





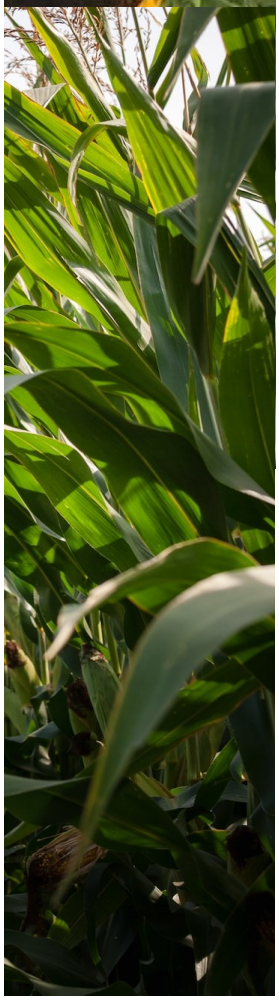
Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING
JUNE 30, 2024





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Local Roots, Global Reach
ISLE OF WIGHT
COUNTY, VIRGINIA

Acknowledgments

The preparation of this report has been accomplished by the efficient and dedicated services of the staff of the Department of Finance, the Treasurer's Office and various departments.

The following employees were instrumental in the preparation of this report:

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It is also appropriate to thank Randy Keaton, County Administrator, Donald Robertson, Assistant County Administrator, Dr. Theo Cramer, Isle of Wight County Schools Superintendent, County and School Department Heads, Constitutional Officers, our many dedicated employees of the County and the School System, and the Board of Supervisors and School Board for making possible the excellent financial position of the County through their interest and support in planning and conducting the business and financial affairs of the County and our School System.

Stephanie M. Wells
Chief Financial Officer

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County of Isle of Wight, Virginia

Table of Contents

		Page
Introductory Section		
Transmittal Letter		*i-viii*
Principal Officials		*ix*
Certificate of Achievement		*xi*
Isle of Wight County Organizational Chart		*xiii*
Financial Section		
Report of Independent Auditor		*1*
Management's Discussion and Analysis		*7*
Basic Financial Statements		
Government-wide Financial Statements:	***Exhibit***	
Statement of Net Position	*A-1*	*20*
Statement of Activities	*A-2*	*23*
Fund Financial Statements		
Balance Sheet of the Governmental Funds	*A-3*	*24*
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	*A-3*	*25*
Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds	*A-4*	*26*
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	*A-4*	*27*
Proprietary Funds		
Statements of Net Position	*A-5*	*28*
Statements of Revenues, Expenses, and Changes in Net Position	*A-6*	*31*
Statements of Cash Flows	*A-7*	*32*
Fiduciary Funds		
Statement of Net Position	*A-8*	*34*
Statement of Changes in Assets and Liabilities	*A-9*	*35*
Notes to the Basic Financial Statements		*37*

County of Isle of Wight, Virginia
Table of Contents
(Continued)

	Exhibit	Page
Required Supplementary Information		
Schedule of Revenues and Expenditures – Budget and Actual - General Fund	*B-1*	*151*
Notes to Required Supplementary Information Budget and Actual		*156*
Schedule of Changes in the County Net Pension Liability and Related Ratios	*B-2*	*158*
Schedule of Changes in School Board Non-Professional Net Pension Liability And Related Ratios	*B-3*	*160*
Schedule of County and School Board Non-Professional Contributions - VRS	*B-4*	*162*
Schedule of School Board Proportionate Share of the Net Pension Liability	*B-5*	*163*
Schedule of School Board Professional Contributions - VRS	*B-6*	*164*
Notes to Required Supplementary Information - VRS		*165*
Schedule of Changes in the County's Total OPEB Liability	*B-7*	*167*
Schedule of Changes in the School Board's Total OPEB Liability	*B-8*	*168*
Schedule of Employer's Share of Net OPEB Liability and Employer's Contributions - Group Life Insurance	*B-9*	*169*
Schedule of Changes County's Net OPEB Liability - Health Insurance Credit	*B-10*	*172*
Schedule of County Plan Contributions - OPEB - Health Insurance Credit	*B-11*	*174*
Schedule of School Board Non-Professional Plan's Share of the Net OPEB Liability - Health Insurance Credit	*B-12*	*175*
Schedule of School Board Non- Professional Plan - Contributions - OPEB-Health Insurance Credit	*B-13*	*176*
Schedule of School Board Professional Plan's Share of the Net OPEB Liability - Health Insurance Credit	*B-14*	*177*
Schedule of School Board Professional Plan - Contributions - OPEB-Health Insurance Credit Program	*B-15*	*177*
Schedule of County Plan's Share of Net OPEB Liability - Virginia Local Disability Program	*B-16*	*179*
Schedule of County Plan - Contributions - OPEB - Virginia Local Disability Program	*B-17*	*180*
Schedule of School Board Non-Professional Plan's Share of Net OPEB Liability - Virginia Local Disability Program	*B-18*	*181*
Schedule of School Board Non-Professional Plan - Contributions - OPEB - Virginia Local Disability Program	*B-19*	*182*
Schedule of School Board Professional Plan's Share of the Net OPEB Liability - Virginia Local Disability Program	*B-20*	*183*
Schedule of School Board Professional Plan - Contributions - OPEB-Virginia Local Disability Program	*B-21*	*184*
Notes to Required Supplementary Information OPEB		*185*
Other Supplementary Information		*191*
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Capital Projects Fund	*B-22*	*194*

County of Isle of Wight, Virginia
Table of Contents
(Continued)

	Exhibit	Page
Budget and Actual - Debt Service Fund	*B-23*	*195*
Nonmajor Governmental Funds:		*197*
Combining Balance Sheets	*B-24*	*200*
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances	*B-25*	*202*
Statements of Revenues, Expenditure, and Changes in Fund balances - Budget and Actual	*B-26*	*204*
Internal Service Funds:		*211*
Combining Statements of Net Position	*B-27*	*214*
Combining Statements of Revenues, Expenditures, and Changes in Net Position	*B-28*	*215*
Combining Statements of Cash Flows	*B-29*	*216*
Component Unit - School board		
Combining Balance Sheets - Governmental Funds	*B-30*	*220*
Reconciliation of Balance Sheets to the Statement of Net Position - Governmental Funds	*B-31*	*222*
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	*B-32*	*223*
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	*B-33*	*225*
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Governmental Funds	*B-34*	*226*
Internal Service Fund		
Statement of Net Position	*B-35*	*233*
Statement of Revenues, Expenses, and Change in Net Position	*B-36*	*234*
Statement of Cash Flows	*B-37*	*235*
Component Unit - Economic Development Authority		
Statement of Net Position	*B-38*	*236*
Statement of Revenues, Expenses, and Changes in Net Position	*B-39*	*237*
Statement of Cash Flows	*B-40*	*238*
Statistical Section		
Statistical Section Overview		*241*
Net Position by Component	*C-1*	*242*
Change in Net Position	*C-2*	*244*
Fund Balances - Governmental Funds	*C-3*	*248*
Changes in Fund Balance - Governmental Funds	*C-4*	*250*
Assessed Value and Estimated Actual Value of Taxable Property	*C-5*	*253*

County of Isle of Wight, Virginia
Table of Contents
(Continued)

	Exhibit	*Page*
Assessed Value of Taxable Property	*C-6*	*254*
Property Tax Rates	*C-7*	*255*
Principal Taxpayers	*C-8*	*256*
Property Tax Levies and Collections	*C-9*	*257*
Taxable Sales by Category	*C-10*	*258*
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	*C-11*	*260*
Schedule of Outstanding Debt by Type	*C-12*	*261*
Legal Debt Margin	*C-13*	*262*
Demographic Statistics	*C-14*	*264*
Full-time Equivalent County Government Employees by Function/Program	*C-15*	*265*
Operating Indicators by Function/Program	*C-16*	*267*
Capital Asset Statistics by Function/Program	*C-17*	*269*

Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		*271*
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance		*273*
Notes to Schedule of Expenditures of Federal Awards		*276*
Schedule of Expenditures of Federal Awards		*277*
Schedule of Findings and Questioned Costs		*279*
Summary Schedule of Prior Audit Findings		*281*

Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

December 12, 2024

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the County of Isle of Wight, Virginia for the fiscal year ended June 30, 2024. This report is intended to provide informative and relevant financial data for the residents of the County, Board of Supervisors, investors, creditors, and any other interested readers.

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

Robinson, Farmer, Cox Associates, a certified public accounting firm, audited the County's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements and assessing the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's basic financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP with noted emphasis in the independent auditors report as presented in the first component of the financial section of this report. The independent audit of the financial statements of the County is part of a broader, federal, and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with additional emphasis on the administration of federal and state awards.

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

Profile of the Government

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

Isle of Wight County has a rich history that pre-dates its formal establishment in 1634. The County provided fertile farmland and hunting opportunities for its Native American inhabitants prior to the first English settlement in 1619. It still provides an excellent quality of life for over 40,000 residents while balancing its rural history with a future focused on quality commercial and residential growth.

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

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

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

Parks and Recreation programs are essential to the quality of life of County residents. The Isle of Wight County Fair has become one of the community's signature events. Held at Heritage Park, it provides great family entertainment and highlights the County's rural roots, attracting over 38,000 visitors annually from all over the Commonwealth of Virginia.

The County is also home to Windsor Castle Park located in the heart of downtown Smithfield. It is a 210-acre riverside park that features a woodland trail system, picnic and play areas, a dog park, kayak and canoe launch, scenic overlook, and the Windsor Castle Historic Site.

Windsor Castle Farm was originally part of a 1,450-acre parcel patented in 1637 by Arthur Smith and is situated on a knoll overlooking the Pagan River. The site preserves the rich historic heritage of the Castle, as well as providing a passive public park on the estate grounds.

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

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

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

- Existing and planned public water and sewer facilities.
- Ready access to the region's transportation network, including Routes 17, 258, 460, and 58 as well as two rail lines, which provide direct connections to the Virginia Ports.
- Proximity to the nearby population centers of Suffolk, Franklin, Newport News, and Hampton as well as the rest of the Hampton Roads region; and
- Planned, future growth opportunities including a mix of residential, commercial, and industrial land uses.

Even with its historic, low-density land use pattern, the County has maintained a healthy population growth rate for nearly thirty years. Since the 1990 US Census, the County has grown an average of approximately 1.6% per year, which is higher than the State's average growth rate of 1.0% over the same time period. The Weldon Cooper Center projects 45,105 persons by 2040, representing a 17% increase over 2020 for an approximate average annual growth rate of 0.80% over the twenty year period. This average growth rate is slowing, but is still anticipated to be higher than the projected average annual growth rate for the State for the same time period. This slowing of average growth rate is attributed to the wider trend of lower birthrates and the general aging of the population. While the economy had been in an expansion phase for several years, the Coronavirus pandemic caused many communities to have a decline in permitting. The County has not seen the same level of reduction in permits, especially residential.

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

Isle of Wight County Schools implement research-based instructional strategies to provide rigorous and engaging learning experiences that ensure student success. The division educates 5,594 students in grades PreK-12 at nine schools: five elementary schools, two middle schools, and two high schools.

All nine schools remain fully accredited by the Virginia Department of Education. Isle of Wight County Schools earned an on-time graduation rate of 94 percent for the Class of 2024, according to data released by the Virginia Department of Education. 51 percent of the graduates earned an advanced studies diploma. The Isle of Wight County Schools' on-time graduation rate continues to exceed the state average.

Economic Overview

Isle of Wight County remains a community of choice for residents and businesses alike because of its rural aesthetics, affordable tax rates and convenient commuting times to the region's employment centers. The County experienced increases in certain types of tax revenues and declines in others in FY 2024. Sales tax revenue increased again by 3% from FY 2023, and Lodging taxes and Meals taxes continue to rebound with increases of 20% and 27% respectively. The County realized a 2% decline in business license revenue. Personal Property tax revenue decreased by 8% due to the decline in the values of vehicles from the historic increase in 2022.

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

In the Windsor Development Service District, County leaders continue to make significant investments in Shirley T. Holland Intermodal Park, which are paying off by attracting interest from more developer entities and potential end users than in previous years. In FY24, the Economic Development Authority (EDA) sold a 42-acre permit-ready site in Shirley T. Holland Intermodal Park, Phase II, to W.M. Jordan Development Company. W.M. Jordan broke ground on 460 Commerce Center, a 352,000 square-foot industrial building suitable for light manufacturing or warehousing and distribution uses. The building is scheduled for completion in Summer 2025 and is available for lease.

Two additional EDA-owned parcels remain under contract for development.

Located within Phase III of Shirley T. Holland Intermodal Park, XDock 258 Logistics Center is a planned 240,000 square-foot cold storage facility under site plan review. The developer plans to break ground in 2025.

Located on U.S. Route 460, Tidewater Logistics Center is a proposed Class A speculative industrial development with approximately 726,000 square feet in four buildings suitable for light manufacturing and warehousing and distribution uses. The developer is going through the entitlement process, and if approved, the project could break ground in late 2025. The buildings will be available for lease or sale.

The Intermodal Park is strategically located for Port of Virginia-related businesses and offers some of the largest developable, locality-controlled tracts in the region. Easy and quick access to the Port is possible via U.S. Route 460, U.S. Route 58 or by rail on the adjacent Norfolk Southern Heartland Corridor. The Intermodal Park is already home to three nationally recognized companies that use Port facilities: Keurig Dr Pepper, Safco Products Company and World Market's Virginia Distribution Center. Together these facilities employ over 500 people.

The Intermodal Park is located within Foreign Trade Zone #20, which offers federal incentives. In 2020, its designation within a Virginia Enterprise Zone was reaffirmed by the Commonwealth, so it continues for another five years to offer eligibility for state and local incentive programs for firms that locate or expand there. In FY24, the Economic Development Department, working with the Commonwealth, completed a major expansion of the Enterprise Zone to add new acreage along the U.S. 460 and U.S. 58 (Business) corridors. Along with the Enterprise Zone incentives, businesses may also qualify for Port of Virginia grant programs.

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

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

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

In late 2019, M&M Milling, a toll processor specializing in grinding, blending, and sizing of agricultural materials, established its first East Coast location in Isle of Wight County. The company purchased and renovated a dormant industrial facility that ceased operations over a decade ago near the City of Franklin. The new operation represents more than $2.35 million in capital investment, will employ at least 15 people when fully operational and will purchase hundreds of thousands of bushels of shelled corn from local farmers each year as part of its production processes. Future plans include adding new customers and product lines.

Reflecting its capability to host larger aircraft with its 5,000-foot runway, the County's municipal airport was renamed the Franklin Regional Airport in 2019. The City of Franklin owns the airport and the adjacent 60-acre industrial park, which is jointly marketed with Isle of Wight County. Both the airport and the industrial park were added to the Virginia Enterprise Zone with the 2022 expansion. RepairTech Industrial Contractors has plans to expand its operations in the park and will purchase approximately eight acres of land adjacent to its existing facility to construct a second building.

July 26, 2023, was a historic day in Isle of Wight County as Riverside Health System officials, along with state and local community leaders, broke ground on the new Riverside Smithfield Hospital. The 200,000-square-foot, 50-bed hospital will include an emergency room, intensive care unit, medical/surgical unit, operating suites, and other diagnostic and procedural services. The new Riverside campus, located near the intersections of US Route 258 and VA-10, will also include the Jamison-Longford Medical Office Building. It was named in honor of Dr. Bernard "Barney" Jamison and the late Dr. Desmond Longford, two long-time physicians in the community. Construction is underway with the medical office building set to open in late 2025. The new hospital is scheduled to open in early 2026.

In May 2024, the Isle of Wight County Economic Development Department and the Isle of Wight County Economic Development Authority (EDA) partnered with a technology company, Bludot, launched a customer rewards program offering cash back rewards for spending at local businesses.

The program, Open Rewards, is a FREE shop local app that supports and rewards shopping local by earning cash back. The EDA invested $5,000 for an initial small-scale implementation for targeted businesses in Smithfield on Main and South Church Street that have been negatively impacted by the Cypress Creek Bridge construction. The success and sustainability of this initial implementation will help determine whether the program gets additional funding when the initial investment is depleted and whether the program will be expanded to additional businesses in Isle of Wight County.

The Newport Development Service District is the fastest growing area of Isle of Wight County. Construction of the Riverside Hospital and first medical office building is well underway at Benns Grant. Since last year, Royal Farms and Langley Federal Credit Union at the planned mixed-use community of Bartlett Station have both opened for business. Publix Grocery is nearly complete with an anticipated late 2024 opening. Also at Bartlett Station, the Go (formerly Rio) Carwash Club and a 75,000 square foot indoor storage facility are under construction. Just south of Bartlett Station, an 88,105 square foot outdoor storage facility is also under construction. In the Windsor Development Service District, a new 352,000 square foot warehouse and distribution center is under construction in Phase II of the Shirley T. Holland Intermodal Park. Other nonresidential projects approved for construction this year include five utility scale solar energy generation facilities, making a total of eleven such facilities in the County with a total projected power generation capacity of 739 MW.

Permits for new single-family houses, to include both detached and attached, totaled 234 in FY 2024 compared to 246 in FY 2023, representing a 5% decrease. There have been no new rental multifamily dwelling units permitted in FY 2023. The Benns Grant Apartments finished construction of 240 rental multifamily units. Permits for an additional 26 multifamily units were issued for Brewers Station this fall with construction anticipated in FY25.

Construction began on Phase II of the Bartlett Station condominium community which will include a total of 230 condominiums. Construction also continues in the South Harbor mixed use community which will include a total of 340 age restricted single family detached homes and townhomes and a 3.5-acre commercial site adjacent to the existing Eagle Harbor planned development.

The value of new single-family construction increased from $45.8 million in FY 2023 to $60.5 in FY 2024, a 32% increase. New commercial construction value increased from $5.1 million in FY 2023 to $228.4 million, or a 4,378% increase. Altogether, the total construction value of all building permits, including renovations to existing structures and new structures, increased from $188.5 million in FY 2023 to $766.1 in FY 2024, representing a 306% increase. The large increases in the commercial and total permit values is largely attributable to the beginning of the Riverside Hospital construction.

Financial Guidelines

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

The County also prepares a Capital Improvement Plan (CIP) annually. The CIP serves as a planning tool for the efficient, effective, and equitable distribution of public improvements throughout the County. The plan represents a balance between finite resources and an increasing number of competing priorities. The County develops a five-year CIP each year inclusive of the capital needs of the Public Schools. The Board of Supervisors approves the first year of the plan as the Capital Budget after legal advertising and public hearing requirements have been met.

The CIP also anticipates significant projects that are envisioned beyond the initial five-year period and identifies projects up to ten years out to allow for appropriate long-term planning and financial projections.

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

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

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

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

Major Initiatives and Accomplishments

The water line extension from the Town of Smithfield to serve the new Hardy Elementary School and three neighborhoods in the immediate vicinity of the school is complete. The booster pump station associated with the project is mostly complete. The new water line from the Town of Smithfield will replace the existing wells in the area.

A new 750,000-gallon elevated water tank to serve the Benns Grant area and the new Riverside Smithfield Hospital is nearing completion of the design phase. Bids will be received in early 2025 for the construction of the water tank. A $1,250,000 congressionally directed spending grant was received for the project through the efforts of our senators and congresswoman.

In September 2023, the Commonwealth Transportation Board awarded an $850,000 Economic Development Access Grant to the County to help fund the extension of William A. Gwaltney Way, which will provide a second entrance to 460 Commerce Center in the Shirley T. Holland Intermodal Park. Funding was also received in the amount of $675,000 from the Economic Development Authority to assist with the road extension.

Awards

In recognition of its Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2023, a Certificate of Achievement for Excellence in Financial Reporting was awarded to Isle of Wight County by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition in governmental accounting and reporting, and its attainment represents a significant accomplishment by a government and its management.

The County also received the GFOA's Distinguished Budget Presentation Award for its budget for the Fiscal Year Beginning July 1, 2023.

Acknowledgement

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

Respectfully submitted,



Randy R. Keaton
County Administrator



Stephanie M. Wells
Chief Financial Officer

Isle of Wight County, Virginia Officials
June 30, 2024

Primary Government Officials

BOARD OF SUPERVISORS

Joel C. Acree, Chairman	District 4
Don G. Rosie, II, Vice- Chairman	District 5
Renee K. Rountree	District 1
William M. McCarty, Sr,	District 2
Rudolph Jefferson	District 3

CONSTITUTIONAL OFFICERS

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

ADMINISTRATIVE OFFICERS

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

School Board Officials

SCHOOL BOARD

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

ADMINISTRATIVE OFFICERS

Dr. Theo Cramer	Superintendent
Susan Goetz	Deputy Superintendent
Dr. Christopher Coleman	Deputy Superintendent
Liesl DeVary	Chief Financial Officer
Stacy Haney, Haney Phinyowattanachip PLLC	School Attorney
Patrick T. Andriano, Reed Smith LLP	School Attorney

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

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County of Isle of Wight
Virginia

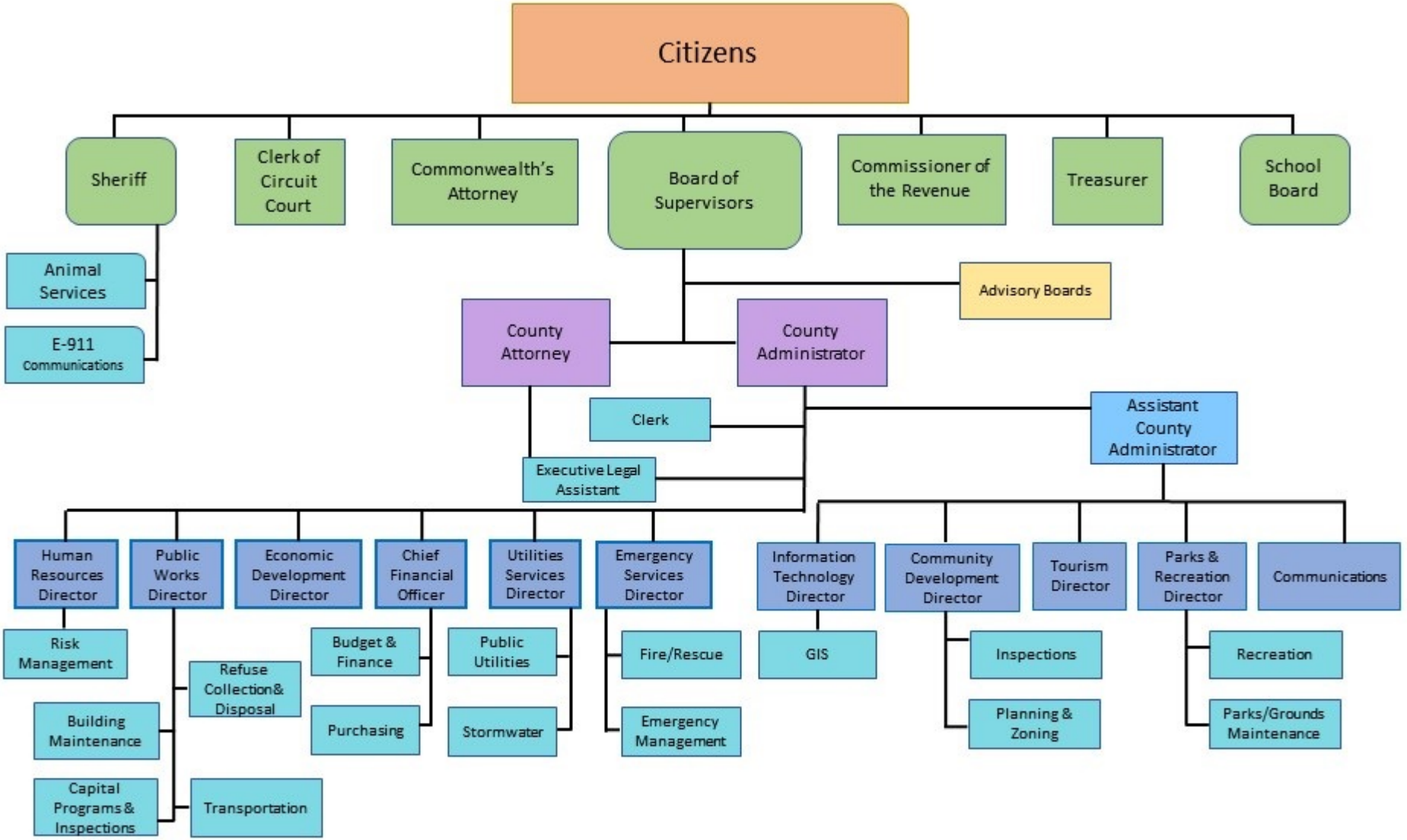
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

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

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Financial Section

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Isle of Wight, Virginia, as of and for the year ended June 30, 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, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Isle of Wight, Virginia, as of and for the year ended June 30, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management 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 County of Isle of Wight, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of County of Isle of Wight, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Isle of Wight, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Isle of Wight, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 2, 2024

Management's Discussion & Analysis

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Introduction

This section of the County of Isle of Wight, Virginia's (County) annual financial report presents our discussion and analysis of the County's financial performance for the fiscal year ended June 30, 2024. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The net position of the County, excluding the component units, as of June 30, 2024 was $4.0 million, a 88.6 % decrease from the previous fiscal year mostly attributable to the transfer of capital assets from the Primary Government to the School Board. The decrease in liabilities is related to the paydown of long-term debt and the decrease in deferred inflow of resources is from recognition of pension inflows. Of the total net position, $1.7 million is restricted for capital projects, while $0.8 is restricted for opioid abatement. $ 55.9 million remains unrestricted.
- The County's net position for the governmental activities was $(8.6) million, a (134.0)% decrease from FY 2023 largely due to the decrease in capital assets and deferred inflow of resources. Net investment in capital assets resulted in a deficit of $55.1 million, while net position restricted is $2.6 million and $44.0 million remains unrestricted.
- The net position of business activities was $12.5 million resulting from a increase in net investment in capital assets of $(0.6) million offset by restricted and unrestricted net position of $12.0 million. This is (31.0)% better than the previous year due to capital contributions for infrastructure land improvements from the General Fund. Business activities has no restricted net position restricted and $12.0 million unrestricted.
- The County's General Fund reported a net increase in fund balance of $4.8 million largely attributable to a 18.0% increase in property taxes over the prior year. Of the $35.6 million FY 2024 General Fund total fund balance, $26.6 million is unassigned, $5.7 is assigned, $3.1 is committed while the remainder is restricted.
- The County's long-term debt at June 30, 2024 was $168.9 million, a decrease of (5.4)%.
- The County's tax rate on real estate decreased to $.71 per $100 of assessed value in FY24 from $.85 in prior years.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

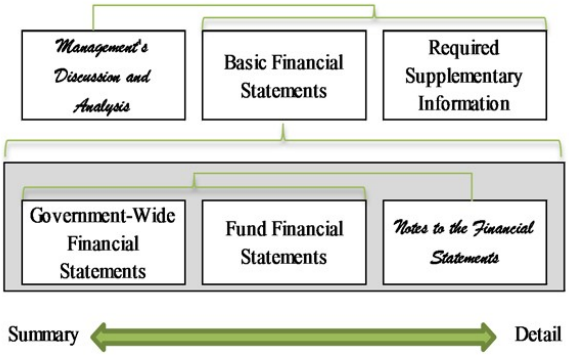
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's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

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

Components of Financial Report

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

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



Statements

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

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

Government-wide Statements

The *government-wide financial statements* report information about the County using accounting methods similar to those used by private-sector companies. These statements provide both long-term and short-term information about the County's overall financial status. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to reporting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

- **Governmental activities** - Most of the County's basic services are reported here including general government, judicial administration, public safety, public works, education, health and welfare, parks and recreation and economic and community development. Property taxes, other local taxes, and state and federal grants finance most of these activities.
- **Business-type activities** - The County's water, sewer and stormwater services are reported as business-type activities. These services are mostly supported by charges for services based on use.
- **Component Units** - The County includes two separate legal entities in its report - the Isle of Wight County School Board and the Economic Development Authority of the County of Isle of Wight. While legally separate, the County is financially accountable and provides operating and capital funding to these component units.

