Current Status: Appears to be resolved in 2024.