Fund Financial Statements

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

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

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

Fiduciary Funds - The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's services. The accounting used for fiduciary funds is similar to that of the proprietary funds. The County maintained Special Welfare Fund in fiscal year 2024.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

NET POSITION

Table A-1 summarizes the Statement of Net Position at June 30, 2024 and 2023.

Table A-1

	Governmental Activities		Business - Type Activities		Totals	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Current and other assets	$ 82,182,342	$ 88,836,138	$ 13,758,496	$ 16,864,660	$ 95,940,838	$ 105,700,798
Capital assets	70,586,764	107,650,795	30,927,322	28,053,189	* 101,514,086	135,703,984
Total assets	152,769,106	196,486,933	44,685,818	44,917,849	197,454,924	241,404,782
Deferred outflows of resources	9,400,111	10,249,702	2,492,169	2,610,965	11,892,280	12,860,667
Current liabilities	15,223,612	16,826,456	3,754,770	5,000,813	18,978,382	21,827,269
Long-term liabilities	135,628,609	143,429,451	30,733,332	32,738,350	166,361,941	176,167,801
Total liabilities	150,852,221	160,255,907	34,488,102	37,739,163	185,340,323	197,995,070
Deferred inflows of resources	19,902,667	21,209,471	146,386	210,895	20,049,053	21,420,366
Net Investment in capital assets	(55,093,042)	(15,778,664)	573,574	(5,216,521)	(54,519,468)	(20,995,185)
Restricted	2,550,412	1,999,065	1,991	650	2,552,403	1,999,715
Committed	-	-	-	-	-	-
Unrestricted	43,956,959	39,050,856	11,967,934	14,794,627	55,924,893	53,845,483
Total net position	$ (8,585,671)	$ 25,271,257	$ 12,543,499	$ 9,578,756	$ 3,957,828	$ 34,850,013

As described earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, the County's assets and deferred outflows of resources fell short of its liabilities and deferred inflows of resources to $4.0 million, a (88.6)% decrease from the previous year. Because governmental assets decreased significantly due to the transfer of capital asset to the School Board and business activities assets increased, total assets are noticeably down compared to June 30, 2023.

The largest portion of the County's net position at June 30, 2024 is unrestricted net position which increased slightly from the prior year at (3.9) %. The restricted net position of the County in FY 2024 was $2.6 million, which represents 64.5% of total net position.

Changes in Net Position (Statement of Activities)

Governmental Activities

Of the total net position of the County, $(8.6) million can be attributed to governmental activities. This is a $(33.9) million or (134.0)% decrease from the prior year. The $(6.7) million decrease in Current and Other Assets resulted from a combination of spending and subsequent drawdown of bond proceeds for capital projects and increasing operating expenditures primarily for education and public safety. The total long-term liabilities decreased by $(7.8) million for the fiscal year predominantly due to the $(7.4) million decrease in net general obligation bonds payable due to the paydown of outstanding debt.

Business-Type Activities

The Public Utilities and Stormwater Funds had a positive net position of $12.5 million, which is $3.0 million better than the prior year. The net position includes $12.0 million which is unrestricted. A deficit of $(0.6) million in net investment in capital assets is attributable to existing debt obligations and depreciation of assets. Total liabilities were approximately $3.3 million less than FY23, primarily due to the paydown of outstanding debt obligations.

The following summarizes the County's changes in net position for the years ended June 30, 2024 and 2023:

Table A-2

	Governmental Activities		Business-Type Activities		Totals	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Revenues						
Program revenues:						
Charges for services	$ 3,774,207	$ 4,006,387	9,592,515	7,727,098	$ 13,366,722	$ 11,733,485
Operating grants and contributions	11,102,765	7,478,439	-	-	11,102,765	7,478,439
Capital grants and contributions	1,669,019	1,622,370	644,345	6,114,620	2,313,364	7,736,990
General Revenue:						
Taxes	80,600,919	70,670,892	-	-	80,600,919	70,670,892
Intergovernmental, non-categorical aid	5,817,703	5,814,983	-	-	5,817,703	5,814,983
Others	4,695,088	3,879,384	171,570	92,883	4,866,658	3,972,267
Total revenues	107,659,701	93,472,455	10,408,430	13,934,601	118,068,131	107,407,056
Expenses						
General government administration	7,208,904	12,739,010	-	-	7,208,904	12,739,010
Judicial administration	3,860,993	2,413,642	-	-	3,860,993	2,413,642
Public safety	23,587,214	18,422,740	-	-	23,587,214	18,422,740
Public works	7,554,198	5,731,653	-	-	7,554,198	5,731,653
Health and welfare	5,877,382	5,601,103	-	-	5,877,382	5,601,103
Education	74,996,240	27,518,658	-	-	74,996,240	27,518,658
Parks, recreation and cultural	4,508,921	4,185,080	-	-	4,508,921	4,185,080
Community development	5,328,218	5,127,640	-	-	5,328,218	5,127,640
Interest on long-term debt	4,299,436	4,382,292	-	-	4,299,436	4,382,292
Public utility	-	-	10,585,585	9,777,597	10,585,585	9,777,597
Stormwater	-	-	1,153,225	1,396,019	1,153,225	1,396,019
Total expenses	137,221,506	86,121,818	11,738,810	11,173,616	148,960,316	97,295,434
Excess (deficiency) before transfers	(29,561,805)	7,350,637	(1,330,380)	2,760,985	(30,892,185)	10,111,622
Transfers	(4,295,123)	(3,346,148)	4,295,123	3,346,148	-	-
Change in net position	(33,856,928)	4,004,489	2,964,743	6,107,133	(30,892,185)	10,111,622
Net position (deficit) - beginning of year	25,271,257	21,266,768	9,578,756	3,471,623	34,850,013	24,738,391
Net position (deficit) - end of year	$ (8,585,671)	$ 25,271,257	12,543,499	9,578,756	$ 3,957,828	$ 34,850,013

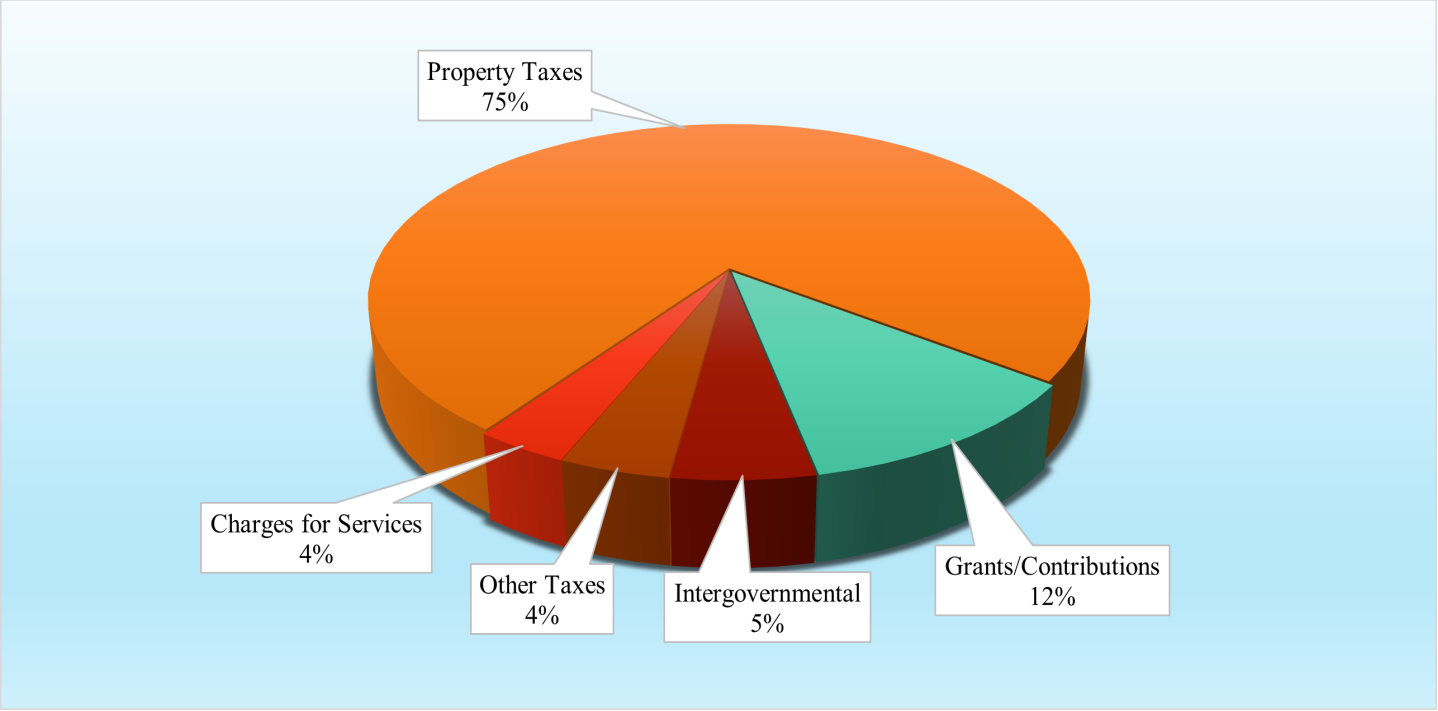
REVENUES

The total revenue of the County was $118.1 million in the year ended June 30, 2024, which is $10.7 million more than the prior year while the total expenses of all programs and services was $149.0 million which is $51.7 million more than FY 2023. A more detailed explanation of the changes in both governmental and business-type activities is given below.

Governmental Activities

The County's total revenues for governmental activities were $107.7 million, of which a significant portion, 74.9% comes from local taxes. Expenses of all governmental programs and services were $137.2 million. Charges for services for FY 2024 were $3.8 million, a slight decrease from the prior year. Revenues from operating grants increased by $(3.6) million from the prior year. Capital grants and contributions increased slightly in FY 2024 by $ (0.05) million. Tax revenues for the governmental funds increased significantly by $9.9 million from the prior year largely due increased property tax revenue.

Figure A-3 Government-wide Revenues



Business-Type Activities

Total revenues decreased from the prior year by (25.3) %. Overall, the Public Utilities Fund Net Position improved when compared to prior year at a $2.9 million increase. County management continues to seek ways to diversify and expand the Public Utilities revenue sources. The Utility System customer base is not large enough to allow the Public Utility activity to be self-sufficient. The Stormwater function has sufficient revenue sources to support its function.

EXPENSES

The total cost of County activities this year was $149.0 million. A breakdown of expenses by both governmental and business-type activities is presented below.

Governmental Activities

Education continues to be one of the County's highest priorities and commitments representing 54.7% of total costs and 35.8% of General Fund expenditures. The cost of all *governmental* activities this year was $137.2 million, a 59.3% increase from the previous year. While increases occurred in several functional areas, the most significant increase was in Education. This increase was largely due to the construction of a new elementary school.

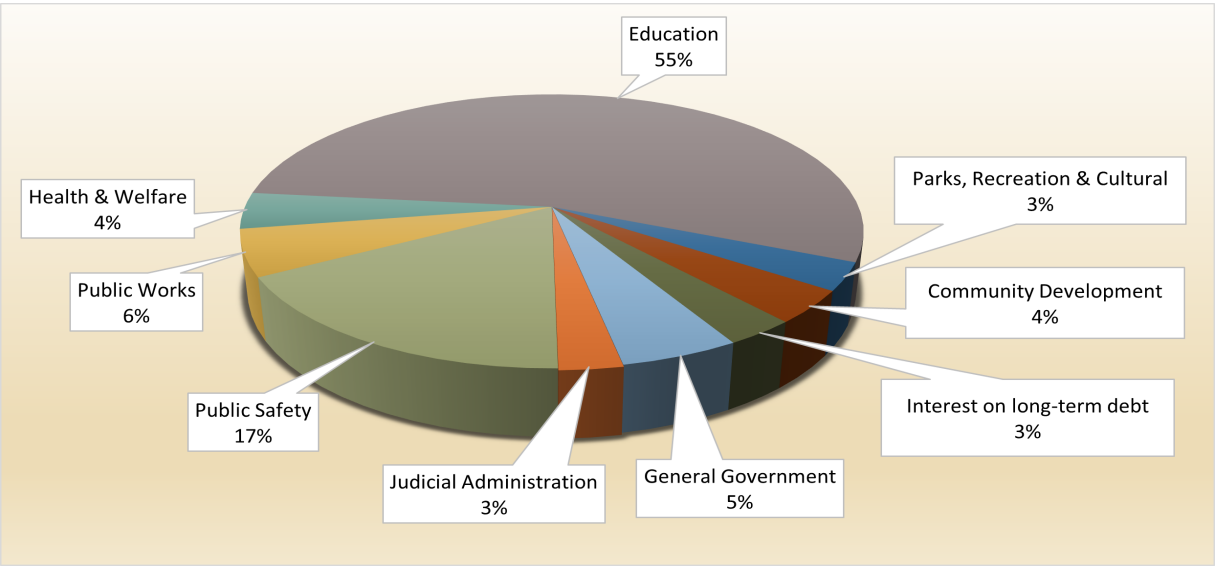
Table A-3a presents the cost of each of the County's governmental functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid).

Table A-3a

	Total Cost of Services			Net Cost of Services		
	2024	**2023**	% Change	**2024**	**2023**	% Change
Governmental Activities:						
General government administration	$ 7,208,904	$ 12,739,010	-43.4%	$ 5,402,988	$ 9,612,998	43.8%
Judicial administration	3,860,993	2,413,642	60.0%	2,116,736	1,093,274	93.6%
Public safety	23,587,214	18,422,740	28.0%	17,543,632	14,443,972	21.5%
Public works	7,554,198	5,731,653	31.8%	6,717,724	5,548,024	21.1%
Health and welfare	5,877,382	5,601,103	4.9%	2,395,506	1,910,553	25.4%
Education	74,996,240	27,518,658	172.5%	74,996,240	27,518,658	172.5%
Parks, recreation and cultural	4,508,921	4,185,080	7.7%	3,618,478	3,510,806	3.1%
Community development	5,328,218	5,127,640	3.9%	3,683,674	5,040,522	-26.9%
Interest on long-term debt	4,299,436	4,382,292	-1.9%	4,299,436	4,382,292	-1.9%
Total expenses	$ 137,221,506	$ 86,121,818	59.3%	$ 120,774,414	$ 73,061,099	65.3%

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

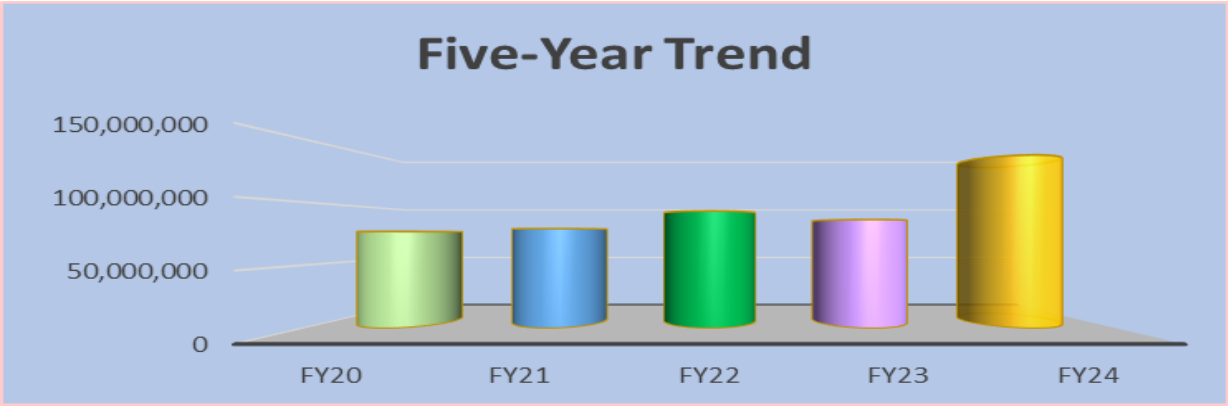
Figure A-4 Cost of Services by Function



Governmental Activities (continued)

Expenses for governmental activities have increased 22.1 % over the last five fiscal years which is relative to the rate of inflation for the same period. In Fiscal Year 2024 there was a significant increase in expenditures over Fiscal Year 2023 due to capital expenditures in Education for the elementary school currently under construction. Figure A-5 presents the County's governmental activities expenses year over year for the current and last four fiscal years.

Figure A-5 Total Governmental Expenses



Business-type Activities

Expenses for business-type activities had a 5.06 % increase over FY 2023.

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

Table A-3b

	Total Cost of Services			Net Cost of Services		
	2024	**2023**	% Change	**2024**	**2023**	% Change
Business-type Activities:						
Public Utilities	$ 10,585,585	$ 9,777,597	8.3%	$ 1,855,090	$ (2,605,127)	-171.2%
Stormwater	1,153,225	1,396,019	-17.4%	(353,140)	(62,975)	460.8%
Total expense	$ 11,738,810	$ 11,173,616	5.1%	$ 1,501,950	$ (2,668,102)	-156.3%

The net cost of services for the Public Utilities Fund was 171.2% more than the previous year. The Stormwater Fund had a net cost of services of $(0.35) million.

In FY 2024, the General Fund combined with the Debt Fund transferred $ 4.6 million to support the operations of the Public Utilities fund. Financial support provided by the General Fund has been the practice in prior fiscal years but had started trending down during the last few fiscal years. The transfer this fiscal year is approximately 28.4% more than was transferred in the previous fiscal year. The operation of Public Utilities is expected to continue to grow and it is the intent of the County to establish a repayment schedule to the Governmental Funds for previous operating transfers.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds

The primary purpose of the County's governmental funds is to provide information on near- term inflows, outflows, and balances of spendable resources. This information assists in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $54.6 million, of which $26.6 million or 48.7% is unassigned.

General Fund. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was $26.6 million or (1.0)% higher than FY 2023. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total current expenditures. At June 30, 2024, the unassigned fund balance represented approximately 31.2% of the total General Fund expenditures. For June 30, 2024, the general fund had a total fund balance of $35.6 million, or 15.6% higher than the previous year. The committed fund balance was higher than FY 2023 at $3.1 million. Of this amount, $2.1 million is committed for the Purchase Agricultural Conservation Easement Program (PACE). The assigned fund balance is $5.7 million while the remaining fund balance component is in the restricted category.

Capital projects fund. The capital projects fund accounts for all construction projects of general public improvements, excluding capital projects related to business-type activities, which are accounted for in their respective fund. At the end of the current fiscal year, the fund balance was $15.1 million, a decrease of $(9.4) million or 38.4% less than FY 2023. The restricted fund balance was $1.6 million which is restricted for School and County capital projects.

Non-Major Governmental Funds. The County accounts for other programs and services in different funds. These funds include the Department of Social Services, Children's Services Fund, E-911 Funds, Community Development Block Grant Funds, the County Fair, the Grants Fund and the Heritage Park Concert Fund. At June 30, 2024, the combined fund balances were $1.0 million.

Proprietary funds

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

Public Utility Fund. The net position of the Public Utility Fund at the end of the current fiscal year was a surplus of $(6.3) million, of which a deficit of $0.8 million is representative of net investment in capital assets . Additionally, $7.1 million in unrestricted net position is significantly lower than FY 2023. Future economic growth within the County will continue to increase the customer base and consequently increase revenue which would reduce the dependence of the Public Utility Fund on the contributions provided by the General Fund.

Stormwater Fund. The net position of the Stormwater Fund for FY 2024 was $6.3 million which is a 1.8% increase over the prior year. The net investment in capital assets for the Stormwater Fund at the end of the current fiscal year was $1.4 million and the unrestricted net position was $4.9 million representing an increase of 5.2% from FY 2023.

General Fund Budgetary Highlights

The County's annual budget is prepared on an operating basis and includes estimated revenues and annual appropriations for operations. Actual general fund revenues (excluding other financing sources) were slightly higher than the final budget. The difference between the original budget for FY 2024 and the final budget (excluding other financing sources) was $0.2 million. Actual General Fund expenditures, excluding interfund transfers and debt service costs, were $73.0 million. This is approximately $4.02 million more than the prior year.

Capital Assets

At the end of fiscal year 2024, the County had invested $101.5 million, net of accumulated depreciation, in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

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

Table A-4

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Nondepreciable assets						
Land	$ 11,802,676	$ 11,802,832	$ 633,693	$ 633,693	$ 12,436,369	$ 12,436,525
Intangibles	4,338,512	4,338,512	-	-	4,338,512	4,338,512
Construction in progress- county	4,875,562	-	-	-	4,875,562	-
Construction in progress- schools	-	41,787,334	10,465,783	7,715,796	10,465,783	49,503,130
Total nondepreciable assets	21,016,750	57,928,678	11,099,476	8,349,489	32,116,226	66,278,167
Depreciable assets						
Land improvements	42,320,952	42,320,952	25,484,547	25,484,547	67,805,499	67,805,499
Buildings	18,294,386	17,873,062	11,645,449	11,645,449	29,939,835	29,518,511
Equipment	15,320,466	13,486,159	3,409,074	2,191,462	18,729,540	15,677,621
Vehicles	7,384,063	6,659,899	791,298	736,272	8,175,361	7,396,171
Total depreciable assets	83,319,867	80,340,072	41,330,368	40,057,730	124,650,235	120,397,802
Total accumulated depreciation	(34,655,076)	(31,317,289)	(21,542,624)	(20,455,681)	(56,197,700)	(51,772,970)
Capital assets net of depreciation	$ 69,681,541	$ 106,951,461	$ 30,887,220	$ 27,951,538	$ 100,568,761	$ 134,902,999
Right to use leased assets						
Subscription Assets	194,155	227,904	100,367	100,367	294,522	328,271
Equipment	849,348	467,249	10,237	10,237	859,585	477,486
Buildings	204,012	204,012	25,781	51,325	229,793	255,337
Total right to use assets being amortized	1,247,515	899,165	136,385	161,929	1,383,900	1,061,094
Less: accumulated amortization:						
Subscription Assets	51,156	16,170	65,611	32,155	116,767	48,325
Equipment	287,017	180,939	7,289	4,859	294,306	185,798
Buildings	4,119	2,722	23,383	23,264	27,502	25,986
Total accumulated amortization	342,292	199,831	96,283	60,278	438,575	260,109
Capital assets net of amortization	905,223	699,334	40,102	101,651	945,325	800,985
Net capital assets	$ 70,586,764	$ 107,650,795	$ 30,927,322	$ 28,053,189	$ 101,514,086	$ 135,703,984

Long-Term Debt

At year-end the County had $136.6 million in bonds, loans, lease and subscription liabilities as shown in Table A-5. The Commonwealth of Virginia limits the amount of debt outstanding to 10% of the localities assessed value of real property. At June 30, 2024, the County's debt ratio to assessed value was approximately 2.79% demonstrating the County's conservative debt borrowing policy and management approach. The only new debt issued by the County in the fiscal year ending June 30, 2024, is $0.6 million as part of the Financing Program to purchase vehicles and equipment for the County. More detailed information on the County's long-term debt is presented in Note 7 to the basic financial statements.

Table A-5

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
General obligation bonds	$ 121,927,984	$ 129,309,331	$ 30,498,253	$ 32,282,375	$ 152,426,237	$ 161,591,706
Bond premium	7,691,884	8,139,352	1,751,258	1,846,001	9,443,142	9,985,353
Subtotal	129,619,868	137,448,683	32,249,511	34,128,376	161,869,379	171,577,059
Installment purchase agreements - PACE	4,326,512	4,326,512	-	-	4,326,512	4,326,512
Loans payable	1,786,797	1,759,831	52,139	129,891	1,838,936	1,889,722
Lease liabilities	704,353	483,783	4,899	29,353	709,252	513,136
Subscription liabilities	135,244	182,304	34,446	67,122	169,690	249,426
Total long-term debt	$ 136,572,774	$ 144,201,113	$ 32,340,995	$ 34,354,742	$ 168,913,769	$ 178,555,855

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

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

- The County's per capita personal income, as of the latest data available, was $42,122.
- The unemployment rate for Isle of Wight County for 2024 is 2.80% compared to 2023 which was 3.1%.
- Property tax rates were decreased to $0.71 for real estate and 4.50 in FY24 for personal property

These indicators were taken into account when adopting the operating and capital budget for fiscal year 2024-2025. The adopted budget includes the following highlights.

- An increase in the real estate tax rate from $.71 to $.73 was adopted as part of the FY25 budget.
- The County's contribution to Schools is increased by $2.7 million from the prior year's budget.

OTHER FACTORS TO CONSIDER

Isle of Wight County

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

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

Isle of Wight Values Statement

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

Isle of Wight County Mission Statement

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

Isle of Wight County Slogan

A COMMUNITY OF CHOICE committed to excellence.

Isle of Wight County's Strategic Direction/Agenda

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

Isle of Wight County Schools

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

County of Isle of Wight, Virginia

Statement of Net Position

June 30, 2024

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Economic Development Authority
Assets					
Cash and cash equivalents	$ 21,377,186	$ 12,624,356	$ 34,001,542	$ 8,651,046	$ 3,278,628
Restricted cash and cash equivalents	6,161,035	-	6,161,035	-	-
Investments	25,783,750	-	25,783,750	-	-
Receivables - net	23,956,445	1,108,691	25,065,136	418,918	8,065
Lease receivable, current	152,915	-	152,915	-	15,257
Due from primary government	-	-	-	224,922	-
Due from other governments	2,570,540	-	2,570,540	4,908,376	-
Due from component units - School Board	335,289	-	335,289	-	-
Inventories and prepaid items	830	23,458	24,288	-	-
Loan receivable	80,163	-	80,163	-	-
Lease receivable, non current	1,751,534	-	1,751,534	-	31,950
Net pension asset	-	-	-	122,024	-
Net OPEB asset	12,655	1,991	14,646	2,518	-
Capital Assets:					
Nondepreciable	21,016,750	11,099,476	32,116,226	2,693,004	270,784
Depreciable - net	49,570,014	19,827,846	69,397,860	115,467,953	1,232,608
Land held for resale	-	-	-	-	9,011,625
Total assets	152,769,106	44,685,818	197,454,924	132,488,761	13,848,917
Deferred Outflows of Resources					
Deferred losses on refundings	6,858,139	2,283,848	9,141,987	-	-
Pension	2,132,250	167,811	2,300,061	13,214,845	-
OPEB	409,722	40,510	450,232	2,155,313	-
Total deferred outflows of resources	9,400,111	2,492,169	11,892,280	15,370,158	-

County of Isle of Wight, Virginia

Statement of Net Position

June 30, 2024

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Economic Development Authority
Liabilities					
Accounts payable	$ 1,797,988	$ 979,434	$ 2,777,422	$ 8,355,393	$ 2,876
Accrued liabilities	890,831	7,870	898,701	-	-
Amounts held in escrow	181,420	37,324	218,744	-	-
Due to primary government	-	-	-	335,289	-
Due to component unit	224,922	-	224,922	-	-
Customer deposits payable	-	253,778	253,778	-	-
Accrued interest payable	1,674,090	437,037	2,111,127	16,685	-
Due to other governments	929,393	-	929,393	155	-
Unearned revenues	416,308	16,388	432,696	-	7,565
Long-term obligations:					
Due within one year	9,108,660	2,022,939	11,131,599	686,409	-
Due in more than one year	131,858,335	30,409,753	162,268,088	5,331,318	-
Net pension liabilities	1,859,755	146,366	2,006,121	38,318,435	-
Net OPEB liabilities	1,910,519	177,213	2,087,732	10,246,743	-
Total liabilities	150,852,221	34,488,102	185,340,323	63,290,427	10,441
Deferred Inflows of Resources					
Deferred revenue - property taxes	16,374,655	-	16,374,655	-	-
Leases	1,783,369	-	1,783,369	-	41,266
Pension	1,263,384	99,430	1,362,814	4,661,156	-
OPEB	481,259	46,956	528,215	2,028,113	-
Total deferred inflows of resources	19,902,667	146,386	20,049,053	6,689,269	41,266
Net Position					
Net investment in capital assets	(55,093,042)	573,574	(54,519,468)	112,845,687	1,503,392
Restricted:					
Opioid abatement	802,925	-	802,925	-	-
Capital projects	1,734,832	-	1,734,832	-	230,232
Education	-	-	-	2,413,380	-
Net pension asset	-	-	-	122,024	-
Net OPEB asset	12,655	1,991	14,646	2,518	-
Unrestricted (deficit)	43,956,959	11,967,934	55,924,893	(37,504,386)	12,063,586
Total net position (deficit)	$ (8,585,671)	$ 12,543,499	$ 3,957,828	$ 77,879,223	$ 13,797,210

The accompanying notes are an integral part of these financial statements.

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County of Isle of Wight, Virginia

Statement of Activities

For the Fiscal Year Ended June 30, 2024

Function/Program Activities	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	School Board	Economic Development Authority
Functions:									
Primary Government:									
Governmental Activities:									
General government administration	$ 7,208,904	$ 1,667,251	$ 138,665	$ -	$ (5,402,988)	$ -	$ (5,402,988)	$ -	$ -
Judicial administration	3,860,993	163,987	1,580,270	-	(2,116,736)	-	(2,116,736)	-	-
Public safety	23,587,214	221,403	5,818,546	3,633	(17,543,632)	-	(17,543,632)	-	-
Public works	7,554,198	47,613	19,629	769,232	(6,717,724)	-	(6,717,724)	-	-
Health and welfare	5,877,382	310,909	3,170,967	-	(2,395,506)	-	(2,395,506)	-	-
Education	74,996,240	-	-	98,899	(74,897,341)	-	(74,897,341)	-	-
Parks, recreation and cultural	4,508,921	634,030	256,413	-	(3,618,478)	-	(3,618,478)	-	-
Community development	5,328,218	729,014	118,275	797,255	(3,683,674)	-	(3,683,674)	-	-
Interest and fiscal charges	4,299,436	-	-	-	(4,299,436)	-	(4,299,436)	-	-
Total governmental activities	137,221,506	3,774,207	11,102,765	1,669,019	(120,675,515)	-	(120,675,515)	-	-
Business-type Activities:									
Public utility	10,585,585	8,086,150	-	644,345	-	(1,855,090)	(1,855,090)	-	-
Stormwater	1,153,225	1,506,365	-	-	-	353,140	353,140	-	-
Total Business-type Activities	11,738,810	9,592,515	-	644,345	-	(1,501,950)	(1,501,950)	-	-
Total Primary Government	148,960,316	13,366,722	11,102,765	2,313,364	(120,675,515)	(1,501,950)	(122,177,465)	-	-
Component Units:									
School Board	39,052,563	736,002	51,988,685	-	-	-	-	13,672,124	-
Economic Development Authority	909,768	135,039	-	-	-	-	-	-	(774,729)
Total Component Units	39,962,331	871,041	51,988,685	-	-	-	-	13,672,124	(774,729)
General Revenues:									
Taxes:									
General property taxes					70,372,109	-	70,372,109	-	-
Local sales and use tax					4,287,639	-	4,287,639	-	-
Consumer utility tax					1,055,971	-	1,055,971	-	-
Other local taxes					4,885,200	-	4,885,200	-	-
Revenue from use of property & money					774,156	33,601	807,757	336,336	40,632
Gain on sale of property					-	-	-	-	2,779,247
Miscellaneous					3,920,932	137,969	4,058,901	2,318,377	459,382
Payment from the Primary Government					-	-	-	30,573,702	-
Intergovernmental, non-categorical aid					5,817,703	-	5,817,703	-	-
Transfers					(4,295,123)	4,295,123	-	-	-
Total General Revenues and Transfers					86,818,587	4,466,693	91,285,280	33,228,415	3,279,261
Change in net position (deficit)					(33,856,928)	2,964,743	(30,892,185)	46,900,539	2,504,532
Net position - beginning of year (deficit)					25,271,257	9,578,756	34,850,013	30,978,684	11,292,678
Net position - end of year (deficit)					$ (8,585,671)	$ 12,543,499	$ 3,957,828	$ 77,879,223	$ 13,797,210

The accompanying notes are an integral part of these financial statements.

County of Isle of Wight, Virginia

Balance Sheet - Governmental Funds

June 30, 2024

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 7,972,993	$ 9,337,608	$ 2,928,228	$ 612,748	$ 20,851,577
Restricted cash and cash equivalents	97,708	6,063,327	-	-	6,161,035
Investments	25,783,750	-	-	-	25,783,750
Receivables - net of allowance for uncollectibles:					
Taxes	21,771,076	-	-	-	21,771,076
Accounts receivable	1,325,494	-	-	770,535	2,096,029
Accrued interest receivable	3,032	-	-	-	3,032
Due from other funds	247,523	-	-	-	247,523
Due from component unit	335,289	-	-	-	335,289
Due from other governments	1,511,879	175,313	-	883,348	2,570,540
Prepaid Items	830	-	-	-	830
Lease receivable	1,904,449	-	-	-	1,904,449
Loan receivable	80,163	-	-	-	80,163
Total assets	$ 61,034,186	$ 15,576,248	$ 2,928,228	$ 2,266,631	$ 81,805,293
Liabilities					
Accounts payable	$ 1,137,031	$ 364,090	$ -	$ 280,437	$ 1,781,558
Accrued liabilities	142,769	91,434	-	11,756	245,959
Amounts held in escrow	165,056	-	-	16,364	181,420
Due to other funds	-	-	-	247,523	247,523
Due to component unit	224,922	-	-	-	224,922
Due to other governments	913,248	-	-	16,145	929,393
Unearned revenues	271,324	-	-	144,984	416,308
Total liabilities	2,854,350	455,524	-	717,209	4,027,083
Deferred Inflows of Resources					
Leases	1,783,369	-	-	-	1,783,369
Unavailable revenue-property taxes	20,764,668	-	-	-	20,764,668
Settlements	-	-	-	598,554	598,554
Total deferred inflows of resources	22,548,037	-	-	598,554	23,146,591
Fund Balances					
Restricted	188,553	1,572,974	-	366,229	2,127,756
Committed	3,140,376	-	-	94,135	3,234,511
Assigned	5,692,447	13,547,750	2,928,228	490,504	22,658,929
Unassigned	26,610,423	-	-	-	26,610,423
Total fund balances	35,631,799	15,120,724	2,928,228	950,868	54,631,619
Total liabilities, deferred inflows of resources, and fund balances	$ 61,034,186	$ 15,576,248	$ 2,928,228	$ 2,266,631	$ 81,805,293

The accompanying notes are an integral part of these financial statements.

County of Isle of Wight, Virginia

Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position

June 30, 2024

Total fund balances - governmental funds			$ 54,631,619
Amount reported for governmental activities in the Statement of Net Position are different because:			
Internal service funds are used to charge the costs of equipment and risk management to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net position			
Net Position		$ 460,844	
Adjustments for items included in governmental activities below:			
Depreciable capital assets		(105,835)	
Net OPEB asset		(664)	
Deferred outflows - pension		(90,321)	
Deferred outflows - OPEB		(20,173)	
Accrued liabilities		338	
Accrued interest payable		9	
Loans payable		5,103	
Compensated absences		120,928	
Net pension liability (asset)		78,779	
Net OPEB liabilities		75,244	
Deferred inflows - pension		53,516	
Deferred inflows - OPEB		17,719	
			595,487
Noncurrent assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Nondepreciable capital assets		21,016,750	
Depreciable and amortized capital assets, net			
including net assets reported in internal service fund of	$ 105,835	49,570,014	
Capital assets, net			70,586,764
Net OPEB asset			12,655
Revenues not collected soon enough to pay for current-period expenditures			4,988,567
Deferred outflows of resources:			
Losses on refundings			6,858,139
Pension			2,132,250
OPEB			409,722
Deferred inflows:			
Pension			(1,263,384)
OPEB			(481,259)
Long-term obligations, including bonds payable, are not due and payable in the current period and are not reported in the funds.			
Bonds and PACE obligations			(133,946,380)
Loans payable			(1,786,797)
Lease liabilities			(704,353)
Subscription liabilities			(135,244)
Compensated absences			(2,430,478)
Net pension liability			(1,859,755)
Net OPEB liabilities			(1,910,519)
Landfill closure costs			(1,963,743)
Accrued liabilities			(644,872)
Accrued interest payable			(1,674,090)
Total net position - governmental activities			$ (8,585,671)

The accompanying notes are an integral part of these financial statements.

County of Isle of Wight, Virginia

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

For the Fiscal Year Ended June 30, 2024

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
General property taxes	$ 69,917,627	$ -	$ -	$ -	$ 69,917,627
Other local taxes	9,750,476	-	-	478,334	10,228,810
Permits, privilege fees and regulatory licenses	775,956	-	-	-	775,956
Fines and forfeitures	130,152	-	-	-	130,152
Revenues from use of money and property	2,165,186	621,528	-	31,149	2,817,863
Charges for services	2,012,438	-	-	399,304	2,411,742
Miscellaneous	600,878	538,000	-	152,865	1,291,743
Recovered costs	2,439,847	-	-	473,706	2,913,553
Intergovernmental:					
Commonwealth of Virginia	8,655,355	-	-	2,276,808	10,932,163
Federal	319,202	1,980,165	-	2,658,833	4,958,200
Local	6,000	548,782	-	7,005	561,787
Total revenues	96,773,117	3,688,475	-	6,478,004	106,939,596
Expenditures					
Current:					
General government administration	5,213,189	-	-	-	5,213,189
Judicial administration	3,342,217	-	-	265,796	3,608,013
Public safety	17,141,731	4,010,402	-	3,243,249	24,395,382
Public works	5,709,936	1,902,180	-	19,633	7,631,749
Health and welfare	1,184,699	-	-	4,770,320	5,955,019
Education	30,573,702	7,352,634	-	-	37,926,336
Parks, recreation and cultural	3,244,132	341,694	-	490,412	4,076,238
Community development	4,014,810	1,370,774	-	115,329	5,500,913
Nondepartmental	2,578,103	-	-	-	2,578,103
Debt Service	12,280,511	-	-	-	12,280,511
Total expenditures	85,283,030	14,977,684	-	8,904,739	109,165,453
Excess (deficiency) of revenues over (under) expenditures	11,490,087	(11,289,209)	-	(2,426,735)	(2,225,857)
Other financing sources (uses)					
Transfers in	314,593	1,831,750	204,468	2,990,158	5,340,969
Transfers out	(8,283,841)	-	(948,240)	(404,011)	(9,636,092)
Lease liabilities issued	415,944	-	-	-	415,944
Subscription liabilities issued	146,658	-	-	-	146,658
Issuance of debt	632,974	-	-	-	632,974
Insurance recovery	104,549	39,154	-	-	143,703
Total other financing sources (uses), net	(6,669,123)	1,870,904	(743,772)	2,586,147	(2,955,844)
Net change in fund balance	4,820,964	(9,418,305)	(743,772)	159,412	(5,181,701)
Fund balances - beginning of year	30,810,835	24,539,029	3,672,000	791,456	59,813,320
Fund balances - end of year	$ 35,631,799	$ 15,120,724	$ 2,928,228	$ 950,868	$ 54,631,619

County of Isle of Wight, Virginia

Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2024

Net change in fund balances - governmental funds	$ (5,181,701)
Amount reported for governmental activities in the Statement of Activities are different because:	
Internal service funds are used to charge the costs of technology and risk management to individual funds. The net revenues (expenses) of certain activities of internal service funds are reported with governmental activities	74,065
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. Transfers of capital assets to the school board are recorded as additional expenses related to education.	
Capital outlay - capital assets	10,879,189
Capital outlay - right to use assets	572,602
Depreciation and amortization expense	(3,825,635)
Joint activity - transfer of capital assets to schools, net	(44,422,537)
Miscellaneous transactions involving capital assets	(267,650)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	
Bond and direct notes payable, including premiums and discounts	(632,974)
Subscription and lease liabilities	(562,602)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of net position.	
Repayment of subscription and lease liabilities	389,092
Repayment of bonds and loans payable principal	7,987,355
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	723,923
Special contributions received from the Commonwealth for other post employment benefits are not reported in the governmental funds	7,925
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.	
Accrued liabilities	(370,620)
Accrued interest	92,356
Compensated absences	(503,606)
Pension	1,086,355
OPEB	92,907
Landfill closure costs	(79,085)
Amortization of bond premiums	447,468
Amortization of deferred loss on refunding	(363,755)
Change in net position of governmental activities	$ (33,856,928)

The accompanying notes are an integral part of these financial statements.

County of Isle of Wight, Virginia

Statements of Net Position - Proprietary Funds

June 30, 2024

	Enterprise Funds			Governmental Activities-Internal Service Funds
	Public Utilities	Stormwater	Total	
Assets				
Current assets				
Cash and cash equivalents	$ 7,679,910	$ 4,944,446	$ 12,624,356	$ 525,609
Accounts Receivable - net of allowance	1,056,375	52,316	1,108,691	86,308
Inventories	23,458	-	23,458	-
Total current assets	8,759,743	4,996,762	13,756,505	611,917
Noncurrent assets				
Capital assets:				
Nondepreciable	10,967,252	132,224	11,099,476	-
Depreciable - net	18,515,384	1,312,462	19,827,846	105,835
Net other post-employment benefits asset	1,729	262	1,991	664
Total noncurrent assets	29,484,365	1,444,948	30,929,313	106,499
Total assets	38,244,108	6,441,710	44,685,818	718,416
Deferred outflows of resources				
Deferred losses on bond refundings	2,283,848	-	2,283,848	-
Pension plan	119,876	47,935	167,811	90,321
Other post-employment benefits	30,151	10,359	40,510	20,173
Total deferred outflows of resources	2,433,875	58,294	2,492,169	110,494

County of Isle of Wight, Virginia

Statements of Net Position - Proprietary Funds

June 30, 2024

	Enterprise Funds			Governmental Activities-Internal Service Funds
	Public Utilities	Stormwater	Total	
Liabilities				
Current liabilities				
Accounts payable	$ 936,665	$ 42,708	$ 979,373	$ 16,430
Accrued liabilities	7,931	-	7,931	338
Amount held in escrow	-	37,324	37,324	-
Accrued interest payable	437,037	-	437,037	9
Customer deposits payable	253,778	-	253,778	-
Unearned revenue	16,388	-	16,388	-
General obligation bonds payable	1,940,478	-	1,940,478	-
Loans payable	34,364	-	34,364	5,103
Lease liability	3,122	1,360	4,482	-
Subscription liability	34,446	-	34,446	-
Compensated absences	7,925	1,244	9,169	12,093
Total current liabilities	3,672,134	82,636	3,754,770	33,973
Noncurrent liabilities				
General obligation bonds payable	30,309,033	-	30,309,033	-
Noncurrent loans payable	17,775	-	17,775	-
Noncurrent lease liability	189	228	417	-
Compensated absences	71,319	11,209	82,528	108,835
Other post-employment benefits	123,172	54,041	177,213	75,244
Net pension liability	104,556	41,810	146,366	78,779
Total noncurrent liabilities	30,626,044	107,288	30,733,332	262,858
Total liabilities	34,298,178	189,924	34,488,102	296,831
Deferred inflows of resources				
Pension plan	71,027	28,403	99,430	53,516
Other post-employment benefits	32,551	14,405	46,956	17,719
Total deferred inflows of resources	103,578	42,808	146,386	71,235
Net Position				
Net investment in capital assets	(842,833)	1,416,407	573,574	100,731
Restricted - Capital projects	-	-	-	56,212
Restricted - OPEB Asset	1,729	262	1,991	664
Unrestricted (deficit)	7,117,331	4,850,603	11,967,934	303,237
Total net position (deficit)	$ 6,276,227	$ 6,267,272	$ 12,543,499	$ 460,844

The accompanying notes are an integral part of these financial statements.

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County of Isle of Wight, Virginia

Statements of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

For the Fiscal Year Ended June 30, 2024

	Enterprise Funds			Governmental Activities-Internal Service Funds
	Public Utilities	Stormwater	Total	
Operating revenues				
Charges for services	$ 6,240,665	$ 1,506,365	$ 7,747,030	$ 2,480,622
Connection fees	1,845,485	-	1,845,485	-
Other revenue	133,222	4,747	137,969	-
Total operating revenues	8,219,372	1,511,112	9,730,484	2,480,622
Operating expenses:				
Personnel services	1,188,366	423,011	1,611,377	824,205
Fringe benefits	442,160	169,695	611,855	268,631
Contractual services	187,715	202,261	389,976	623,837
Purchases	5,204,473	-	5,204,473	-
Other charges	1,647,766	229,941	1,877,707	663,048
Depreciation and amortization	1,046,049	102,443	1,148,492	58,432
Total operating expenses	9,716,529	1,127,351	10,843,880	2,438,153
Operating income (loss)	(1,497,157)	383,761	(1,113,396)	42,469
Nonoperating revenues (expenses)				
Miscellaneous	644,345	-	644,345	-
Rental income	33,601	-	33,601	-
Interest and fiscal charges	(894,910)	(20)	(894,930)	(149)
Total nonoperating revenues (expenses), net	(216,964)	(20)	(216,984)	(149)
Transfers in	4,567,798	-	4,567,798	-
Transfers out	-	(272,675)	(272,675)	-
Changes in net position	2,853,677	111,066	2,964,743	42,320
Net position (deficit) - beginning of year	3,422,550	6,156,206	9,578,756	418,524
Net position (deficit) - end of year	$ 6,276,227	$ 6,267,272	$ 12,543,499	$ 460,844

The accompanying notes are an integral part of these financial statements.

County of Isle of Wight, Virginia

Statements of Cash Flows – Proprietary Funds

For the Fiscal Year Ended June 30, 2024

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Public Utilities	Stormwater	Total	
Cash flows from operating activities				
Received from customers and users	$ 8,082,972	$ 1,515,526	$ 9,598,498	$ 2,396,683
Payments to suppliers for goods and services	(8,163,763)	(473,846)	(8,637,609)	(1,318,167)
Payments to employees	(1,619,853)	(622,169)	(2,242,022)	(1,098,467)
Net cash provided by (used in) operating activities	(1,700,644)	419,511	(1,281,133)	(19,951)
Cash flows from non-capital financing actives				
Rental income	33,601	-	33,601	-
Transfer out	-	(272,675)	(272,675)	-
Transfers in	4,567,798	-	4,567,798	-
Net cash provided by non-capital financing activities	4,601,399	- (272,675)	- 4,328,724	-
Cash flows from capital and related financing activities				
Acquisition of capital assets	(4,022,626)	-	(4,022,626)	(7,498)
Loans payable proceeds transfer	(32,974)	-	(32,974)	-
Principal payments on bonds	(1,784,121)	-	(1,784,121)	-
Principal payments on leases and subscription liabilities	(55,783)	(1,348)	(57,131)	-
Principal payments on loans payable	(44,778)	-	(44,778)	(5,051)
Interest and fiscal charges	(907,002)	(20)	(907,022)	(157)
Capital contribution	644,345	-	644,345	-
Net cash used in capital and related financing activities	(6,202,939)	(1,368)	(6,204,307)	(12,706)
Change in cash and cash equivalents	(3,302,184)	145,468	(3,156,716)	(32,657)
Cash and cash equivalents - beginning of year	10,982,094	4,798,978	15,781,072	558,266
Cash and cash equivalents - end of year	$ 7,679,910	$ 4,944,446	$ 12,624,356	$ 525,609

The accompanying notes are an integral part of these financial statements

County of Isle of Wight, Virginia

Statements of Cash Flows – Proprietary Funds (Continued)

For the Fiscal Year Ended June 30, 2024

	Enterprise Funds			Governmental Activities - Internal Service
	Public Utilities	Stormwater	Total	Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (1,497,157)	$ 383,761	$ (1,113,396)	$ 42,469
Adjustments to reconcile to net cash provided by (used in) operating activities:				
Depreciation	1,046,049	102,443	1,148,492	58,432
Pension and OPEB expense	22,089	7,484	29,573	1,672
Change in:				
Accounts receivable	(53,829)	4,414	(49,415)	(75,440)
Inventory material & supplies	205	-	205	-
Net pension asset and net OPEB asset	(1,230)	(111)	(1,341)	
Accounts payable and amounts held in escrow	(866,384)	(41,583)	(907,967)	(30,943)
Customer deposits payable	(98,959)	-	(98,959)	-
Accrued expenses and other liabilities	(257,630)	(61)	(257,691)	-
Unearned revenue	16,388	-	16,388	(8,500)
Net Pension liability	10,907	(12,286)	(1,379)	(454)
Deferred outflows of resources	(14,570)	18,401	3,831	8,949
Deferred inflows of resources	(32,292)	(32,216)	(64,508)	(44,591)
Compensated absences	25,769	(10,735)	15,034	28,455
Net cash provided by (used in) operating activities	$ (1,700,644)	$ 419,511	$ (1,281,133)	$ (19,951)

The accompanying notes are an integral part of these financial statements

County of Isle of Wight, Virginia

Statement of Net Position - Fiduciary Funds

June 30, 2024

	Custodial Fund
	Special Welfare
Assets	
Cash and cash equivalents	$ 63,720
Total assets	$ 63,720
Net Position	
Restricted for:	
Individuals, organizations, and other governments	$ 63,720
Total net position	$ 63,720

The accompanying notes are an integral part of these financial statements.

County of Isle of Wight, Virginia

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2024

	Custodial Fund
	Special Welfare
Additions	
Contributions	$ 53,727
Investment earnings	
Interest and dividends	529
Total Additions	54,256
Deductions	
Recipient payments	$ 23,598
Total deductions	23,598
Net increase (decrease) in fiduciary net position	30,657
Net position, beginning	33,062
Net position, ending	$ 63,719

The accompanying notes are an integral part of these financial statements.

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Notes to the Basic Financial Statements

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June 30, 2024

Note 1 – Summary of Significant Accounting Policies

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

The financial statements of the County have been prepared in conformity with the U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (the GASB) and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The County's more significant accounting policies are described herein.

A. Financial Reporting Entity

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

Discretely Presented Component Units

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

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

B. Financial Reporting Model and basis of Presentation

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

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

The County reports the following major governmental funds:

> **General** – This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income. The services which are administered by the County and accounted for in the General Fund include, among others, County Board, Finance, Administration, Public Safety, and General Services.
>
> **Capital Projects –** Accounts for financial resources to be used for the acquisition or construction of major capital facilities.
>
> **Debt Service –** Accounts for resources to be used for repayments of principal and interest on the general long-term debt of the County.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

C. Basis of Accounting

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

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

June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Accounting Changes

In Fiscal Year 2024, the County adopted new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 100, *Accounting Changes and Error Corrections*- an amendment of GASB Statement No. 62

GASB Statement No. 100, defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

E. Cash and Cash Equivalents

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

F. Prepaid Items

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

G. Investments

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

H. Property Taxes

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

June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

	Real property	Personal property
Levy date	July 1	January 1
Due date and collection date	December 5/June 5	June 5/December 5
Lien date for delinquent taxes	90 days after due date	90 days after due date

While the assessed value of real estate for the County's ten largest taxpayers comprises 6.74% of the County's real estate tax base, credit risk with respect to real estate taxes receivable is limited due to the large number of property owners comprising the County's total tax base.

The Personal Property Tax Relief Act of 1998 (PPTRA) provided for the Commonwealth to reimburse a portion of the personal property tax levied on the first $20,000 of personal use cars, motorcycles and trucks. During the 2005 Special Session I, the Virginia General Assembly passed Senate Bill 5005. The bill provides for the Commonwealth to reimburse a portion of the tangible personal property tax levied bases on a fixed relief amount. The fixed relief amount was capped at $950,000,000 in total for all localities with the County's share capped at $5,115,890, which the County received during the year ended June 30, 2024. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

I. Connection Fees

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

J. Unbilled Utility Receivables

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

June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Internal and Intra-entity Activity

The County has the following types of interfund transactions:

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

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

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

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

L. Inventory

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

M. Capital Assets

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

	Years
Buildings and building improvements	15-50
Land improvements	15-40
Equipment	5-20
Vehicles	5-16
Intangibles	3-7

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

N. Compensated Absences

County and School Board employees are granted vacation and sick leave in varying amounts as services are provided. They may accumulate, subject to certain limitations, unused vacation and sick leave earned and, upon retirement, termination or death, may be compensated for certain amounts at their current rates of pay at the time of separation.
The liability for compensated absences reported in the government-wide and proprietary fund financial statements has been calculated using the vesting method, which includes leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination. The liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Expenditure Recognition

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

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

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

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

June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Deferred Outflows/Inflows of Resources

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

R. Pension

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

S. Other Postemployment Benefit Plans

Medical Insurance Programs

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

Group Life Insurance Program

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

Note 1 – Summary of Significant Accounting Policies (Continued)

Health Insurance Credit Program

The County and the School Board Non-professional plans are multiple-employer, agent defined benefit plans that provide a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The School Board Professional HIC Program is a multiple employer, cost-sharing plan. The HIC programs were established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia* as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring the HIC Programs' total OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC Programs' OPEB, and the HIC Programs' OPEB expense, information about the fiduciary net position of the HIC Programs, and the additions to/deductions from the HIC Programs' net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Virginia Local Disability Program

The County has three Virginia Local Disability Programs (VLDP) The first and second plans are the County and School Board non-professional plans, which are political subdivision employee plans. The third plan is the School Board professional plan, which is a teacher employee plan. The plans are multiple-employer, cost-sharing plans. For purposes of measuring the net VLDP OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB expenses, information about the fiduciary net position of the VLDP, and the additions to/deductions from the VLDPs' net fiduciary positions have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. Net Position

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

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation/ amortization, less the outstanding balances of any bonds, mortgages, notes, other borrowings and deferred inflows and outflows that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net position that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation (e.g. customers' deposits, unexpended bond proceeds net of related outstanding liability). When both restricted and unrestricted resources are available for use, generally it is the County's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Fund Balance

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

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

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

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

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

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report a negative unassigned fund balance amount.

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

V. Estimates

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

W. Subsequent Events

The County has evaluated subsequent events through December 2, 2024, the date on which the financial statements were available to be issued.

Note 1 – Summary of Significant Accounting Policies (Continued)

X. Pending GASB Statements

At June 30, 2024, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 101, *Compensated Absences,* updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of the Statement are effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures,* updates the disclosure requirements for certain risks related to a government's vulnerabilities due to certain concentrations or constraints that may limit a government's ability to acquire resources or control spending. The requirements of the Statement are effective for fiscal years beginning after June 15, 2024.

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets,* updates the disclosure requirements for assets recognized in accordance with Statement No. 87, *Leases*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Statement No. 96, *Subscription-Based Information Technology Arrangements,* as well as any other intangible assets, to be disclosed separately by major class. The requirements of the Statement are effective for fiscal years beginning after June 15, 2025.

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

June 30, 2024

Note 2 – Deposits and Investments

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

A summary of deposits and investments held by the Primary Government at June 30, 2024 is as follows:

Deposits		
Demand deposits	$	16,089,646
Cash on hand		2,350
Investments		
LGIP		18,007,255
Zero coupon bond		2,114,545
SNAP		6,063,326
VIP Short Term		23,586,914
VIP Long Term		82,291
Total deposits and investments	$	65,946,327
Reconciliation to Statements of Net Position		
Government-wide:		
Cash and cash equivalents	$	34,001,542
Restricted cash and cash equivalents		6,161,035
Investments		25,783,750
Total deposits and investments	$	65,946,327

A. Deposits

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

June 30, 2024

Note 2 - Deposits and Investments (Continued)

B. Investment Policy

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

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

According to GASB 72 investments in the LGIP and SNAP should be excluded from measurement at Fair Value and thus exempt from the Fair Value Hierarchy Classifications.

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

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

Note 2 - Deposits and Investments (Continued)

C. Credit Risk

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

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

	AAAm / AA+f	AA+	Total
Zero coupon bond	$ -	$ 2,114,545	$ 2,114,545
SNAP	6,063,327	-	6,063,327
VIP Investments	23,669,205	-	23,669,205
LGIP	18,007,255	-	18,007,255
	$ 47,739,787	$ 2,114,545	$ 49,854,332

D. Interest Rate Risk

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

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

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

Note 2 - Deposits and Investments (Continued)

D. Interest Rate Risk (Continued)

The Primary Government had the following investments and maturities:

	Fair Value	Less than 1 year	More than 1 year
Zero coupon bond	$ 2,114,545	$ -	$ 2,114,545
SNAP	6,063,327	-	6,063,327
LGIP	18,007,255	-	18,007,255
VIP Short Term	23,586,914	23,586,914	-
VIP Long Term	82,291	-	82,291
	$ 49,854,332	$ 23,586,914	$ 26,267,418

E. Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurement as of June 30, 2024.

- U.S. Treasury Zero Coupon bond of $2,114,545 is valued using a matrix pricing model (Level 2 inputs).
- VIP Short Term and Long Term of $23,669,205 is typically measured at the net asset value (NAV) not required to be in fair value (FV) hierarchy.

Note 3 - Due from Other Governments

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

	Primary Government				
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total	**Component Unit School Board**
Amounts Due From:					
Commonwealth of Virginia:					
Operating grants	$ 43,178	$ -	$ 327,524	$ 370,702	$ 3,398,415
Compensation Board	264,644	-	-	264,644	-
Social Services	-	-	24,087	24,087	-
Children's Services	-	-	147,207	147,207	-
Communication tax	106,734	-	29,917	136,651	-
Sales and Use Tax	449,124	-	-	449,124	1,428,661
Motor Home	24,429	-	-	24,429	-
James River JDC	290,249	-	-	290,249	-
Federal government	-	161,091	354,613	515,704	81,300
Town of Smithfield	308,306	14,222	-	322,528	-
Primary Government	-	-	-	-	224,922
Other	25,215	-	-	25,215	-
Totals	$ 1,511,879	$ 175,313	$ 883,348	$ 2,570,540	$ 5,133,298

June 30, 2024

Note 4 – Interfund Balances and Activity

A. Interfund Balances

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

Primary Government

Fund	Due To	Due From
General Fund	$ 247,523	$ -
Special Revenue-Children's Services Act	-	47,953
Special Revenue-Grant Fund	-	12,163
Special Revenue-E911 Fund	-	187,407
Total Primary Government	$ 247,523	$ 247,523

Component Unit-School Board

Fund	Due To	Due From
School Operating Fund	$ 1,523,332	$ 87,373
School Grants Fund	-	1,221,468
School Health Fund	7,877	-
School Capital Projects Fund	79,496	-
School Textbook Fund	-	-
School Cafeteria Fund	-	301,864
Total Component Unit-School Board	$ 1,610,705	$ 1,610,705

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

B. Interfund Transfers

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

Note 4 – Interfund Balances and Activity (Continued)

B. Interfund Transfers (Continued)

Interfund transfers for the year ended June 30, 2024 were as follows:

Fund	Transfers In	Transfers Out
Governmental Funds		
General Fund	$ 314,593	$ 8,283,841
Capital Projects Fund	1,831,750	-
Debt Service Fund	204,468	948,240
County Fair Fund	-	-
E-911Fund	1,429,750	-
Children's Service Act Fund	287,975	-
Grants Fund	111,022	404,011
Department of Social Services	1,161,411	-
	5,340,969	9,636,092
Enterprise Funds		
Public Utilities	4,567,798	-
Stormwater	-	272,675
	$ 4,567,798	$ 272,675
	$ 9,908,767	$ 9,908,767

Note 5 – Receivables

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

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

B. Loan Receivable

On January 2023, the County entered into a 120-month note with Ragged Island Oysters for the purchase of property located on Carrollton Blvd (formerly known as the Stoup Property).The purchase price of the property was $100,000. In January 2023 a $10,000 payment was made towards the outstanding receivable. The repayment of the sum of $90,000 together with 3.00% interest is payable in monthly installments of $869.05 beginning January 25, 2023. The outstanding principal balance as of June 30, 2024 is $80,163.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	8,846	2,452	11,298
2026	8,424	2,004	10,428
2027	8,680	1,748	10,428
2028	8,944	1,484	10,428
2029	9,216	1,212	10,428
2030-2033	36,053	1,980	38,033
Total	$ 80,163	$ 10,880	$ 91,043

C. Leases Receivable

Primary Government - Governmental Activities

On 07/01/2021, Isle of Wight County, VA entered into a 510-month lease as Lessor for the use of parking space. An initial lease receivable was recorded in the amount of $46,752. As of June 30, 2024 the value of the lease receivable is $44,250. The lessee is required to make annual fixed payments of $1,814. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of 06/30/2024 was $43,452, and Isle of Wight County recognized lease revenue of $1,100 during the fiscal year. The lessee has one extension option for 300 months.

On 01/01/2022, Isle of Wight County, VA entered into a 36-month lease as Lessor for the use of a parcel of land. An initial lease receivable was recorded in the amount of $3,260. The lessee is required to make annual fixed payments of $1,096. The lease has an interest rate of 0.8770%. The value of the deferred inflow of resources as of 06/30/2024 was $543, and Isle of Wight County recognized lease revenue of $1,087 during the fiscal year.

Note 5 – Receivables (Continued)

C. Leases Receivable (Continued)

On 07/01/2021, Isle of Wight County, VA entered into a 159 month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of $2,224,065. As of June 30, 2024, the value of the lease receivable is $1,841,310. The lessee is required to make monthly fixed payments of $13,685. The lease has an interest rate of 1.8360%. The value of the deferred inflow of resources as of 06/30/2024 was $1,720,531, and Isle of Wight County recognized lease revenue of $167,857 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On 07/01/2021, Isle of Wight County, VA entered into a 975 month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of $19,597. As of June 30, 2024, the value of the lease receivable is $18,889. The lessee is required to make annual fixed payments of $563. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of 06/30/2024 was $18,873, and Isle of Wight County recognized lease revenue of $241 during the fiscal year. The lessee has one extension option for 600 months.

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2024 are as follows:

Fiscal Year	Principle Payments	Interest Payments	Total Payments
2025	$ 152,915	$ 34,209	$ 187,124
2026	162,700	31,267	193,967
2027	165,718	28,249	193,967
2028	168,792	25,175	193,967
2029	171,923	22,044	193,967
2030 - 2034	976,490	58,313	1,034,803
2035 - 2039	56,231	6,972	63,203
2040 - 2044	5,758	6,126	11,884
2045 - 2049	6,541	5,343	11,884
2050 - 2054	7,431	4,454	11,885
2055 - 2059	8,441	3,443	11,884
2060 - 2064	7,775	2,295	10,070
2065 - 2069	1,096	1,719	2,815
2070 - 2074	1,246	1,569	2,815
2075 - 2079	1,415	1,400	2,815
2080 - 2084	1,607	1,208	2,815
2085 - 2089	1,826	989	2,815
2090 - 2094	2,074	741	2,815
2095 - 2099	2,356	459	2,815
2100 - 2103	2,114	138	2,252
Total	$ 1,904,449	$ 236,113	$ 2,140,562

Note 5 – Receivables (Continued)

C. Leases Receivable (Continued)

Discretely Presented Component Units- Economic Development Authority (EDA)

On 07/01/2021, Economic Development Authority entered into a 60 month lease as Lessor for the use of certain parcel of property. An initial lease receivable was recorded in the amount of $83,098. As of June 30, 2024, the value of the lease receivable is $47,207. The lessee is required to make annual fixed payments of $15,297.63 Additionally the payment amount is increased by three percent (3%) during each subsequent renewal term. The lease has an interest rate of 1.0590%. The value of the deferred inflow of resources as of 06/30/2024 was $41,266, and Economic Development Authority recognized lease revenue of $20,048 during the fiscal year. The lessee has 4 extension options, each for 12 months.

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2024 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 15,257	$ 500	$ 15,757
2026	15,891	338	16,229
2027	16,059	170	16,229
Total	$ 47,207	$ 1,008	$ 48,215

June 30, 2024

Note 6 – Noncurrent Assets

The following is a summary of changes in capital assets:

Primary Government

Governmental Activities	Balance July 01, 2023	Additions	Transfers	Deletions & Reclassifications	Balance June 30, 2024
Capital assets not being depreciated:					
Land	$ 11,802,832	$ -	$ -	$ (156)	$ 11,802,676
Intangibles	4,338,512	-	-	-	4,338,512
Construction in progress - county	4,717,430	390,166	-	(232,034)	4,875,562
Construction in progress - schools*	37,069,904	7,352,633	(44,422,537)	-	-
Total capital assets not being depreciated:	57,928,678	7,742,799	(44,422,537)	(232,190)	21,016,750
Capital assets being depreciated:					
Buildings	42,320,952	-	-	-	42,320,952
Land improvements	17,873,062	421,324	-	-	18,294,386
Equipment	13,486,159	1,834,307	-	-	15,320,466
Vehicles	6,659,899	1,112,793	-	(388,629)	7,384,063
Total capital assets being depreciated	80,340,072	3,368,424	-	(388,629)	83,319,867
Less - accumulated depreciation:					
Buildings	13,121,676	817,432	-	-	13,939,108
Land improvements	7,203,669	894,140	-	-	8,097,809
Equipment	7,168,231	1,108,572	-	-	8,276,803
Vehicles	3,823,713	852,242	-	(334,599)	4,341,356
Total accumulated depreciation	31,317,289	3,672,386	-	(334,599)	34,655,076
Total capital assets being depreciated - net	49,022,783	(303,962)	-	(54,030)	48,664,791
Right to use assets being amortized:					
Subscription assets	227,904	156,658	-	(190,407)	194,155
Lease- Equipment	467,249	415,944	-	(33,845)	849,348
Lease- Land	204,012	-	-	-	204,012
Total right to use assets being amortized:	899,165	572,602	-	(224,252)	1,247,515
Less- accumulated amortization:					
Subscription assets	16,170	41,242	-	(6,256)	51,156
Lease- Equipment	180,939	110,610	-	(4,532)	287,017
Lease- Land	2,722	1,397	-	-	4,119
Total accumulated amortization	199,831	153,249	-	(10,788)	342,292
Total right to use assets being amortized - net	699,334	419,353	-	(213,464)	905,223
Governmental activities capital assets - net	$ 107,650,795	$ 7,858,190	$ (44,422,537)	$ (499,684)	$ 70,586,764

June 30, 2024

Note 6 – Noncurrent Assets (Continued)

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

Governmental activities:	Depreciation	Amortization	Total
General Government	$ 177,435	$ 58,646	$ 236,081
Judicial	295,714	6,669	302,383
Public safety	1,870,030	72,298	1,942,328
Public works	225,217	2,201	227,418
Health and welfare	95,948	-	95,948
Parks, recreation and cultural	906,343	1,101	907,444
Community development	43,267	12,334	55,601
Internal Service Fund	58,432	-	58,432
Total depreciation expense - governmental activities	$ 3,672,386	$ 153,249	$ 3,825,635

*Tenancy In Common

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

The Board of Supervisors determined that for accounting and audit purposes it is in the best interest of the County to decline to claim such tenancy in common to all of the public school property in the County. This was adopted by the Board of Supervisors on June 16, 2022.

The County transfers public school assets to the School Board when the asset has been put into service. The County transferred public school assets which were purchased, or completed construction, during the fiscal year ending June 30, 2024 in the amount of $44,422,537.

June 30, 2024

Note 6 – Noncurrent Assets (Continued)

Business-type activities	Balance July 1, 2023	Transfers	Additions	Deletions & Reclassifications	Balance June 30, 2024
Capital assets not being depreciated:					
Land	$ 633,693	$ -	$ -	$ -	$ 633,693
Construction in progress	7,715,796	-	2,800,073	(50,086)	10,465,783
Total capital assets not being depreciated	8,349,489	-	2,800,073	(50,086)	11,099,476
Capital assets being depreciated:					
Buildings	11,645,449	-	-	-	11,645,449
Land improvements	25,484,547	-	-	-	25,484,547
Equipment	2,191,462	-	1,217,612	-	3,409,074
Vehicles	736,272	-	55,026	-	791,298
Total capital assets being depreciated	40,057,730	-	1,272,638	-	41,330,368
Less - accumulated depreciation:					
Buildings	4,986,997	-	211,781	-	5,198,778
Land improvements	13,784,428	-	614,551	-	14,398,979
Equipment	1,169,627	-	201,355	-	1,370,982
Vehicles	514,629	-	59,256	-	573,885
Total accumulated depreciation	20,455,681	-	1,086,943	-	21,542,624
Total capital assetsbeing depreciated - net	19,602,049	-	185,695	-	19,787,744
Right to use assets being amortized:					
Subscription assets	100,367	-	-	-	100,367
Lease- Equipment	10,237	-	-	-	10,237
Lease- Buildings	51,325	-	-	(25,544)	25,781
Total capital assets being amortized	161,929	-	-	(25,544)	136,385
Less - accumulated amortization:					
Subscription assets	32,155	-	33,456	-	65,611
Lease- Equipment	4,859	-	2,430	-	7,289
Lease- Buildings	23,264	-	25,663	(25,544)	23,383
Total accumulated amortization	60,278	-	61,549	(25,544)	96,283
Total right to use assets being amortized - net	101,651	-	(61,549)	-	40,102
Business-type activities capital assets - net	$ 28,053,189	$ -	$ 2,924,219	$ (50,086)	$ 30,927,322

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

Business-type activities:	**Depreciation**	**Amortization**	**Total**
Public Utilities	$ 985,829	60,220	1,046,049
Stormwater	101,114	1,329	102,443
Total depreciation expense- Business-type activities	$ 1,086,943	61,549	1,148,492

June 30, 2024

Note 6 – Noncurrent Assets (Continued)

Discretely Present Component Units

School Board	Balance July 1, 2023	Additions	Deletions & Reclassifications	Transfers	Balance June 30, 2024
Capital assets not being depreciated					
Land	$ 1,619,726	$ -	$ -	$ 148,021	$ 1,767,747
Construction in Progress	130,891	925,257	(130,891)	-	925,257
Total capital assets not being depreciated	1,750,617	925,257	(130,891)	148,021	2,693,004
Capital assets being depreciated:					
Buildings and improvements	116,717,148	222,211	-	43,587,418	160,526,777
Land improvements	5,067,325	40,211	-	-	5,107,536
Equipment	20,989,428	516,008	-	687,098	22,192,534
Vehicles	7,642,008	406,823	-	-	8,048,831
Total capital assets being depreciated	150,415,909	1,185,253	-	44,274,516	195,875,678
Less - accumulated depreciation:					
Buildings and improvements	54,427,244	3,317,430	-	-	57,744,674
Land improvements	2,973,462	185,429	-	-	3,158,891
Equipment	13,520,827	992,084	-	-	14,512,911
Vehicles	5,093,755	438,630	-	-	5,532,385
Total accumulated depreciation	76,015,288	4,933,573	-	-	80,948,861
Total capital assets being depreciated - net	74,400,621	(3,748,320)	-	44,274,516	114,926,817
Right to use assets being amortized:					
Lease- Equipment	879,854	-	(56,009)	-	823,845
Subscription assets	-	34,731	-	-	34,731
Total right to use assets being amortized	879,854	34,731	(56,009)	-	858,576
Less - accumulated amortization:					
Lease- Equipment	207,844	154,028	(56,009)	-	305,863
Subscription assets	-	11,577	-	-	11,577
Total accumulated amortization	207,844	165,605	(56,009)	-	317,440
Total right to use assets being amortized - net	672,010	(130,874)	-	-	541,136
School Board capital assets - net	$ 76,823,248	$ (2,953,937)	$ (130,891)	$ 44,422,537	$ 118,160,957

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

Discretely Presented Component Unit - School Board:	Depreciation	Amortization	Total
Instructional services	$ 497,338	$ 82,867	$ 580,205
Administration, attendance and health services	90,123	-	90,123
Food service	41,558	-	41,558
Pupil Transportation	343,557	-	343,557
Operations and maintenance	210,004	-	210,004
Facilities	3,750,993	82,738	3,833,731
Total depreciation expense - school board	$ 4,933,573	$ 165,605	$ 5,099,178

Note 6 – Noncurrent Assets (Continued)

Economic Development Authority	Balance July 1, 2023	Additions	Deletions/ Transfers	Balance June 30, 2024
Capital assets not being depreciated:				
Land	$ 376,537	$ -	$ (105,753)	$ 270,784
Total capital assets not being depreciated	376,537	-	(105,753)	270,784
Capital assets being depreciated				
Buildings	34,000	-	-	34,000
Land improvements	4,760,733	-	-	4,760,733
Total capital assets being depreciated	4,794,733	-	-	4,794,733
Less - accumulated depreciation				
Buildings	9,860	-	(680)	10,540
Land improvements	3,313,122	-	(238,463)	3,551,585
Total accumulated depreciation	3,322,982	-	(239,143)	3,562,125
Total capital assets being depreciated - net	1,471,751	-	(239,143)	1,232,608
EDA capital assets - net	$ 1,848,288	$ -	$ (344,896)	$ 1,503,392

Note 6 – Noncurrent Assets (Continued)

Construction in Progress

Governmental Activities

In accordance with the County's accounting policies, these projects will not be transferred from Construction in Progress until completion. Construction in progress is comprised of the following:

Governmental Activities	Expended Through June 30, 2024	Outstanding Commitments
Broadband	$ 2,400,000	$ -
Buildings & Grounds	1,528,610	167,917
Economic Development	13,856,530	721,955
Education	47,762,675	9,602,004
Parks & Recreation	10,510,267	2,426,678
Public Facility Improvements	244,181	2,996,064
Public Safety	8,037,371	164,613
Transportation	883,420	7,012,697
Total Other Capital Assets at Historical Cost	$ 85,223,054	$ 23,091,928

Business-Type Activities

In accordance with the County's accounting policies, these projects will not be transferred from Construction in Progress into the various capital asset accounts until substantially completed. Construction in Progress for Business-Type Activities is comprised of the following at June 30, 2024:

Business-Type Activities	Expended Through June 30, 2024	Outstanding Commitments
Water & Sewer Utility Projects	$ 11,646,105	$ 4,103,550
Stormwater	1,276,857	1,045,823
Total Business-Type Activities	$ 12,922,962	$ 5,149,373

Note 7 – Long-Term Obligations

The following is a summary of changes in long-term obligations during the year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One Year
Governmental Activities					
General obligation bonds	$ 129,309,331	$ -	$ (7,381,347)	$ 121,927,984	$ 7,597,922
Bond premiums	8,139,352	-	(447,468)	7,691,884	447,468
Subtotal	137,448,683	-	(7,828,815)	129,619,868	8,045,390
PACE program	4,326,512	-	-	4,326,512	-
Loans payable	1,759,831	632,974	(606,008)	1,786,797	621,955
Lease liability	483,783	415,944	(195,374)	704,353	158,459
Subscription liability	182,304	146,658	(193,718)	135,244	39,808
Compensated absences	1,926,872	1,463,935	(960,329)	2,430,478	243,048
Landfill closure costs	1,884,658	197,995	(118,910)	1,963,743	-
Net OPEB liability	1,961,309	783,247	(834,037)	1,910,519	-
Net pension liability	2,178,619	6,295,973	(6,614,837)	1,859,755	-
Total Governmental Activities	$ 152,152,571	$ 9,936,726	$ (17,352,028)	$ 144,737,269	$ 9,108,660
Business-Type Activities					
General obligation bonds	$ 32,282,375	$ -	$ (1,784,122)	$ 30,498,253	$ 1,845,735
Bond premiums	1,846,001	-	(94,743)	1,751,258	94,743
Subtotal	34,128,376	-	(1,878,865)	32,249,511	1,940,478
Loans payable	129,891	-	(77,752)	52,139	34,364
Lease liability	29,353	-	(24,454)	4,899	4,482
Subscription liability	67,122	-	(32,676)	34,446	34,446
Compensated absences	76,661	99,254	(84,218)	91,697	9,169
Net OPEB liability	147,641	82,825	(53,253)	177,213	-
Net pension liability	147,745	497,234	(498,613)	146,366	-
Total Business-Type Activities	$ 34,726,789	$ 679,313	$ (2,649,831)	$ 32,756,271	$ 2,022,939
Discretely Presented Component Units					
School Board					
Direct borrowing	$ 5,362,507	$ -	$ (596,494)	$ 4,766,013	$ 471,013
Lease liability	680,079	-	(152,141)	527,938	134,910
Subscription liability	-	31,581	(10,262)	21,319	10,240
Compensated absences	589,297	608,831	(495,671)	702,457	70,246
Net OPEB liability	10,657,914	2,411,365	(2,822,536)	10,246,743	-
Net pension liability	35,697,485	18,404,146	(15,783,196)	38,318,435	-
Total School Board	$ 52,987,282	$ 21,455,923	$ (19,860,300)	$ 54,582,905	$ 686,409

The County's outstanding bonds, PACE Program, loans payable, lease and subscription liabilities related to governmental activities and business type activities of $136,572,774 and $32,340,995 respectively, contain an event of default clause that changes the timing of repayment of outstanding amounts to become immediately due if the County is unable to make payment or does not make payment either by refusal or non-appropriation.

The School Board's outstanding direct borrowings, lease and subscription liabilities related to educational activities of $5,315,270 contain an event of default clause that changes the timing of repayment of outstanding amounts to become immediately due if the School Board is unable to make payment or does not make payment either by refusal or non-appropriation.

Note 7 – Long-Term Obligations (Continued)

A. General Obligation Bonds

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

	Amount Outstanding
General Obligation Public Improvement Bonds, Series 2022 On February 24, 2022 the County issued $16,955,000 in General Obligation Public Improvement Bonds to finance various capital projects and Hardy Elementary School for Isle of Wight County Schools. Interest on the bonds is due semiannually at a rate of 2.25%-5.00% until maturity. These bonds were issued at a premium of $1,889,277 which is being amortized over the life of the bonds.	$ 16,955,000
General Obligation Public Improvement Refunding Bonds, Series 2020A On October 27, 2020 the County issued $32,020,000 in General Obligation Public Improvement Bonds to finance various capital projects and Hardy Elementary School for Isle of Wight County Schools. Interest on the bonds is due semiannually at a rate of 2.00%-5.00% until maturity. These bonds were issued at a premium of $2,713,997 which is being amortized over the life of the bonds.	29,725,000
General Obligation Public Improvement Bonds Series 2020B On October 27, 2020, the County issued $54,405,000 in General Obligation Public Improvement Refunding Bonds with a true interest cost of 1.96% to refund various bond series. In addition, a portion of the proceeds will be used to purchase United States Treasury Securities (State and Local Government Series (SLGS) which will be placed in an irrevocable trust together with an initial cash deposit to be used solely to refund the County's Series 2011A, Series 2012, Series 2014A and Series 2014B. The refunding of the bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $7,169,281. This difference, reported in the accompanying government-wide financial statements is being amortized over the life of the new debt. The refunding resulted in an overall present value savings of $5,702,814 in debt service over the next 23 years. Interest is payable semiannually commencing on January 1, 2021 at a rate which varies from 2.00-2.40%. These bonds were issued at a premium of $1,533,679 which is being amortized over the life of the bonds.	50,859,994
General Obligation Public Improvement Refunding Bonds, Series 2017B On September 21, 2017, the County issued $30,700,000 in General Obligation Public Improvement Refunding Bonds to advance refund Series 2010D and a portion of Series 2011A & 2012. Interest is payable semiannually commencing on January 1, 2018 at a rate which varies from 3.00-5.00%. These bonds were issued at a premium of $4,324,168 which is being amortized over the life of the bonds.	26,064,999

Note 7 – Long-Term Obligations (Continued)

A. General Obligation Bonds (Continued)

VRA Refunding of Isle of Wight BAB Series 2010C, Series 2017C On November 15, 2017, the Virginia Resources Authority (VRA) issued $9,260,000 of bonds to refund the Series 2010C (Taxable - Build America Bonds). A portion of the proceeds was used to purchase the Restricted Escrow Fund Securities and to provide the cash that will be placed in various escrow funds to refund the bonds. Interest is payable semiannually commencing on July 1, 2018 at a rate which varies from 4.43% to 5.13%. These bonds were issued at a premium of $1,804,027 which is being amortized over the life of the bonds.	$	7,000,000
General Obligation Public Improvement Bonds Series 2017 On May 5, 2017, the County issued $7,900,000 in General Obligation Public Improvement Bonds to finance various capital projects related to career and technical education for Isle of Wight County Schools. Interest on the bonds is due semiannually at a rate of 2.4% until maturity.		3,956,097
General Obligation Public Improvement Bonds Series 2016 On July 29, 2016, the County issued $8,000,000 in General Obligation Public Improvement Bonds, Series 2016 with a semi-annual interest payable at a rate of 1.651% over the life of the bond. The bonds were issued to finance the acquisition, construction and equipping of facilities and equipment related to public safety purposes and uses and to pay the cost of issuance.		2,540,147
General Obligation Refunding Bonds of 2015 (tax exempt bonds) On June 9, 2015, the County issued $17,395,000 in General Obligation Refunding Bonds with principal payable in various annual installments through 2031. Interest is payable semi-annually at a rate of 2.79% over the life of the bond. The bonds were used to advance refund prior issues.		13,450,000
General Obligation Bonds of 2011 VPSA (tax exempt bonds) $7,500,000 dated June 2011 with principal payable in various annual installments beginning June 2014 through June 2027. These bonds were obtained through the Virginia Public School Authority pooled Qualified School Construction Bonds (QSCB). The QSCBs are tax credit bonds such that the interest component of the bond is subject entirely to the federal subsidy reimbursement which offsets completely the interest on these bonds. The bonds are being used for the school construction and renovation projects.		1,875,000
Total General Obligation Bonds Outstanding	$	152,426,237

Note 7 – Long-Term Obligations (Continued)

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

	Governmental Activities		Business-Type Activities		Totals	
Fiscal Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	7,597,922	4,010,374	1,845,735	839,630	9,443,657	4,850,004
2026	8,320,243	3,758,546	1,912,180	772,708	10,232,423	4,531,254
2027	8,599,842	3,484,280	1,986,933	702,909	10,586,775	4,187,189
2028	7,580,812	2,866,252	2,165,856	629,015	9,746,668	3,495,267
2029	7,278,006	2,598,556	1,854,662	563,511	9,132,668	3,162,067
2030-2034	32,479,626	9,389,875	8,854,423	2,085,214	41,334,049	11,475,089
2035-2040	25,183,158	5,825,423	8,166,841	1,095,804	33,349,999	6,921,227
2040-2044	18,438,375	1,873,030	3,711,623	206,829	22,149,998	2,079,859
2045-2050	6,450,000	211,963	-	-	6,450,000	211,963
Total	$ 121,927,984	$ 34,018,299	$ 30,498,253	$ 6,895,620	$ 152,426,237	$ 40,913,919

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

B. Refunded Debt

Defeased Obligations

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2024, the outstanding balance of the defeased debt, including current year defeased debt, is $37,814,162.

C. Purchase Agricultural Conservation Easement Program

On May 19, 2005, Board of Supervisors adopted an ordinance establishing the Purchase Agricultural Conservation Easement Program (PACE). The primary purpose of the ordinance is to promote and encourage the preservation of farmland in Isle of Wight County. Through PACE, the County acquires development rights in designated areas within the County through the purchase of agricultural land preservation easements. Landowners who meet certain eligibility criteria may sell an easement to the County while holding fee simple title to the land and continuing to farm. The County acquires development rights by executing installment purchase agreements with the landowners. These agreements provide for the payment of the principal balance to be paid in a single installment due approximately thirty years after execution of the agreement. Interest on the unpaid principal balance is payable semi-annually and interest expense was $209,836 for June 30, 2024.

Note 7 – Long-Term Obligations (Continued)

C. Purchase Agricultural Conservation Easement Program (Continued)

These obligations are constituted within the meaning of Article VII, Section 10 of the Virginia Constitution and are general obligations of the County, pledging the full faith and credit and unlimited taxing power of the County. By policy, interest will be paid from a dedicated portion of real estate taxes with principal payments being made from a maturing zero coupon Treasury securities purchased from the dedicated portion of real estate taxes. At June 30, 2024, two installment purchase agreements totaling 619.08 acres at a total purchase price of $4,326,512 are outstanding.

The following is a summary of the repayment schedules:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	-	209,836
2026	-	209,836
2027	-	209,836
2028	-	209,836
2029	-	209,836
2030-2034	-	1,049,179
2035-2039	-	1,154,096
2040	4,326,512	-
	$ 4,326,512	$ 3,252,455

D. Primary Government- Loans Payable

During the fiscal year 2024, the County entered into a non-cancellable financing agreement for equipment in the amount of $600,000. The cost of equipment put in service during the year was $523,154. At June 30, 2024, the accumulated depreciation on this equipment was $63,021. In addition, the County has non-cancellable financing agreements for communications equipment for multiple years. The future minimum payments and the present value of minimum payments for the Primary Government as of June 30, 2024 are as follows:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities
2025	$ 675,565	$ 34,863
2026	508,230	11,071
2027	443,313	6,870
2028	192,588	-
2029	67,655	-
Total minimum lease payments	1,887,351	52,804
less amounts representing interest	(100,554)	(665)
Present value of minimum lease payments	$ 1,786,797	$ 52,139

Note 7 – Long-Term Obligations (Continued)

E. School Board - Direct Borrowings

During fiscal year 2021, the School Board entered into a non-cancellable refunding direct borrowing agreement to finance the costs to acquire, construct and install certain energy savings. The cost of the asset placed in service was in the amount of $6,599,223. At June 30, 2024, the accumulated depreciation was in the amount of $3,088,566. The future minimum agreement payments and the present value of minimum payments for School Board direct borrowing agreement as of June 30, 2024 are as follows:

Fiscal Year Ending June 30,		
2025	$	484,120
2026		502,025
2027		524,500
2028		546,459
2029		567,902
Thereafter		2,490,589
Total minimum lease payments		5,115,595
less amounts representing interest		(415,595)
Present value of minimum lease payments	$	4,700,000

During the fiscal year 2016, the School Board entered into a non-cancellable direct borrowing agreement to finance the purchase of food service equipment in the amount of $620,000. The cost of items meeting the County's capitalization threshold totaled $620,000. At June 30, 2024, the accumulated depreciation was in the amount of $368,556.

Future minimum direct borrowing agreement payments are as follows:

Fiscal Year Ending June 30,		
2025	$	67,188
Total minimum lease payments		67,188
less amounts representing interest		(1,175)
Present value of minimum lease payments	$	66,013

Note 7 – Long-Term Obligations (Continued)

F. Primary Government- Lease Liabilities

On 07/01/2021, Isle of Wight County entered into a 50-month lease as Lessee for the use of Xerox Copiers. An initial lease liability was recorded in the amount of $190,809. As of 06/30/2024, the value of the lease liability is $54,126. The County is required to make monthly fixed payments of $3,888. The lease has an interest rate of 0.8930%.

On 07/01/2021, Isle of Wight County entered into a 1752-month lease as Lessee for the use of a parcel of land. An initial lease liability was recorded in the amount of $193,555. As of 06/30/2024, the value of the lease liability is $194,182. Isle of Wight County is required to make annual fixed payments of $5,000. Additionally, the lease payments shall be increased to reflect a CPI adjustment which shall not exceed three percent (3%) for every five years of the Initial Term and any Renewal Terms, beginning July 1, 2022. The lease has an interest rate of 2.5830%.The County has 5 extension options, each for 300 months.

On 07/26/2021, Isle of Wight County entered into a 60-month lease as Lessee for the use of Axon Tasers. An initial lease liability was recorded in the amount of $163,184. As of 06/30/2024, the value of the lease liability is $70,714. The County is required to make annual fixed payments of $35,920.00. The lease has an interest rate of 1.0590%.

On 07/01/2022, Isle of Wight County entered into a 48 month lease as Lessee for the use of Flock Cameras. An initial lease liability was recorded in the amount of $118,963. As of 06/30/2024, the value of the lease liability is $58,638. The County is required to make annual fixed payments of $30,500.00. The lease has an interest rate of 2.0040%. The County has 1 extension option for 24 months.

On 09/08/2022, Isle of Wight County entered into a 24 month lease as Lessee for the use of Wilmot Modular- Trailer (10x50). An initial lease liability was recorded in the amount of $23,541. As of 06/30/2024, the value of the lease liability is $1,995. The County is required to make monthly fixed payments of $1,000.00. The lease has an interest rate of 2.0240%.

On 04/30/2024, Isle of Wight County, VA entered into a 60 month lease as Lessee for the use of Pro-Vision- Bodycam Bundle. An initial lease liability was recorded in the amount of $165,526. As of 06/30/2024, the value of the lease liability is $131,164. Isle of Wight County, VA is required to make annual fixed payments of $34,980. The lease has an interest rate of 2.6360%.

On 04/30/2024, Isle of Wight County, VA entered into a 60 month lease as Lessee for the use of Pro-Vision- In-Car Video Systems Bundle. An initial lease liability was recorded in the amount of $250,418. As of 06/30/2024, the value of the lease liability is $198,433. Isle of Wight County, VA is required to make annual fixed payments of $52,920. The lease has an interest rate of 2.6360%.

Note 7 – Long-Term Obligations (Continued)

F. Primary Government- Lease Liabilities (Continued)

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

	Governmental Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2025	$ 158,459	$ 16,494	$ 174,953
2026	182,900	12,596	195,496
2027	83,583	9,467	93,050
2028	85,787	7,263	93,050
2029	149	5,001	5,150
2030 - 2034	803	24,947	25,750
2035 - 2039	912	24,838	25,750
2040 - 2044	1,036	24,714	25,750
2045 - 2049	1,177	24,573	25,750
2050 - 2054	1,338	24,412	25,750
2055 - 2059	1,519	24,231	25,750
2060 - 2064	1,726	24,024	25,750
2065 - 2069	1,961	23,789	25,750
2070 - 2074	2,228	23,522	25,750
2075 - 2079	2,530	23,220	25,750
2080 - 2084	2,875	22,875	25,750
2085 - 2089	3,266	22,484	25,750
2090 - 2094	3,710	22,040	25,750
2095 - 2099	4,214	21,536	25,750
2100 - 2104	4,787	20,963	25,750
2105 - 2109	5,438	20,312	25,750
2110 - 2114	6,178	19,572	25,750
2115 - 2119	7,018	18,732	25,750
2120 - 2124	7,972	17,778	25,750
2125 - 2129	9,057	16,693	25,750
2130 - 2134	10,288	15,462	25,750
2135 - 2139	11,688	14,062	25,750
2140 - 2144	13,277	12,473	25,750
2145 - 2149	15,083	10,667	25,750
2150 - 2154	17,134	8,616	25,750
2155 - 2159	19,464	6,286	25,750
2160 - 2164	22,111	3,639	25,750
2165 - 2168	14,685	765	15,450
	$ 704,353	$ 568,046	$ 1,272,399

Note 7 – Long-Term Obligations (Continued)

F. Primary Government- Lease Liabilities (Continued)

	Business-Type Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2025	$ 4,482	$ 21	$ 4,503
2026	417	-	417
	$ 4,899	$ 21	$ 4,920

G. School Board- Lease Liabilities

On 05/01/2023, Isle of Wight County School Board entered into a 60-month lease as Lessee for the use of Xerox copiers. An initial lease liability was recorded in the amount of $273,306. As of June 30, 2024, the value of the lease liability is $209,946. The School Board is required to make monthly fixed payments of $4,599. The lease has an interest rate of 0.3870%.

On 07/01/2021, Isle of Wight County School Board entered into a 55-month lease as Lessee for the use of Konica Minolta Copiers. An initial lease liability was recorded in the amount of $130,608. As of June 30, 2024, the value of the lease liability is $45,820. The School Board is required to make monthly fixed payments of $2,433. The lease has an interest rate of 1.0590%.

On 07/01/2021, Isle of Wight County School Board entered into a 96-month lease as Lessee for the use of equipment. An initial lease liability was recorded in the amount of $419,931. As of June 30, 2024, the value of the lease liability is $272,172. The School Board is required to make monthly fixed payments of $4,848. The lease has an interest rate of 2.6490%.

On 07/01/2021, Isle of Wight County School Board entered into a 36-month lease as Lessee for the use of equipment. An initial lease liability was recorded in the amount of $56,009. As of June 30, 2024, the value of the lease liability is $0.

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

	Component Unit- School Board		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2025	134,910	7,648	142,558
2026	124,626	5,768	130,394
2027	109,288	4,075	113,363
2028	101,761	2,405	104,166
2029	57,353	826	58,179
	$ 527,938	$ 20,722	$ 548,660

Note 7 – Long-Term Obligations (Continued)

H. Primary Government- Subscription Liabilities

On 07/15/2022, Isle of Wight County entered into a 36 month subscription for the use of Cartegraph Asset Management Software. An initial subscription liability was recorded in the amount of $100,367. As of June 30, 2024, the value of the subscription liability is $34,446. The County is required to make annual fixed payments of $33,245.00. The subscription has an interest rate of 2.1840%.

On 07/01/2022, Isle of Wight County entered into a 45 month subscription for the use of Debtbook Platform software. An initial subscription liability was recorded in the amount of $37,497. As of June 30, 2024, the value of the subscription liability is $12,711. The County is required to make annual fixed payments of $13,000.00. The subscription has an interest rate of 2.2750%.

On 07/03/2023, Isle of Wight County, VA entered into a 60 month subscription for the use of Questica Software. An initial subscription liability was recorded in the amount of $146,658. As of June 30, 2024, the value of the subscription liability is $122,533, and the value of the short-term subscription liability is $27,097. The subscription has an interest rate of 2.7360%.

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

	Governmental Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2025	$ 39,808	$ 3,642	$ 43,450
2026	29,362	2,611	31,973
2027	31,763	1,808	33,571
2028	34,311	939	35,250
	$ 135,244	$ 9,000	$ 144,244

	Business-Type Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2025	$ 34,446	$ 752	$ 35,198
	$ 34,446	$ 752	$ 35,198

I. School Board- Subscription Liabilities

On 07/01/2023, Isle of Wight County Schools, VA entered into a 36 month subscription for the use of Raptor Technologies. An initial subscription liability was recorded in the amount of $31,581. As of 06/30/2024, the value of the subscription liability is $21,319, and the value of the short-term subscription liability is $10,240. The subscription has an interest rate of 2.9010%.

Note 7 – Long-Term Obligations (Continued)

I. School Board- Subscription Liabilities (Continued)

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

	School Board Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2025	$ 10,240	$ 618	$ 10,858
2026	11,079	321	11,400
	$ 21,319	$ 939	$ 22,258

June 30, 2024

Note 8 – Pension Plan

A. Plan Description

All full-time, salaried permanent employees of the County of Isle of Wight, Virginia and the County of Isle of Wight, Virginia School Board (School Board), are automatically covered by the VRS Retirement Plan or the VRS Teacher Retirement Plan upon employment. These plans are 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 Virgini*a, 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 set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Same as Plan 1	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

June 30, 2024

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.	**Eligible Members** Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:
Hybrid Opt-In Election VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	*Hybrid Opt-In Election* Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	•Political subdivision employees* • School division employees (teachers) •Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 * *Non-Eligible Members* Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:
Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 1 or ORP.	Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 2 or ORP.	•Political subdivision employees who are covered by enhanced benefits for hazardous duty employees Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1.	**Service Credit** Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. Defined Contributions Component: Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. •After two years, a member is 50% vested and may withdraw 50% of employer contributions. •After three years, a member is 75% vested and may withdraw 75% of employer contributions. •After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law.

June 30, 2024

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** Defined Benefit Component: See definition under Plan 1. Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for nonhazardous duty members is 1.70%. ***Sheriffs and regional jail superintendents:*** The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. ***Political subdivision hazardous duty employees:*** The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	**Service Retirement Multiplier:** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. ***Sheriffs and regional jail superintendents:*** Same as Plan 1. ***Political subdivision hazardous duty employees:*** Same as Plan 1.	**Service Retirement Multiplier:** Defined Benefit Component: The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. ***Sheriffs and regional jail superintendents:*** Not applicable. ***Political subdivision hazardous duty employees:*** Not applicable. Defined Contribution Component: Not applicable.

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age: Age 65.	**Normal Retirement Age:** Normal Social Security retirement age.	**Normal Retirement Age:** Defined Benefit Component: Same as Plan 2.
Political subdivision hazardous duty employees: Age 60.	**Political subdivision hazardous duty employees:** Same as Plan 1.	**Political subdivision hazardous duty employees:** Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.	**Earliest Unreduced Retirement Eligibility:** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.	**Earliest Unreduced Retirement Eligibility:** Defined Benefit Component: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.
Political subdivision hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Political subdivision hazardous duty employees:** Same as Plan 1.	**Political subdivision hazardous duty employees:** Same as Plan 1. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.	**Earliest Reduced Retirement Eligibility:** Age 60 with at least five years (60 months) of service credit.	**Earliest Reduced Retirement Eligibility:** Defined Benefit Component: Age 60 with at least five years (60 months) of service credit.
Political subdivision hazardous duty employees: Age 50 with at least five years of service credit.	**Political subdivision hazardous duty employees:** Same as Plan 1.	**Political subdivision hazardous duty employees:** Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. *Eligibility:* For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. *Exceptions to COLA Effective Dates:* The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: •The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. •The member retires on disability. •The member retires directly from shortterm or long-term disability. •The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. •The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. •The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPIU and half of any additional increase (up to 2%), for a maximum COLA of 3%. *Eligibility:* Same as Plan 1. *Exceptions to COLA Effective Dates:* Same as Plan 1.	**Cost-of-Living Adjustment (COLA) in Retirement** Defined Benefit Component: Same as Plan 2. Defined Contribution Component: Not applicable. *Eligibility:* Same as Plan 1 and Plan 2. *Exceptions to COLA Effective Dates:* Same as Plan 1 and Plan 2.

June 30, 2024

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Employees of political subdivisions and school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employerpaid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-workrelated disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** Defined Benefit Component: Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

Note 8 - Pension Plan (Continued)

B. Employees Covered by Benefit Terms

County Plan (Agent Plan)

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

	Number
Inactive members or their beneficiaries currently receiving benefits	**217**
Inactive members:	
Vested inactive members	66
Non-vested Inactive members	101
LTD	-
Inactive members active eslewhere in VRS	149
Total inactive members	**533**
Active members	**304**
Total covered employees	**837**

School Board Non-Professional Plan (Agent Plan)

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

	Number
Inactive members or their beneficiaries currently receiving benefits	**75**
Inactive members:	
Vested inactive members	15
Non-vested Inactive members	61
LTD	-
Inactive members active eslewhere in VRS	23
Total inactive members	**174**
Active members	**69**
Total covered employees	**243**

Note 8 - Pension Plan (Continued)

C. Contributions

County (Agent Plan)

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

The County's contractually required contribution rate for the year ended June 30, 2024, was 11.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $2,300,061 and $2,110,085 for the years ended June 30, 2024, and 2023, respectively.

School Board Non-Professional Plan (Agent Plan)

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

The School Board non-professional's contractually required contribution rate for the year ended June 30, 2024, was 6.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were $147,426 and $140,821 for the years ended June 30, 2024, and 2023, respectively.

Note 8 - Pension Plan (Continued)

C. Contributions (Continued)

School Board Professional Plan (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. The School Board professional's contractually required contribution rate for the year ended June 30, 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, 2022. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were $6,663,489 and $6,271,814 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 nonemployer contribution. The School Board's proportionate share is reflected in the grants and contributions not restricted to specific programs of the financial statements.

D. Net Pension Liability

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

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 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.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2024, the School Board reported a liability for the professional plan of $38,318,435 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 Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board's proportion was 0.37912% as compared to 0.37495% at June 30, 2022.

Note 8 - Pension Plan (Continued)

D. Net Pension Liability (Continued)

School Board Professional Plan (Cost-Sharing Plan)

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	47,467,405
Employers' net pension liability	$ 10,107,204
Plan fiduciary net position as a percentage of the total pension liability	82.45%

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

E. Actuarial Assumptions

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

General Employees

The total pension liability for General Employee's in the County's retirement plan and the total pension liability for the General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 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:

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

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's retirement plan was based on an actuarial valuation as of June 30, 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 as of June 30, 2023.

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

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

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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

School Board Professional Plan (Cost-Sharing Plan)

The total pension liability for the VRS Teacher retirement plan was based on an actuarial valuation as of June 30, 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 as of June 30, 2023.

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

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

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the four-year 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:

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

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

F. Long-Term Expected Rate of Return

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

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

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

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

Note 8 - Pension Plan (Continued)

G. Discount Rate

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

The discount rate used to measure the total pension liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. 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. Through the fiscal year ending June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarilly determined contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in 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 liabilities.

H. Changes in the Net Pension Liability (Asset)

County Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2022	$ 62,265,184	$ 59,938,820	$ 2,326,364
Changes for the Year:			
Service cost	2,300,712	-	2,300,712
Interest	4,265,337	-	4,265,337
Change in benefit terms	-	-	-
Difference between expected and actual experience	(144,501)	-	(144,501)
Contributions - employer	-	1,997,760	(1,997,760)
Contributions - employee	-	872,942	(872,942)
Net investment income	-	3,907,484	(3,907,484)
Benefit payments, including refunds of employee contributions	(2,751,434)	(2,751,434)	-
Pension Plan Administrative expense	-	(37,978)	37,978
Other changes	-	1,583	(1,583)
Net changes	3,670,114	3,990,357	(320,243)
Balances at June 30, 2023	$ 65,935,298	$ 63,929,177	$ 2,006,121

June 30, 2024

Note 8 - Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset) (Continued)

School Board Non-Professional Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	$ 7,102,723	$ 7,490,994	$ (388,271)
Charges for the Year:			
Service cost	217,231	-	217,231
Interest	476,136	-	476,136
Difference between expected and actual experience	265,870	-	265,870
Changes of assumptions	-	-	-
Contributions - employer	-	124,493	(124,493)
Contributions - employee	-	98,082	(98,082)
Net investment income	-	475,073	(475,073)
Benefit payments, including refunds of employee contributions	(532,186)	(532,186)	-
Pension Plan Administrative expense	-	(4,848)	4,848
Other changes	-	190	(190)
Net changes	427,051	160,804	266,247
Balances at June 30, 2023	$ 7,529,774	$ 7,651,798	$ (122,024)

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

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

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
County net pension liability (asset)	$ 10,816,202	$ 2,006,121	$(5,136,349)
School Board non-professional net pension liability (asset)	$ 717,433	$(122,024)	$(839,860)
School Board professional net pension liability (asset)	$ 67,924,918	$ 38,318,435	$ 13,979,471

Note 8 - Pension Plan (Continued)

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

County Plan (Agent Plan)

For the year ended June 30, 2024, the County recognized pension expense of $1,038,506. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 461,670
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	-	901,144
Employer contribution subsequent to the measurement date	2,300,061	-
Total	$ 2,300,061	$ 1,362,814

The $2,300,061 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2025	$ (1,072,991)
2026	(1,173,408)
2027	855,350
2028	28,235
2029	-
Thereafter	-
	$ (1,362,814)

Note 8 - Pension Plan (Continued)

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

School Board Non-Professional Plan (Agent Plan)

For the year ended June 30, 2024, the School Board recognized pension expense related to its non-professional plan of $110,695. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for its non-professional plan from the following sources:

School Board Non-Professional:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 103,754	$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	119,709
Employer contributions subsequent to the measurement date	147,426	-
Total	$ 251,180	$ 119,709

The $147,426 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ended June 30	Amount
2025	$ 18,028
2026	(146,081)
2027	108,104
2028	3,994
2029	-
Thereafter	-
	$ (15,955)

Note 8 - Pension Plan (Continued)

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

School Board Professional Plan (Cost-Sharing)

For the year ended June 30, 2024, the School Board recognized pension expense related to the professional plan of $4,153,915. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

School Board Professional:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,291,586	$ 1,495,349
Net difference between projected and actual earnings on pension plan investments	-	2,491,471
Changes in assumptions	1,737,109	-
Changes in proportionate share	1,271,481	554,627
Employer contributions subsequent to the measurement date	6,663,489	-
Total	$ 12,963,665	$ 4,541,447

The $6,663,489 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2025	$ (474,127)
2026	(2,032,186)
2027	3,448,753
2028	816,289
2029	-
Thereafter	-
	$ 1,758,729

Note 8 - Pension Plan (Continued)

K. Pension Plan Data

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

L. Aggregate Pension Information

	Primary Government			
	Net Pension Liability/ (Asset)	**Deferred Outflows**	**Deferred Inflows**	**Pension Expense/(Revenue)**
County Plan	$ 2,006,121	$ 2,300,061	$ 1,362,814	$ 1,038,506
Total County Plan	$ 2,006,121	$ 2,300,061	$ 1,362,814	$ 1,038,506

	Component Unit- School Board			
	Net Pension Liability/ (Asset)	**Deferred Outflows**	**Deferred Inflows**	**Pension Expense/(Revenue)**
School Board Non-Professional Plan	$ (122,024)	$ 251,180	$ 119,709	$ 110,695
School Board Professional Plan	38,318,435	12,963,665	4,541,447	4,153,915
Total Component Unit Plans	$ 38,196,411	$ 13,214,845	$ 4,661,156	$ 4,264,610

Note 9 – Other Post Employment Benefits Medical Insurance Program

A. Plan Description

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

The specific information for Medical Insurance Program's OPEB, including eligibility, is set out in the tables below:

County

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

School Board

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

B. Employees Covered by Benefit Terms

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

County:

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

Note 9 – Other Post Employment Benefits Medical Insurance Program (Continued)

B. Employees Covered by Benefit Terms (continued)

School Board:

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

C. Total Medical Insurance Program OPEB Liability

The County's total Medical Insurance OPEB liability of $1,042,584 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023. The School Board's total Medical Insurance OPEB liability of $3,554,028 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

D. Actuarial Assumptions and Other Inputs

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

Inflation	2.50%	
Discount rate	3.93%	per annum
Healthcare Trend Rate	6.00%	

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

Note 9 - Other Postemployment Benefits – Medical Insurance Program (Continued)

E. Changes in the Total Medical Insurance OPEB Liability

County

	Total Medical Insurance OPEB Liability
Balance at June 30, 2023	**$ 1,135,201**
Charges for the year:	
Service cost	120,050
Interest on total OPEB Liability	45,656
Effect of economic/ demographic gains or losses	(180,111)
Effect of assumption changes or inputs	(69,309)
Benefit Payments	(8,903)
Net changes	(92,617)
Balance at June 30, 2024	**$ 1,042,584**

School Board

	Total Medical Insurance OPEB Liability
Balance at June 30, 2023	**$ 3,850,614**
Charges for the year:	
Service cost	235,007
Interest on total OPEB Liability	145,524
Effect of economic/ demographic gains or losses	(143,483)
Effect of assumption changes or inputs	(334,510)
Benefit Payments	(199,124)
Net changes	(296,586)
Balance at June 30, 2024	**$ 3,554,028**

Note 9 - Other Postemployment Benefits – Medical Insurance Program (Continued)

F. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in the Discount Rate

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate (3.93%):

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
County	$ 1,136,542	$ 1,042,584	$ 956,869
School Board	$ 3,789,163	$ 3,554,028	$ 3,327,962

G. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in Healthcare Cost Trend Rate

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

	1% Decrease	Current Trend Rate	1% Increase
County	$ 905,218	$ 1,042,584	$ 1,205,377
School Board	$ 3,179,507	$ 3,554,028	$ 3,986,422

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

For the year ended June 30, 2024, the County recognized Medical Insurance OPEB expense of $2,905 and the School Board recognized Medical Insurance OPEB expense of $259,440.

Note 9 - Other Postemployment Benefits – Medical Insurance Program (Continued)

At June 30, 2024, the County and School Board recognized deferred inflows and outflows of resources from the following sources:

	County		School Board	
	Deferred Outflows of Resource	Deferred Inflows of Resources	Deferred Outflows of Resource	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,093	$ (238,126)	$ 404,243	$ (816,187)
Changes in assumptions	19,619	(130,343)	233,791	(546,294)
	$ 20,712	$ (368,469)	$ 638,034	$ (1,362,481)

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

Reporting Year Ending June 30	County	School Board
2025	$ (128,451)	$ (81,066)
2026	(108,739)	(81,066)
2027	(68,995)	(142,433)
2028	(41,572)	(285,596)
2029	-	(134,286)
Thereafter	-	-
	$ (347,757)	$ (724,447)

I. Medical OPEB Expense Detail

Year Ending June 30, 2024	County	School Board
Service Cost	$ 120,050	$ 235,007
Interest on total OPEB Liability	45,656	145,524
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of economic/demographic gains or losses	(86,204)	(105,477)
Recognition of assumption changes or inputs	(76,597)	(15,614)
OPEB Expense / (Income)	$ 2,905	$ 259,440

June 30, 2024

Note 10 - Other Postemployment Benefits – Group Life Insurance Program

Group Life Insurance

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

A. Plan Description

All full-time, salaried permanent employees of the County and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

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

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

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

A. Plan Description (continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Benefit Amounts The benefits payable under the GLI Program have several components. • Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit: The accidental death benefit is double the natural death benefit. • Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: o Accidental dismemberment benefit o Safety belt benefit o Repatriation benefit o Felonious assault benefit o Accelerated death benefit option
Reduction in Benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statue in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,254 as of June 30, 2024.

B. Contributions

The contribution requirements for the Group Life Insurance Program are governed by § 51.1-506 and § 51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

B. Contributions (continued)

The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. 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, and is classified as a special employer contribution. The County's and the School Board's proportionate shares are reflected in the grants and contributions not restricted to specific programs of the financial statements.

Contributions to the GLI from the County and School Board for the years ended June 30, 2024 and June 30, 2023 were as follows.

	FY 2024	FY 2023
County	$ 108,437	$ 99,360
School Board Non-Professional	$ 12,241	$ 11,803
School Board Professional	$ 217,071	$ 204,299

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

At June 30, 2024, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	FY 2024	FY 2023
County	$ 936,784	$ 882,723
School Board Non-Professional	$ 111,296	$ 105,599
School Board Professional	$ 1,926,217	$ 1,931,491

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

	FY 2023	FY 2022
County	0.07811%	0.07331%
School Board Non-Professional	0.00928%	0.00877%
School Board Professional	0.16061%	0.16041%

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

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

For the year ended June 30, 2024, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of $62,050, $6,284, and $94,519, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 93,562	$ (28,436)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(37,645)
Change in assumptions	20,024	(64,904)
Changes in proportion	71,911	(2,859)
Employer contributions subsequent to the measurement date	108,437	-
Total	$ 293,934	$ (133,844)

The $108,437 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2025	$ 10,466
2026	(24,245)
2027	30,413
2028	15,772
2029	19,247
Thereafter	-
Total	$ 51,653

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

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

School Board Non-Professional:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,116	$ (3,378)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(4,473)
Change in assumptions	2,379	(7,711)
Changes in proportion	28,112	(22,434)
Employer contributions subsequent to the measurement date	12,241	-
Total	$ 53,848	$ (37,996)

The $12,241 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2025	$ 1,037
2026	(6,928)
2027	2,556
2028	4,783
2029	2,163
Thereafter	-
Total	$ 3,611

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

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

School Board Professional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 192,382	$ (58,471)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(77,406)
Change in assumptions	41,174	(133,456)
Changes in proportion	62,513	(28,742)
Employer contributions subsequent to the measurement date	217,071	-
Total	$ 513,140	$ (298,075)

The $217,071 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2025	$ (3,192)
2026	(72,746)
2027	37,459
2028	17,038
2029	19,435
Thereafter	-
Total	$ (2,006)

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions

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

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

Mortality Rates – Teachers

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

The actuarial assumptions used in the June 30, 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:

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

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

Mortality Rates – General Employees

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

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:

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

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

Mortality Rates – Hazardous Duty Employees

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

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:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

E. Net GLI OPEB Liability

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

		Group Life Insurance OPEB Program
Total GLI OPEB Liability	$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	$	1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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

F. Long-Term Expected Rate of Return

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

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

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

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

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

G. Discount Rate

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

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

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

	1% Decrease (5.75)%	Current Discount Rate (6.75)%	1% Increase (7.75)%
County	$ 1,388,606	$ 936,784	$ 571,482
School Board Non-Professional	$ 164,976	$ 111,296	$ 67,896
School Board Professional	$ 2,855,256	$ 1,926,217	$ 1,175,084

I. Group Life Insurance Program Fiduciary Net Position

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

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program

A. Plan Description

The County has two types of Health Insurance Credit Program (HIC) OPEB plans: (1) a multiple-employer, agent defined benefit plan for political subdivisions (County and School Board Non-Professional Plan), and (2) a multiple-employer, cost-sharing plan for VRS teacher employees (School Board professional plan). For the County plan, all full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. For the School Board professional Plan, all full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

County & School Board Non-Professional Plan

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

POLITICAL SUBDIVISION HIC PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree HIC was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: •Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts The political subdivision's Retiree HIC provides the following benefits for eligible employees: •At Retirement: For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. •Disability Retirement: For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.
Health Insurance Credit Program Notes •The monthly HIC benefit cannot exceed the individual premium amount. •No HIC for premiums paid and qualified under Line of Duty Act (LODA); however, the employee may receive the credit for premiums paid for other qualified health plans. •Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

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

A. Plan Description (Continued)

School Board Professional Plan

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

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

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

B. Employees Covered by Benefit Terms

County Plan

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	June 30, 2022
Active:	164
Inactive:	
Retirees	69
Disabled	-
Inactive, Vested	6
Inactive, Active Elsewhere in VRS	95
Total Participants	334

School Board Non-Professional Plan

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	June 30, 2022
Active:	69
Inactive:	
Retirees	7
Disabled	-
Inactive, Vested	2
Inactive, Active Elsewhere in VRS	23
Total Participants	101

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

C. Contributions

The contribution requirement for active employees is governed by Section 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. For the year ended June 30, 2021, the contractually required employer contribution rates for the County, School Board non-professional and School Board professional were 0.16%, 0.69% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC Program from the participating employers for the years ended June 30, 2024, and June 30, 2023, were as follows:

	FY 2024	FY 2023
County	$ 17,866	$ 16,326
School Board Professional	485,187	456,612
School Board Non-Professional	15,554	14,857

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. The School Board Professional Plan's proportionate share is reflected in the grants and contributions not restricted to specific programs of the financial statements..

D. Net HIC OPEB Liability

County & School Board Non-Professional Plans

The County plan’s net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

School Board Professional Plan

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

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

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	$ 1,475,471
Plan fiduciary net position	264,054
Teacher employee net HIC OPEB Liability (Asset)	$ 1,211,417
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	17.90%

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

E. Actuarial Assumptions

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

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

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

E. Actuarial Assumptions (continued)

Mortality Rates – General Employees

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

The actuarial assumptions used in the June 30, 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:

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

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

E. Actuarial Assumptions (continued)

Mortality Rates – Hazardous Duty Employees

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

The actuarial assumptions used in the June 30, 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

E. Actuarial Assumptions (continued)

Mortality Rates – Teachers

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

The actuarial assumptions used in the June 30, 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:

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

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

F. Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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

G. Discount Rate

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

H. Changes in Net HIC OPEB Liability

County Plan

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net HIC OPEB Liability (a) - (b)**
Balance at June 30, 2022	$ 329,699	$ 238,673	$ 91,026
Changes for the year:			
Service cost	7,634	-	7,634
Interest	22,123	-	22,123
Changes of assumptions	-	-	-
Difference between expected and actual experiences	18,014	-	18,014
Contributions-employer	-	16,329	(16,329)
Net investment income	-	13,915	(13,915)
Benefit payments	(19,172)	(19,172)	-
Administrative expenses	-	(329)	329
Other changes	-	518	(518)
Net changes	28,599	11,261	17,338
Balance at June 30, 2023	$ 358,298	$ 249,934	$ 108,364

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

H. Changes in Net HIC OPEB Liability (continued)

School Board Non-Professional Plan:

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net HIC OPEB Liability (a) - (b)**
Balance at June 30, 2022	$ 120,017	$ 14,621	$ 105,396
Changes for the year:			
Service cost	1,498	-	1,498
Interest	8,098	-	8,098
Changes of assumptions	-	-	-
Difference between expected and actual experiences	(38,247)	-	(38,247)
Contributions-employer	-	14,857	(14,857)
Net investment income	-	1,431	(1,431)
Benefit payments	(3,082)	(3,082)	-
Administrative expenses	-	(40)	40
Other changes	-	16	(16)
Net changes	(31,733)	13,182	(44,915)
Balance at June 30, 2023	$ 88,284	$ 27,803	$ 60,481

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

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

	1% Decrease (5.75)%	**Current Discount Rate (6.75)%**	**1% Increase (7.75)%**
School Board Professional	$ 5,185,842	$ 4,584,730	$ 4,075,340
School Board Non-Professional	$ 70,126	$ 60,481	$ 52,263
County	$ 145,875	$ 108,364	$ 76,522

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

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

County Plan

For the year ended June 30, 2024, the County plan recognized HIC OPEB expense of $24,234. At June 30, 2024, the County plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,696	$(13,522)
Net difference between projected and actual earnings on investments	-	$(1,840)
Change in assumptions	$ 43,315	-
Employer contributions subsequent to the measurement date	$ 17,866	-
Total	$ 74,877	$(15,362)

The $17,866 reported as deferred outflows of resources related to the HIC OPEB resulting from the County plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Reporting Year Ending June 30		Amount
2025	$	8,894
2026		9,896
2027		15,181
2028		7,678
2029		-
Thereafter		-
Total	$	41,649

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

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

School Board Non-Professional Plan

For the year ended June 30, 2024, the School Board Non-Professional plan recognized HIC OPEB expense (income) of $(383). At June 30, 2024, the School Board Non-Professional plan reported deferred outflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	$(35,330)
Net difference between projected and actual earnings on investments	$ 260	-
Change in assumptions	$ 10,087	-
Employer contributions subsequent to the measurement date	$ 15,554	-
Total	$ 25,901	$(35,330)

The $15,554 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board Non-Professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Reporting Year Ending June 30		Amount
2025	$	(8,619)
2026		(9,656)
2027		(6,697)
2028		(11)
2029		-
Thereafter		-
Total	$	(24,983)

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

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

School Board Professional Plan

At June 30, 2024, the School Board professional plan reported a liability of $4,584,730 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB liability. The Net VRS Teacher Employee HIC OPEB liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The School Board professional plan's proportion of the Net VRS Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board professional plan's proportion of the VRS Teacher Employee HIC was 0.37846% as compared to 0.37347% at June 30, 2022.

For the year ended June 30, 2024, the School Board professional plan recognized VRS Teacher Employee HIC OPEB expense of $369,217. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2024, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	$(201,797)
Net difference between projected and actual earnings on program investments	$ 2,301	-
Change in assumptions	$ 106,725	$(4,620)
Changes in proportionate share	$ 192,555	$(79,377)
Employer contributions subsequent to the measurement date	$ 485,187	-
Total	$ 786,768	$(285,794)

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

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

School Board Professional Plan (Continued)

The $485,187 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2025	$	(3,602)
2026		2,396
2027		13,637
2028		(6,062)
2029		6,944
Thereafter		2,474
Total	$	15,787

K. Health Insurance Credit Program Plan Data

Detailed information about the VRS County and School Board Health Insurance Credit is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program

A. Plan Description

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

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

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

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

A. Plan Description (Continued)

Benefit Amounts

The Political Subdivision Employee and the Teacher Employee VLDP provides the following benefits for eligible employees:

Short-Term Disability:

- The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation.
- During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability.
- Once the five-year eligibility period is satisfied, employees are eligible for higher income replacement levels.

Long-Term Disability:

- The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work or are working fewer than 20 hours per week.
- Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

Virginia Local Disability Program Notes

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

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

B. Contributions

The contribution requirement for active hybrid plan employees is governed by Section 51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to the County, School Board non-professional, and School Board professional plans by the Virginia General Assembly. For the year ended June 30, 2023, the contractually required employer contribution rates of covered employee compensation for employees in the VLDP for the County, School Board non-professional, and School Board professional plans were 0.85%, 0.85%, and 0.47%, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the VLDP from the County, School Board non-professional plan, and School Board professional plan to the VLDP from the participating employers for the years ended June 30, 2024, and June 30, 2023 were as follows:

	FY 2024	FY 2023
County	$ 55,009	$ 47,357
School Board Non-Professional	$ 8,937	$ 8,143
School Board Professional	$ 78,626	$ 66,050

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

At June 30, 2024, the County, School Board non-professional, and School Board professional plans reported OPEB liability (assets) of $(14,646), $(2,518) and $9,991, respectively for their proportionate share of their VLDP Net OPEB liabilities. The VLDP Net OPEB liabilities were measured as of June 30, 2023, and the total VLDP OPEB liabilities used to calculate the VLDP net OPEB liabilities were determined by actuarial valuations as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The County, School Board non-professional, and School Board professional plans' proportions of the VLDP Net OPEB liabilities were based on the County, School Board non-professional, and School Board professional plans' actuarially determined employer contributions to their VLDP OPEB plans for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, comparisons of the participating employers' proportions to June 30, 2022 are as follows:

	FY 2023	FY 2022
County	0.91025%	1.00081%
School Board Non-Professional	0.15652%	0.13306%
School Board Professional	1.50489%	1.44244%

For the year ended June 30, 2024, the County, School Board non-professional, and School Board professional plans recognized VLDP OPEB expenses of $37,173, $6,436 and $52,850, respectively. Since there was a change in proportionate share between measurement dates, a portion of the VLDP net OPEB expenses were related to deferred amounts from changes in proportion.

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

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

County Plan

At June 30, 2024, the County plan reported deferred outflows of resources and deferred inflows of resource related to VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,499	$(9,124)
Net difference between projected and actual earnings on investments	$ 36	-
Changes in proportion	$ 68	$(1,341)
Change in assumptions	$ 97	$(75)
Employer contributions subsequent to the measurement date	$ 55,009	-
Total	$ 60,709	$(10,540)

The $55,009 reported as deferred outflows of resources related to the VLDP OPEB resulting from the County plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee VLDP OPEB will be recognized in the Political Subdivision Employee VLDP OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2025	$	(422)
2026		(2,425)
2027		360
2028		(295)
2029		(930)
Thereafter		(1,128)
Total	$	(4,840)

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

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

School Board Non-Professional Plan

At June 30, 2024, the School Board non-professional reported deferred outflows of resources and deferred inflows of resource related to VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 946	$(1,569)
Net difference between projected and actual earnings on investments	$ 6	-
Changes in proportion	$ 327	$(776)
Change in assumptions	$ 17	$(231)
Employer contributions subsequent to the measurement date	$ 8,937	-
Total	$ 10,233	$(2,576)

The $8,937 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2025	$	(42)
2026		(519)
2027		(16)
2028		(122)
2029		(274)
Thereafter		(307)
Total	$	(1,280)

June 30, 2024

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

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

School Board Professional Plan

At June 30, 2024, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 43,850	$(4,380)
Net difference between projected and actual earnings on investments	$ 309	-
Changes in proportion	$ 260	$(1,481)
Change in assumptions	$ 4,344	-
Employer contributions subsequent to the measurement date	$ 78,626	-
Total	$ 127,389	$(5,861)

The $78,626 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30		Amount
2025	$	3,857
2026		3,533
2027		5,879
2028		4,396
2029		4,399
Thereafter		20,838
Total	$	42,902

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

D. Actuarial Assumptions

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

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

County and School Board Non-Professional Plan

Mortality Rates – General and Non-Hazardous Duty Employees

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

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

D. Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 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 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 are as follows:

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

School Board Professional Plan

Mortality Rates – Teachers

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

June 30, 2024

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

D. Actuarial Assumptions (continued)

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

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

E. Net VLDP OPEB Liability

The net OPEB liabilities (NOL) for the County, School Board non-professional and School Board professional plans VLDP represents the programs' total OPEB liabilities determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the County, School Board non-professional and School Board professional plans VLDP is as follows (amounts expressed in thousands):

	County and School Board Non-Professional Plans	School Board Professional Plan
	VLDP OPEB Plans	
Total Employee VLDP OPEB liability	$ 9,525	$ 10,672
Plan fiduciary net position	11,134	10,007
Employers' net VLDP OPEB liability (asset)	$ (1,609)	$ 665
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	116.89%	93.77%

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

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

F. Long-Term Expected Rate of Return

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

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

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

G. Discount Rate

The discount rate used to measure the total VLDP OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the County and School Board non-professional and professional plans for the VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023, on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the School Board non-professional and School board professional plans VLDP OPEB plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total School Board non-professional School Board professional plans VLDP OPEB liabilities.

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

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	$(7,674)	$(14,646)	$(20,755)
School Board Non-Professional	$(1,320)	$(2,518)	$(3,569)
School Board Professional	$ 28,163	$ 9,991	$ 5,810

I. VLDP OPEB Fiduciary Net Position

Detailed information about the School Board non-professional plan VLDP's Fiduciary Net Position is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/Pdf/Publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

June 30, 2024

Aggregate Other Post Employement Benefits (OPEB) Information

	Primary Government			
	Net OPEB Liability/ (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense/(Revenue)
County OPEB Plans				
Medical Insurance Program	$ 1,042,584	$ 20,712	$ 368,469	$ 2,905
Group Life Insurance Program	936,784	293,934	133,844	62,050
Health Insurance Credit Program	108,364	74,877	15,362	24,234
Virginia Local Disability Program	(14,646)	60,709	10,540	37,173
Total County Plans	$ 2,073,086	$ 450,232	$ 528,215	$ 126,362

	Component Unit School Board			
	Net OPEB Liability/ (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense/(Revenue)
School Board Non-Professional Plans				
Medical Insurance Program	$ -	$ -	$ -	$ -
Group Life Insurance Program	111,296	53,848	37,996	6,284
Health Insurance Credit Program	60,481	25,901	35,330	(383)
Virginia Local Disability Program	(2,518)	10,233	2,576	6,436
Total School Board Non-Professional	$ 169,259	$ 89,982	$ 75,902	$ 12,337
School Board Professional Plans				
Medical Insurance Program	$ 3,554,028	$ 638,034	$ 1,362,481	$ 259,440
Group Life Insurance Program	1,926,217	513,140	298,075	94,519
Health Insurance Credit Program	4,584,730	786,768	285,794	369,217
Virginia Local Disability Program	9,991	127,389	5,861	52,850
Total School Board Professional	$ 10,074,966	$ 2,065,331	$ 1,952,211	$ 776,026
Total Component Unit Plans	$ 10,244,225	$ 2,155,313	$ 2,028,113	$ 788,363

Note 13 – Commitments and Contingent Liabilities

A. Joint Ventures

Southeastern Public Service Authority (SPSA)

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

Western Tidewater Water Authority (WTWA)

In September 2009, the County amended its agreement with the Western Tidewater Water Authority ("WTWA") which provides for construction of the Western Branch Pipeline used to convey purchased raw water. The amendment to the contract contains provisions for the Authority to negotiate a water supply agreement between the Cities of Suffolk and Norfolk and the County. In addition, the County pays a fixed charge as an outside customer to the City of Suffolk to reserve the capacity for County's annual water resource requirements. The County pays a fixed charge to the Western Tidewater Water Authority for access to its water supply reservoir. In fiscal year 2024, the County contributed approximately $1,396,809 to the Authority for the City of Norfolk and $1,952,920 to the City of Suffolk. The County also contributed $29,059 during the year for its share of costs incurred by the Authority.

B. Post Closure Landfill Costs

State and federal laws and regulations require the County to perform certain continuing maintenance and monitoring functions subsequent to the closure of a landfill site. The County ceased accepting solid waste at its landfill in 1987 and completed initial closure measures in that same year. The County closed its landfill prior to the date mandated by state and federal law and regulation and, therefore, the County is only liable for post-closure monitoring. During fiscal year 2006, the County was deemed to be in violation of the Virginia Solid Waste Management Regulations and the approved Closure Plan. The County submitted a corrective action plan to the Commonwealth's Department of Environmental Quality. During 2008, the County provided for additional financial assurance in the amount of $1,000,000. This amount was reduced to the actual cost of implementation of the CAP, upon approval of VDEQ. The current estimated future annual total cost of the post-closure monitoring and maintenance is $1,963,743 based on the expected cost for all equipment, facilities and services required to monitor and maintain the landfill post-closure.

During the fiscal year ended June 30, 2024, the County expended $118,910 in post-closure costs. The current costs of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, technology or change in applicable laws or regulations.

Note 13 – Commitments and Contingent Liabilities (Continued)

C. Risk Management

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

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

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

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

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

The changes in medical claims liability for the three years ended June 30, 2024 are as follows:

	2024	2023	2022
Claims liabilities, beginning of year	$ 559,979	$ 413,660	$ 296,180
Claims and changes in estimates	7,915,564	7,135,425	6,163,366
Claims payments and changes in estimates	(7,975,401)	(6,989,106)	(6,045,886)
Claims liabilities, end of year	$ 500,142	$ 559,979	$ 413,660

Note 13 – Commitments and Contingent Liabilities (Continued)

D. Encumbrances

Outstanding encumbrances at year end represent the estimated amount of the expenditures required to complete contracts, purchase orders and other commitments in process of completion at fiscal year end. Encumbrances are reflected in the financial statements as a part of Assigned Fund Balance. Outstanding encumbrances as of June 30, 2024 for the County are as follows:

Governmental Funds		
General Fund	$	162,447
Grants		105,022
Capital Projects		3,689,541
Total	$	3,957,010

E. Pension and Other Post Employment Benefits

Pension and Other Post Employment Benefits (OPEB) are long term liabilities created by a commitment to provide benefits to employees post employment. The Net Pension Liability and Net OPEB Liability are determined by an actuarial assessment and presented on the face of the financial statements. Amounts for deferred inflows and deferred outflows are also presented on the face of the financial statements. Details about the actuarial assessment and inflows and outflows are presented in the Pension and OPEB note disclosures. Individual plan expenses are also presented in those notes. Aggregate amounts of the recognized pension expense and OPEB expense for the Fiscal Year ended June 30, 2024 are presented below.

Aggregate pension expense recognized for the fiscal year ended June 30, 2024

	County	School Board Professional	School Board Non-Professional	Total
Pension Expense	$ 1,038,506	$ 4,153,915	$ 110,695	$ 5,303,116

Aggregate other post employment benefits expense recognized as of June 30, 2024

	County	School Board Professional	School Board Non-Professional	Total
Medical Insurance	$ 2,905	$ 259,440	$ -	$ 262,345
Group Life	62,050	94,519	6,284	162,853
Health Insurance Credit	24,234	369,217	(383)	393,068
Disability Program	37,173	52,850	6,436	96,459
	$ 126,362	$ 776,026	$ 12,337	$ 914,725

Note 13 – Commitments and Contingent Liabilities (Continued)

F. Contingencies

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

G. Litigation

The County is a defendant in litigation filed by a party alleging the County's failure to maintain a drainage easement resulting in erosion and unlawful taking of their real property. The County is vigorously defending the case. The facts and legal basis of this case are similar to a matter in which the County received a favorable decision. The County believes that it will also prevail in this matter and no contingency has been recognized in the financial statements. The possible outcome ranges from a verdict for the County to a loss of approximately $150,000.

Note 14 – Deferred and Unavailable Revenue

At June 30, 2024, deferred and unavailable revenue were reported as follows:

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	$ -	$ 4,390,013
Assessments intended to fund future expenditures	16,232,302	16,232,302
Prepaid property taxes due in December 2024 but paid in advance by taxpayers	142,353	142,353
	$ 16,374,655	$ 20,764,668

Note 15 – Annexation Agreement

The County has entered into an agreement with the City of Franklin (City) whereby the City waived any and all of its rights and power to seek the annexation of the County’s territory within a designated area adjacent to the City. In return, the County agreed to share local tax revenues collected by the County within the designated area using a predetermined formula. For the year ended June 30, 2024, the payments made to the City were $913,223 for collections through June 30, 2023.

Note 16 - Tax Abatements

Isle of Wight County negotiates performance agreements on an individual basis with private entities to stimulate investments and job creation. There were no tax abatements in fiscal year 2024.

June, 30, 2024

Note 17 – Fund Balances

The County has the following fund balance classifications at June 30, 2024:

	General	Capital Projects	Debt Service	Other Governmental	Total
Restricted for:					
Animal Control	-	-	-	83,135	83,135
RAD	-	-	-	19,687	19,687
Asset Forfeiture	-	-	-	55,422	55,422
Parks & Recreation Scholarships	-	-	-	357	357
National Night Out	-	-	-	3,257	3,257
Opiod Settlement	-	-	-	204,371	204,371
Lease proceeds	93,194	-	-	-	93,194
Forestry Sustainability Funds	15,568	-	-	-	15,568
Fire & Rescue ATL Funds	48,386	-	-	-	48,386
Four-4-Life	22,391	-	-	-	22,391
Salty Southern Route	9,014	-	-	-	9,014
Capital Projects	-	1,572,974	-	-	1,572,974
Total Restricted	188,553	1,572,974	-	366,229	2,127,756
Committed for:					
Technology Fees	49,495	-	-	-	49,495
Debt service - PACE	2,114,545	-	-	-	2,114,545
Economic Development	976,336	-	-	-	976,336
SS4A Grant Match	-	-	-	42,800	42,800
Drug Court	-	-	-	51,335	51,335
Total Committed	3,140,376	-	-	94,135	3,234,511
Assigned to:					
Capital Projects	-	13,547,750	-	-	13,547,750
Revalulation Assessment Reserve	130,000	-	-	-	130,000
Assigned to next year commitments	5,400,000	-	-	-	5,400,000
Encumbrances	162,447	-	-	-	162,447
Special Revenue	-	-	-	490,504	490,504
Debt Service	-	-	2,928,228	-	2,928,228
Total Assigned	5,692,447	13,547,750	2,928,228	490,504	22,658,929
Unassigned	26,610,423	-	-	-	26,610,423
	$ 35,631,799	$ 15,120,724	$ 2,928,228	$ 950,868	$ 54,631,619

June 30, 2024

Note 18 - Net Investment in Capital Assets

Net Investment in Capital Assets Calculation- Primary Government

	Governmental Activities	Business- Type Activities
Total capital assets (both tangible and intangible)	$ 105,584,132	$ 52,566,228
Less: Accumulated depreciation/amortization	34,997,368	21,638,905
Net carrying value of capital assets	70,586,764	30,927,323
Less:		
● All outstanding principal of capital-related debt/borrowings related to the government's own capital assets, including borrowing used to refund capital-related borrowings	136,572,774	32,340,995
● Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	455,524	296,602
● Unamortized original issue premiums on outstanding capital debt	-	-
● Capital-related deferred inflows of resources (such as a gain on refunding of outstanding capital debt)	-	-
	137,028,298	32,637,597
Plus:		
● Unamortized balance of original issue discounts on outstanding capital debt	-	-
● Unamortized balance of capital-related deferred outflows of resources, such as from"losses" on refunding of outstanding capital debt	6,858,139	2,283,848
● Capital Borrowings related to unspent bond proceeds	4,490,353	-
	11,348,492	2,283,848
Equals: Net investment in capital assets	$ (55,093,042)	$ 573,574

Note 18 - Net Investment in Capital Assets (Continued)

Net Investment in Capital Assets Calculation- Component Units

	School Board	Economic Development Authority
Total capital assets (both tangible and intangible)	$ 199,427,258	$ 5,065,517
Less: Accumulated depreciation/amortization	81,266,301	3,562,125
Net carrying value of capital assets	118,160,957	1,503,392
Less:		
● All outstanding principal of capital-related debt/borrowings related to the government's own capital assets, including borrowing used to refund capital-related borrowings	5,315,270	-
● Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	-	-
● Unamortized original issue premiums on outstanding capital debt	-	-
● Capital-related deferred inflows of resources (such as a gain on refunding of outstanding capital debt)	-	-
	5,315,270	-
Plus:		
● Unamortized balance of original issue discounts on outstanding capital debt	-	-
● Unamortized balance of capital-related deferred outflows of resources, such as from"losses" on refunding of outstanding capital debt	-	-
● Capital Borrowings related to unspent bond proceeds	-	-
	-	-
Equals: Net investment in capital assets	$ 112,845,687	$ 1,503,392

Note 19 - Subsequent Events

Issuance of Financial Obligations

On October 30, 2024, the County issued its $6,920,000 General Obligation School Bond, Series 2024, to the Virginia Public School Authority to finance various capital improvements for the County's public school system.

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Required Supplementary Information

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County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Primary Government				
General fund:				
Revenues and Other Financing Sources				
Revenue from local sources:				
General property taxes:				
Real property	$ 46,052,592	$ 46,052,592	$ 43,722,606	$ (2,329,986)
Real and personal public service corporation property	1,350,000	1,350,000	1,210,054	(139,946)
Personal property	14,850,000	14,850,000	15,660,210	810,210
Boat/Airplane	140,000	140,000	155,031	15,031
Mobile home	185,000	185,000	166,072	(18,928)
Machinery and tools	5,929,000	5,929,000	5,951,145	22,145
Equipment	2,150,000	2,150,000	2,145,078	(4,922)
Penalties	450,000	450,000	611,972	161,972
Interest and other costs	180,000	180,000	295,459	115,459
Total general property taxes	71,286,592	71,286,592	69,917,627	(1,368,965)
Other local taxes:				
Local sales and use	4,300,000	4,300,000	4,287,639	(12,361)
Communications sales and use	450,000	450,000	479,157	29,157
Consumer's utility	1,000,000	1,000,000	1,055,971	55,971
Consumption	140,000	140,000	130,145	(9,855)
Business license	1,200,000	1,200,000	1,175,189	(24,811)
Motor vehicle licenses	1,160,000	1,160,000	1,088,547	(71,453)
Recordation and wills	700,000	700,000	591,835	(108,165)
Lodging	85,000	85,000	95,181	10,181
Meals tax	725,000	725,000	804,159	79,159
Bank franchise	12,000	12,000	22,385	10,385
Local penalties	7,000	7,000	14,567	7,567
Local interest	2,000	2,000	5,701	3,701
Total other local taxes	9,781,000	9,781,000	9,750,476	(30,524)
Permits, fees and licenses:				
Animal licenses	35,000	35,000	31,903	(3,097)
Land use application and transfer fees	1,000	1,000	1,636	636
Zoning and subdivision fees	75,000	75,000	96,286	21,286
Building permits	400,000	400,000	543,223	143,223
Concealed weapon permits	40,000	40,000	28,936	(11,064)
Misc permits/fees	60,000	60,000	73,972	13,972
Total permits, fees and licenses	611,000	611,000	775,956	164,956
Fines and forfeitures	84,000	84,000	130,152	46,152
Total fines and forfeitures	84,000	84,000	130,152	46,152

See accompanying Notes to Required Supplementary Information

Continued

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues from use of money and property:				
Revenues from use of money	$ 500,000	$ 975,000	$ 1,940,651	$ 965,651
Revenues from use of property	185,000	185,000	224,535	39,535
Total revenues from use of money and property	685,000	1,160,000	2,165,186	1,005,186
Charges for services:				
Charges for Commonwealth's Attorney	11,000	11,000	16,667	5,667
Charges for parks and recreation	263,064	263,064	234,725	(28,339)
Charges for building construction court fee	30,000	30,000	34,496	4,496
Charges for law enforcement and other protections	117,000	117,000	117,270	270
Charges for emergency medical services	1,100,000	1,100,000	1,476,705	376,705
Charges for tourism activities	85,500	89,797	85,833	(3,964)
Charges for other services	102,000	102,000	46,742	(55,258)
Total charges for services	1,708,564	1,712,861	2,012,438	299,577
Miscellaneous:				
Miscellaneous	653,500	714,047	600,878	(113,169)
Total miscellaneous	653,500	714,047	600,878	(113,169)
Recovered costs:				
Indirect cost allocation	722,740	722,740	602,547	(120,193)
Recovered costs	334,005	1,703,592	1,837,300	133,708
Total recovered costs	1,056,745	2,426,332	2,439,847	13,515
Other local sources:				
Salty Southern Route	5,500	5,500	6,000	500
Total other local sources	5,500	5,500	6,000	500
Total revenues from local sources	85,871,901	87,781,332	87,798,560	17,228
Revenue from the Commonwealth:				
Noncategorical aid:				
State personal property tax relief	5,115,890	5,115,890	5,115,890	-
Other revenue from the Commonwealth	372,000	372,000	382,611	10,611
Total noncategorical aid	5,487,890	5,487,890	5,498,501	10,611
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	475,166	475,166	502,077	26,911
Sheriff	1,532,467	1,532,467	1,619,410	86,943
Commissioner of the Revenue	172,844	172,844	195,666	22,822
Treasurer	153,257	153,257	151,493	(1,764)
Registrar/electoral board	58,290	58,290	115,770	57,480
Clerk of the Circuit Court	325,855	325,855	329,963	4,108
Technology Trust Fund	22,698	58,298	72,024	13,726
Total shared expenses	2,740,577	2,776,177	2,986,403	210,226

See accompanying Notes to Required Supplementary Information

Continued

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other categorical aid:				
State grants	$ 145,766	$ 226,765	$ 170,451	$ (56,314)
Total other categorical aid	145,766	226,765	170,451	(56,314)
Total categorical aid	2,886,343	3,002,942	3,156,854	153,912
Total revenues from the Commonwealth	8,374,233	8,490,832	8,655,355	164,523
Revenue from the federal government:				
QSCB Federal Tax Credit	318,263	318,263	319,202	939
Total revenues from the federal government	318,263	318,263	319,202	939
Other financing sources:				
Interfund transfers	322,917	324,741	314,593	(10,148)
Lease liabilities issued	-	-	415,944	415,944
Subscription liabilities issued	-	-	146,658	146,658
Issuance of debt	598,800	598,800	632,974	34,174
Insurance recovery	50,000	118,693	104,549	(14,144)
Appropriated Fund Balance	-	1,778,826	-	(1,778,826)
Total other financing sources	971,717	2,821,060	1,614,718	(1,206,342)
Total General Fund revenues and other financing sources	95,536,114	99,411,487	98,387,835	(1,023,652)
Expenditures and Other Financing Uses				
General government administration				
Legislative:				
Board of Supervisors	372,373	373,659	351,351	22,308
Total legislative	372,373	373,659	351,351	22,308
General and financial administration:				
Budget and finance	895,930	961,716	1,082,797	(121,081)
Admin - Commissioner of the Revenue	868,607	896,438	888,949	7,489
County Administrator	531,119	532,942	528,922	4,020
County Attorney	496,743	497,497	331,976	165,521
Human resources	524,396	545,239	497,212	48,027
Purchasing	177,831	150,435	110,224	40,211
Communications	140,639	142,232	123,744	18,488
Real estate assessment	178,500	179,030	23,919	155,111
Admin - Treasurer	1,135,479	998,277	769,038	229,239
Total general and financial administration	4,949,244	4,903,806	4,356,781	547,025
Board of Elections:				
Registrar/electoral board and officials	545,968	548,554	505,057	43,497
Total Board of Elections	545,968	548,554	505,057	43,497
Total general government administration	5,867,585	5,826,019	5,213,189	612,830
Judicial administration:				
Courts:				
Circuit Court	99,400	115,011	113,273	1,738
General District Court	29,612	30,398	28,790	1,608
Fifth District Court services unit	221,281	1,590,981	1,514,310	76,671
Juvenile and Domestic Relations District Court	15,402	15,402	8,520	6,882
Expenses - Clerk of the Circuit Court	735,867	776,176	724,587	51,589
Total courts	1,101,562	2,527,968	2,389,480	138,488
Commonwealth's Attorney	1,003,854	1,008,987	952,737	56,250
Total Commonwealth's Attorney	1,003,854	1,008,987	952,737	56,250
Total judicial administration	2,105,416	3,536,955	3,342,217	194,738

See accompanying Notes to Required Supplementary Information

Continued

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 7,917,696	$ 8,141,077	$ 8,165,592	$ (24,515)
Total law enforcement and traffic control	7,917,696	8,141,077	8,165,592	(24,515)
Fire and rescue services:				
Emergency services	670,128	654,885	645,309	9,576
Fire and rescue response	4,439,527	4,864,743	4,736,145	128,598
Fire & Rescue - Station Services	1,707,295	1,733,057	1,689,161	43,896
Total fire and rescue services	6,816,950	7,252,685	7,070,615	182,070
Other protection:				
Animal control	745,124	741,888	646,226	95,662
Western Tidewater Regional Jail	1,259,298	1,259,298	1,259,298	-
Total other protection	2,004,422	2,001,186	1,905,524	95,662
Total public safety	16,739,068	17,394,948	17,141,731	253,217
Public works:				
Administration:				
General Administration	337,251	340,695	328,665	12,030
Transportation	473,978	463,222	402,994	60,228
Total administration	811,229	803,917	731,659	72,258
Sanitation and waste removal:				
Programs and inspections	97,080	95,390	94,936	454
Refuse collection	3,341,499	3,469,871	3,194,546	275,325
Total sanitation and waste removal	3,438,579	3,565,261	3,289,482	275,779
Maintenance of general buildings and grounds:				
General Properties (Bldg&Grds)	1,718,525	1,719,776	1,688,795	30,981
Total maintenance of general buildings and grounds	1,718,525	1,719,776	1,688,795	30,981
Total public works	5,968,333	6,088,954	5,709,936	379,018
Health and welfare:				
Court Appointed Special Advocate	25,000	25,000	25,000	-
Genieve Shelter	20,000	20,000	20,000	-
Endependence Center of Tidewater	10,000	10,000	10,000	-
IOW Christian Outreach	35,000	35,000	35,000	-
Senior Services of Southeastern Hampton Roads	138,440	138,440	138,440	-
Western Tidewater Health District	580,000	580,000	580,000	-
Western Tidewater Community Service Board	297,890	297,890	297,890	-
Western Tidewater Free Clinic	78,369	78,369	78,369	-
Total health and welfare	1,184,699	1,184,699	1,184,699	-
Parks and recreation:				
Parks and recreation	$ 363,936	$ 393,266	$ 385,396	$ 7,870
Parks and recreation programs	904,208	897,760	801,574	96,186
Parks and gateways	1,102,287	1,127,979	1,012,105	115,874
Total parks and recreation	2,370,431	2,419,005	2,199,075	219,930

See accompanying Notes to Required Supplementary Information

Continued

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Library:				
Library administration	1,046,756	1,046,756	1,045,057	1,699
Total library	1,046,756	1,046,756	1,045,057	1,699
Total parks, recreation and cultural	3,417,187	3,465,761	3,244,132	221,629
Community development:				
Planning & Zoning	1,086,051	1,112,744	925,554	187,190
Inspections - building	829,428	834,625	742,115	92,510
Economic Development	808,393	1,586,901	476,409	1,110,492
Tourism	728,509	743,017	715,866	27,151
Other Public Service Organizations	152,500	152,500	152,500	-
Isle of Wight Arts	4,500	4,500	4,500	-
Annexation settlement payment	1,071,000	1,071,000	913,223	157,777
Cooperative extension program	86,934	94,956	84,643	10,313
Total community development	4,767,315	5,600,243	4,014,810	1,585,433
Nondepartmental	4,636,143	3,957,502	2,578,103	1,379,399
Debt Service	11,953,928	12,284,428	12,280,511	3,917
Education	30,459,069	30,934,069	30,573,702	360,367
Total education	42,412,997	43,218,497	42,854,213	364,284
Other financing uses:				
Transfers out	8,437,371	9,137,909	8,283,841	854,068
Total other financing uses	8,437,371	9,137,909	8,283,841	854,068
Total General Fund expenditures and other financing uses	95,536,114	99,411,487	93,566,871	5,844,616
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	4,820,964	4,820,964
Fund balance-beginning of year	-	-	30,810,835	30,810,835
Fund balance-end of year	$ -	$ -	$ 35,631,799	$ 35,631,799

See accompanying Notes to Required Supplementary Information

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June 30, 2024

Notes to Budget and Actual Required Supplementary Information

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

1. On or before April 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The General and Capital Projects Fund budgets include proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the fund level or classification level. Only the Board of Supervisors can revise the appropriation for each fund or classification The County Administrator is authorized to transfer budgeted amounts within general government funds. However, the School Board is authorized to transfer budgeted amounts within the school system's classifications.

5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General, Special Revenue, Capital Projects, and Proprietary funds of the Primary Government and Component Unit - School Board.

6. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

7. Appropriations lapse on June 30 for all County units with the exception of funds, contracts, projects that have been restricted, committed or assigned may be carried over ("ROLLED OVER") annually. This process is authorized by the annual budget ordinance Section 10 and meets the budget and appropriation requirements mandated by state law. All unexpended appropriations of the School Board revert back to the County at the end of each fiscal year.

8. The Primary Government has assigned fund balance for encumbrances.

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Changes in County Net Pension Liability and Related Ratios
Virginia Retirement System

June 30, 2024

County

	For Fiscal Year Ended June 30				
	2023	**2022**	**2021**	**2020**	**2019**
Total pension liability					
Service cost	$ 2,300,712	$ 1,834,839	$ 1,699,060	$ 1,687,629	$ 1,568,075
Interest	4,265,337	4,054,437	3,660,599	3,405,540	3,251,497
Differences between expected and actual experience	(144,501)	(612,305)	(1,002,611)	1,215,874	63,445
Changes of assumptions	-	-	2,200,152	-	1,475,910
Benefit payments, including refunds of employee contributions	(2,751,434)	(2,485,361)	(2,629,437)	(2,431,349)	(2,281,527)
Net change in total pension liability	3,670,114	2,791,610	3,927,763	3,877,694	4,077,400
Total pension liability - beginning	62,265,184	59,473,574	55,545,811	51,668,117	47,590,717
Total pension liability - ending (a)	$ 65,935,298	$ 62,265,184	$ 59,473,574	$ 55,545,811	$ 51,668,117
Pension fiduciary net position					
Contributions - employer	$ 1,997,760	$ 1,604,941	$ 1,428,117	$ 1,345,369	$ 1,306,667
Contributions - employee	872,942	753,803	702,117	715,155	684,102
Net investment income	3,907,484	(78,884)	13,064,315	912,953	2,971,352
Benefit payments, including refunds of employee contributions	(2,751,434)	(2,485,361)	(2,629,437)	(2,431,349)	(2,281,527)
Administrative expense	(37,978)	(37,123)	(32,089)	(30,468)	(28,973)
Other changes	1,583	1,408	1,236	(1,074)	(1,881)
Net change in plan fiduciary net position	3,990,357	(241,216)	12,534,259	510,586	2,649,740
Plan fiduciary net position - beginning	59,938,820	60,180,036	47,645,777	47,135,191	44,485,451
Plan fiduciary net position - ending (b)	$ 63,929,177	$ 59,938,820	$ 60,180,036	$ 47,645,777	$ 47,135,191
County's net pension liability - ending (a)-(b)	$ 2,006,121	$ 2,326,364	$ (706,462)	$ 7,900,034	$ 4,532,926
Plan fiduciary net position as a percentage of the total pension liability	96.96%	96.26%	101.19%	85.78%	91.23%
Covered payroll	$ 18,396,558	$ 15,928,979	$ 14,841,845	$ 13,176,974	$ 13,512,585
County's net pension liability as a percentage of covered payroll	10.90%	14.60%	(4.76)%	59.95%	33.55%

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Changes in County Net Pension Liability and Related Ratios
Virginia Retirement System (Continued)

June 30, 2024

County

	For Fiscal Year Ended June 30				
	2018	**2017**	**2016**	**2015**	**2014**
Total pension liability					
Service cost	$ 1,568,714	$ 1,541,242	$ 1,495,249	$ 1,458,672	$ 1,417,914
Interest	3,051,817	2,826,947	2,716,218	2,533,894	2,390,589
Differences between expected and actual experience	341,990	928,085	(818,238)	306,482	-
Changes of assumptions	-	(131,919)	-	-	-
Benefit payments, including refunds of employee contributions	(1,938,384)	(1,965,461)	(1,657,309)	(1,731,525)	(1,791,060)
Net change in total pension liability	3,024,137	3,198,894	1,735,920	2,567,523	2,017,443
Total pension liability - beginning	44,566,580	41,367,686	39,631,766	37,064,243	35,046,800
Total pension liability - ending (a)	$ 47,590,717	$ 44,566,580	$ 41,367,686	$ 39,631,766	$ 37,064,243
Pension fiduciary net position					
Contributions - employer	$ 1,153,033	$ 1,103,715	$ 1,232,527	$ 1,131,871	$ 1,354,797
Contributions - employee	701,159	623,563	615,182	568,417	663,795
Net investment income	3,075,982	4,543,101	645,055	1,604,942	4,757,268
Benefit payments, including refunds of employee contributions	(1,938,384)	(1,965,461)	(1,657,309)	(1,731,525)	(1,791,060)
Administrative expense	(26,131)	(25,913)	(22,272)	(21,686)	(25,127)
Other changes	(2,761)	(4,058)	(272)	(340)	251
Net change in plan fiduciary net position	2,962,898	4,274,947	812,911	1,551,679	4,959,924
Plan fiduciary net position - beginning	41,522,553	37,247,606	36,434,695	34,883,016	29,923,092
Plan fiduciary net position - ending (b)	$ 44,485,451	$ 41,522,553	$ 37,247,606	$ 36,434,695	$ 34,883,016
County's net pension liability - ending (a)-(b)	$ 3,105,266	$ 3,044,027	$ 4,120,080	$ 3,197,071	$ 2,181,227
Plan fiduciary net position as a percentage of the total pension liability	93.48%	93.17%	90.04%	91.93%	94.12%
Covered payroll	$ 13,087,775	$ 12,527,980	$ 11,803,972	$ 11,257,635	$ 10,876,942
County's net pension liability as a percentage of covered payroll	23.73%	24.30%	34.90%	28.40%	20.05%

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Changes in School Board Non-Professional Net Pension Liability and Related Ratios
Virginia Retirement System

June 30, 2024

School Board Non-Professional

	For Fiscal Year Ended June 30				
	2023	**2022**	**2021**	**2020**	**2019**
Total Pension Liability					
Service cost	$ 217,231	$ 163,694	$ 162,388	$ 183,305	$ 166,758
Interest	476,136	473,134	435,245	406,986	408,944
Differences between expected and actual experience	265,870	(170,239)	(8,675)	220,047	(166,696)
Changes of assumptions	-	-	208,317	-	153,119
Benefit payments, including refunds of employee contributions	(532,186)	(419,115)	(380,212)	(403,153)	(346,353)
Net change in total pension liability	427,051	47,474	417,063	407,185	215,772
Total pension liability - beginning	7,102,723	7,055,249	6,638,186	6,231,001	6,015,229
Total pension liability - ending (a)	$ 7,529,774	$ 7,102,723	$ 7,055,249	$ 6,638,186	$ 6,231,001
Pension fiduciary net position					
Contributions - employer	$ 124,493	$ 125,409	$ 100,854	$ 122,034	$ 152,872
Contributions - employee	98,082	87,534	70,312	81,207	100,355
Net investment income	475,073	(7,306)	1,684,755	118,171	400,739
Benefit payments, including refunds of employee contributions	(532,186)	(419,115)	(380,212)	(403,153)	(346,353)
Administrative expense	(4,848)	(4,818)	(4,277)	(4,167)	(3,958)
Other changes	190	176	158	(141)	(252)
Net change in plan fiduciary net position	160,804	(218,120)	1,471,590	(86,049)	303,403
Plan fiduciary net position - beginning	7,490,994	7,709,114	6,237,524	6,323,573	6,020,170
Plan fiduciary net position - ending (b)	$ 7,651,798	$ 7,490,994	$ 7,709,114	$ 6,237,524	$ 6,323,573
School Board non-professional net pension liability (asset) - ending (a)-(b)	$ (122,024)	$ (388,271)	$ (653,865)	$ 400,662	$ (92,572)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.62%	105.47%	109.27%	93.96%	101.49%
Covered payroll	$ 2,153,219	$ 1,875,339	$ 1,481,467	$ 1,685,917	$ 1,670,732
School Board non-professional net pension liability (asset) as a percentage of covered payroll	(5.67)%	(20.70)%	(44.14)%	23.77%	(5.54)%

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of Changes in School Board Non-Professional Net Pension Liability and Related Ratios
Virginia Retirement System (Continued)

June 30, 2024

School Board Non-Professional	For Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 176,448	$ 176,414	$ 184,282	$ 191,347	$ 220,250
Interest	392,476	379,508	375,141	382,347	371,046
Differences between expected and actual experience	18,586	(11,537)	(159,890)	(328,165)	-
Changes of assumptions	-	(6,991)	-	-	-
Benefit payments, including refunds of employee contributions	(358,161)	(346,120)	(328,182)	(362,980)	(515,046)
Net change in total pension liability	229,349	191,274	71,351	(117,640)	76,673
Total pension liability - beginning	5,785,880	5,594,606	5,523,255	5,640,895	5,564,222
Total pension liability - ending (a)	$ 6,015,229	$ 5,785,880	$ 5,594,606	$ 5,523,255	$ 5,640,895
Pension fiduciary net position					
Contributions - employer	$ 94,286	$ 95,514	$ 135,297	$ 136,787	$ 183,059
Contributions - employee	74,828	81,403	77,177	78,445	80,042
Net investment income	422,832	640,604	91,464	237,020	723,316
Benefit payments, including refunds of employee contributions	(358,161)	(346,120)	(328,182)	(362,980)	(515,146)
Administrative expense	(3,734)	(3,788)	(3,342)	(3,349)	(4,085)
Other changes	(374)	(566)	(39)	(49)	38
Net change in plan fiduciary net position	229,677	467,047	(27,625)	85,874	467,324
Plan fiduciary net position - beginning	5,790,493	5,323,446	5,351,071	5,265,197	4,797,873
Plan fiduciary net position - ending (b)	$ 6,020,170	$ 5,790,493	$ 5,323,446	$ 5,351,071	$ 5,265,197
School Board non-professional net pension liability (asset) - ending (a)-(b)	$ (4,941)	$ (4,613)	$ 271,160	$ 172,184	$ 375,698
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.08%	100.08%	95.15%	96.88%	93.34%
Covered payroll	$ 1,496,603	$ 1,516,095	$ 1,602,936	$ 1,595,356	$ 2,121,914
School Board non-professional net pension liability (asset) as a percentage of covered payroll	(0.33)%	(0.30)%	16.91%	10.79%	17.71%

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of County and School Borard Non-Professional Pension Contributions
Virginia Retirement System

June 30, 2024

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County					
2024	$ 2,300,061	$ 2,300,061	$ -	$ 20,052,842	11.47%
2023	2,110,085	2,110,085	-	18,396,558	11.47%
2022	1,604,862	1,604,862	-	15,928,979	10.08%
2021	1,427,654	1,427,654	-	14,841,845	9.62%
2020	1,345,369	1,345,369	-	13,176,974	10.21%
2019	1,306,667	1,306,667	-	13,512,585	9.67%
2018	1,153,033	1,153,033	-	13,087,775	8.81%
2017	1,103,715	1,103,715	-	12,527,980	8.81%
2016	1,232,527	1,232,527	-	11,803,972	10.44%
2015	1,307,818	1,307,818	-	11,257,635	11.62%
School Board Non-professional					
2024	$ 147,426	$ 147,426	$ -	$ 2,254,226	6.54%
2023	140,821	140,821	-	2,153,219	6.54%
2022	125,410	125,410	-	1,875,339	6.69%
2021	100,854	100,854	-	1,481,467	6.81%
2020	149,840	149,840	-	1,685,917	8.89%
2019	152,872	152,872	-	1,670,732	9.15%
2018	94,286	94,286	-	1,496,603	6.30%
2017	95,514	95,514	-	1,516,095	6.30%
2016	135,297	135,297	-	1,602,936	8.44%
2015	238,553	238,553	-	1,595,356	14.95%

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

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of School Board Professional Net Pension Liability - Proportionate Share of Cost Sharing Plan
Teacher Retirement - Virginia Retirement System

June 30, 2024

For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
School Board's proportion of the net pension liability	0.37912%	0.37495%	0.36300%	0.37339%	0.37230%
School Board's proportionate share of the net pension liability	$ 38,318,435	$ 35,697,485	$ 28,180,044	$ 54,338,051	$ 48,996,795
School Board's covered payroll	$ 37,736,545	$ 34,807,795	$ 31,910,325	$ 40,959,209	$ 36,170,924
School Board's proportionate share of the net pension liability as a percentage of its covered payroll	101.54%	102.56%	88.31%	132.66%	135.46%
Plan fiduciary net position as a percentage of the total pension liability	82.45%	82.61%	85.46%	71.47%	73.51%

	2018	2017	2016	2015	2014
School Board's proportion of the net pension liability	0.36836%	0.36865%	0.37766%	0.37104%	0.37652%
School Board's proportionate share of the net pension liability	$ 43,318,672	$ 45,337,000	$ 51,998,000	$ 47,534,000	$ 45,501,000
School Board's covered payroll	$ 38,245,518	$ 33,773,247	$ 28,290,036	$ 25,481,507	$ 24,619,814
School Board's proportionate share of the net pension liability as a percentage of its covered payroll	113.26%	134.24%	183.80%	186.54%	184.81%
Plan fiduciary net position as a percentage of the total pension liability	74.81%	72.92%	68.28%	70.68%	70.88%

County of Isle of Wight, Virginia

Required Supplementary Information
Schedule of School Board Professional Pension Contributions – Virginia Retirement System

June 30, 2024

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Component Unit School Board (Professional)					
2024	$ 6,663,489	$ 6,663,489	$ -	$ 40,093,194	16.62%
2023	6,271,814	6,271,814	-	37,736,545	16.62%
2022	5,570,195	5,570,195	-	34,807,795	16.00%
2021	5,303,496	5,303,496	-	31,910,325	16.62%
2020	6,422,404	6,422,404	-	40,959,209	15.68%
2019	5,671,601	5,671,601	-	36,170,924	15.68%
2018	5,606,793	5,606,793	-	38,245,518	14.66%
2017	4,951,158	4,951,158	-	33,773,247	14.66%
2016	3,977,579	3,977,579	-	28,290,036	14.06%
2015	6,114,064	6,114,064	-	25,481,507	23.99%

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

June 30, 2024

Note 1. Change of benefit terms: 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:

NON-HAZARDOUS DUTY EMPLOYEES:

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

HAZARDOUS DUTY EMPLOYEES*:*

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

TEACHER (PROFESSIONAL) EMPLOYEES*:*

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

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County of Isle of Wight, Virginia

Schedule of Changes in County OPEB Liability and Related Ratios - Medical Insurance

June 30, 2024

	Fiscal Year Ended June 30			
County	**2024**	**2023**	**2022**	**2021**
Total Medical Insurance OPEB liability:				
Service cost	$ 120,050	$ 94,728	$ 118,688	$ 129,197
Interest	45,656	37,874	28,159	25,793
Differences between expected and actual experience	(180,111)	-	(220,152)	-
Changes in assumptions	(69,309)	35,896	(125,011)	4,632
Benefit payments	(8,903)	(16,720)	(6,343)	(18,833)
Net change in total OPEB liability	(92,617)	151,778	(204,659)	140,789
Total Medical Insurance OPEB liability - beginning	1,135,201	983,423	1,188,082	1,047,293
County total Medical Insurance OPEB liability - ending	$ 1,042,584	$ 1,135,201	$ 983,423	$ 1,188,082
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 18,738,913	$ 14,931,202	$ 14,931,202	$ 14,129,222
Total OPEB liability as a percentage of covered-employee payroll	5.56%	7.60%	6.59%	8.41%

	Fiscal Year Ended June 30		
County	**2020**	**2019**	**2018**
Total Medical Insurance OPEB liability:			
Service cost	$ 139,510	$ 74,762	$ 86,867
Interest	45,025	44,404	44,679
Differences between expected and actual experience	14,748	(59,249)	(210,999)
Changes in assumptions	(286,514)	30,516	13,156
Benefit payments	(17,342)	(22,183)	(22,304)
Net change in total OPEB liability	(104,573)	68,250	(88,601)
Total Medical Insurance OPEB liability - beginning	1,151,866	1,083,616	1,172,217
County total Medical Insurance OPEB liability - ending	$ 1,047,293	$ 1,151,866	$ 1,083,616
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	$ 14,129,222	$ 14,150,662	$ 13,728,179
Total OPEB liability as a percentage of covered-employee payroll	7.41%	8.14%	7.89%

Note to Schedule:

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

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

County of Isle of Wight, Virginia

Schedule of Changes in School Board OPEB Liability and Related Ratios - Medical Insurance

June 30, 2024

School Board Professional	Fiscal Year Ended June 30 2024	2023	2022	2021
Total Medical Insurance OPEB liability:				
Service cost	$ 235,007	$ 188,349	$ 228,784	$ 269,721
Interest	145,524	131,273	113,731	113,752
Changes in assumptions	(334,510)	125,723	(455,792)	15,937
Differences between expected and actual experience	(143,483)	-	(1,183,320)	-
Benefit payments	(199,124)	(227,337)	(213,520)	(266,847)
Net change in total OPEB liability	(296,586)	218,008	(1,510,117)	132,563
Total Medical Insurance OPEB liability - beginning	3,850,614	3,632,606	5,142,723	5,010,160
School Board total Medical Insurance OPEB liability - ending	$ 3,554,028	$ 3,850,614	$ 3,632,606	$ 5,142,723
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 35,572,932	$ 30,465,545	$ 30,465,545	$ 31,436,981
Total OPEB liability as a percentage of covered-employee payroll	9.99%	12.64%	11.92%	16.36%

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

Note to Schedule:

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

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

County of Isle of Wight, Virginia

Schedule of Employer Share of Net OPEB Liability - Group Life Insurance

June 30, 2024

	Measurement Date June 30			
	2023	2022	2021	2020
County:				
Employer's proportion of the net GLI OPEB liability	0.07811%	0.07331%	0.07190%	0.07149%
Employer's proportionate share of the net GLI OPEB liability	$ 936,784	$ 882,723	$ 837,111	$ 1,193,052
Employer's covered payroll	$ 18,400,047	$ 15,945,823	$ 14,712,526	$ 14,712,526
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.09%	5.54%	5.69%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	69.30%	67.21%	54.00%	54.00%
School Board Non-Professional:				
Employer's proportion of the net GLI OPEB liability	0.00928%	0.00877%	0.00729%	0.00827%
Employer's proportionate share of the net GLI OPEB liability	$ 111,296	$ 105,599	$ 84,875	$ 138,013
Employer's covered payroll	$ 2,185,651	$ 1,907,253	$ 1,504,937	$ 1,702,088
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.09%	5.54%	5.64%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	69.30%	67.21%	67.45%	54.00%
School Board Professional:				
Employer's proportion of the net GLI OPEB liability	0.16061%	0.16041%	0.15500%	0.15828%
Employer's proportionate share of the net GLI OPEB liability	$ 1,926,217	$ 1,931,491	$ 1,804,620	$ 2,641,434
Employer's covered payroll	$ 37,833,114	$ 34,893,690	$ 32,001,948	$ 32,574,973
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.09%	5.54%	5.64%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	69.30%	67.21%	67.45%	54.00%

Note to Schedule:

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

County of Isle of Wight, Virginia

Schedule of Employer Share of Net OPEB Liability - Group Life Insurance (Continued)

June 30, 2024

	Measurement Date June 30		
	2019	2018	2017
County:			
Employer's proportion of the net GLI OPEB liability	0.07197%	0.07142%	0.06975%
Employer's proportionate share of the net GLI OPEB liability	$ 1,171,000	$ 1,085,000	$ 1,049,000
Employer's covered payroll	$ 14,091,398	$ 13,578,462	$ 12,865,047
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.31%	7.99%	8.15%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.00%	51.22%	48.86%
School Board Non-Professional:			
Employer's proportion of the net GLI OPEB liability	0.01102%	0.00842%	0.00871%
Employer's proportionate share of the net GLI OPEB liability	$ 179,324	$ 128,000	$ 131,000
Employer's covered payroll	$ 2,160,740	$ 1,600,657	$ 1,606,998
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.30%	8.00%	8.15%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.00%	51.22%	48.86%
School Board Professional:			
Employer's proportion of the net GLI OPEB liability	0.15880%	0.15596%	0.15715%
Employer's proportionate share of the net GLI OPEB liability	$ 2,584,099	$ 2,369,000	$ 2,365,000
Employer's covered payroll	$ 31,129,745	$ 29,655,602	$ 28,986,478
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.30%	7.99%	8.16%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.00%	51.22%	48.86%

Note to Schedule:

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

County of Isle of Wight, Virginia

Schedule of Employer OPEB Contributions - Group Life Insurance

June 30, 2024

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County Plan:					
2024	$ 108,437	$ 108,437	$ -	$ 20,080,943	0.54%
2023	99,360	99,360	-	18,400,047	0.54%
2022	85,453	85,453	-	15,945,823	0.54%
2021	80,421	80,421	-	14,712,526	0.55%
2020	76,554	76,554	-	14,712,526	0.52%
2019	73,368	73,368	-	14,091,398	0.52%
2018	70,608	70,608	-	13,578,462	0.52%
2017	66,898	66,898	-	12,865,047	0.52%
2016	60,109	60,109	-	12,522,770	0.48%
2015	54,945	54,945	-	11,446,842	0.48%
School Board- Non- Professional Plan:					
2024	$ 12,241	$ 12,241	$ -	$ 2,266,805	0.54%
2023	11,803	11,803	-	2,185,651	0.54%
2022	10,299	10,299	-	1,907,253	0.54%
2021	8,127	8,127	-	1,504,937	0.54%
2020	8,851	8,851	-	1,702,088	0.52%
2019	11,236	11,236	-	2,160,740	0.52%
2018	8,323	8,323	-	1,600,657	0.52%
2017	8,356	8,356	-	1,606,998	0.52%
2016	7,730	7,730	-	1,610,420	0.48%
2015	7,861	7,861	-	1,637,741	0.48%
School Board- Professional Plan:					
2024	$ 217,071	$ 217,071	$ -	$ 40,198,351	0.54%
2023	204,299	204,299	-	37,833,114	0.54%
2022	188,426	188,426	-	34,893,690	0.54%
2021	172,811	172,811	-	32,001,948	0.54%
2020	169,390	169,390	-	32,574,973	0.52%
2019	161,875	161,875	-	31,129,745	0.52%
2018	154,209	154,209	-	29,655,602	0.52%
2017	150,730	150,730	-	28,986,478	0.52%
2016	136,004	136,004	-	28,334,241	0.48%
2015	135,062	135,062	-	28,137,894	0.48%

County of Isle of Wight, Virginia

Schedule of Changes in County Net OPEB Liability and Related Ratios - Health Insurance Credit

June 30, 2024

	Measurement Date June 30			
	2023	**2022**	**2021**	**2020**
Total HIC OPEB liability:				
Service cost	$ 7,634	$ 11,123	$ 8,576	$ 7,137
Interest	22,123	18,663	17,166	17,035
Differences between expected and actual experience	18,014	59,323	1,551	(917)
Changes in assumptions	-	(13,471)	5,815	-
Benefit payments	(19,172)	(22,621)	(21,471)	(21,155)
Net change in total OPEB liability	28,599	53,017	11,637	2,100
Total HIC OPEB liability - beginning	329,699	276,682	265,045	262,945
Total HIC OPEB liability - ending (a)	$ 358,298	$ 329,699	$ 276,682	$ 265,045
Plan Fiduciary Net Position:				
Contributions - employer	$ 16,329	$ 17,951	$ 16,701	$ 16,646
Net investment income	13,915	390	49,207	3,829
Benefit payments, including refunds of employee contributions	(19,172)	(22,621)	(21,471)	(21,155)
Administrative expense	(329)	(409)	(574)	(362)
Other changes	518	9,657	-	(2)
Net change in plan fiduciary net position	11,261	4,968	43,863	(1,044)
Plan fiduciary net position - beginning	238,673	233,705	189,842	190,886
Plan fiduciary net position - ending (b)	$ 249,934	$ 238,673	$ 233,705	$ 189,842
Net HIC OPEB Liability - ending (a) - (b)	$ 108,364	$ 91,026	$ 42,977	$ 75,203
Plan fiduciary net position as a percentage of the total HIC OPEB liability	69.76%	72.39%	84.47%	71.63%
Covered payroll	$ 10,205,222	$ 8,974,757	$ 8,349,674	$ 8,240,953
Net OPEB liability as a percentage of covered payroll	1.06%	1.01%	0.51%	0.91%

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

County of Isle of Wight, Virginia

Schedule of Changes in County Net OPEB Liability and Related Ratios - Health Insurance Credit

June 30, 2024

	Measurement Date June 30		
	2019	**2018**	**2017**
Total HIC OPEB liability:			
Service cost	$ 6,822	$ 6,588	$ 6,296
Interest	18,494	17,356	17,128
Differences between expected and actual experience	(24,287)	10,069	-
Changes in assumptions	6,129	-	(4,905)
Benefit payments	(16,834)	(18,665)	(11,866)
Net change in total OPEB liability	(9,676)	15,348	6,653
Total HIC OPEB liability - beginning	272,621	257,273	250,620
Total HIC OPEB liability - ending (a)	$ 262,945	$ 272,621	$ 257,273
Plan Fiduciary Net Position:			
Contributions - employer	$ 15,467	$ 11,235	$ 10,645
Net investment income	11,590	12,396	18,362
Benefit payments, including refunds of employee contributions	(16,834)	(18,665)	(11,866)
Administrative expense	(254)	(284)	(295)
Other changes	(14)	(934)	934
Net change in plan fiduciary net position	9,955	3,748	17,780
Plan fiduciary net position - beginning	180,931	177,183	159,403
Plan fiduciary net position - ending (b)	$ 190,886	$ 180,931	$ 177,183
Net HIC OPEB Liability - ending (a) - (b)	$ 72,059	$ 91,690	$ 80,090
Plan fiduciary net position as a percentage of the total HIC OPEB liability	72.60%	66.37%	68.87%
Covered payroll	$ 7,724,797	$ 7,470,170	$ 7,097,196
Net OPEB liability as a percentage of covered payroll	0.93%	1.23%	1.13%

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

County of Isle of Wight, Virginia

Schedule of County OPEB Contributions - Health Insurance Credit

June 30, 2024

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 17,866	$ 17,866	$ -	$ 11,166,479	0.16%
2023	16,326	16,326	-	10,205,222	0.16%
2022	17,952	17,952	-	8,974,757	0.20%
2021	16,690	16,690	-	8,349,674	0.20%
2020	16,645	16,645	-	8,240,953	0.20%
2019	15,469	15,469	-	7,724,797	0.20%
2018	11,235	11,235	-	7,470,170	0.15%
2017	10,645	10,645	-	7,097,196	0.15%
2016	9,671	9,671	-	6,908,014	0.14%
2015	8,735	8,735	-	6,239,478	0.14%

County of Isle of Wight, Virginia

Schedule of School Board Non-Professional Net OPEB Liability - Proportionate Share of Cost Sharing Plan Health Insurance Credit

June 30, 2024

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

Note to Schedule:

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

County of Isle of Wight, Virginia

Schedule of School Board Non-Professional OPEB Contributions- Health Insurance Credit

June 30, 2024

For the Years Ended June 30, 2021 through June 30, 2024

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

Note to Schedule:

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

County of Isle of Wight, Virginia

Schedule of School Board Professional Net OPEB Liability - Proportionate Share of Cost Sharing Plan Health Insurance Credit

June 30, 2024

	Measurement Date June 30			
	2023	**2022**	**2021**	**2020**
Employer's proportion of the net HIC OPEB liability	0.37846%	0.37347%	0.36082%	0.37066%
Employer's proportionate share of the net HIC OPEB liability	$ 4,584,730	$ 4,664,814	$ 4,631,375	$ 4,835,321
Employer's covered payroll	$ 37,736,545	$ 34,807,795	$ 31,910,324	$ 32,494,868
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	12.15%	13.40%	14.51%	14.88%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	17.90%	15.08%	13.15%	9.95%

	Measurement Date June 30		
	2019	**2018**	**2017**
Employer's proportion of the net HIC OPEB liability	0.36986%	0.36619%	0.36624%
Employer's proportionate share of the net HIC OPEB liability	$ 4,841,827	$ 4,649,000	$ 4,646,000
Employer's covered payroll	$ 31,022,917	$ 29,615,591	$ 28,903,680
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	15.61%	15.70%	16.07%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	8.97%	8.08%	7.04%

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

County of Isle of Wight, Virginia

Schedule of School Board Professional OPEB Contributions - Health Insurance Credit

June 30, 2024

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 485,187	$ 485,187	$ -	$ 40,098,064	1.21%
2023	456,612	456,612	-	37,736,545	1.21%
2022	421,174	421,174	-	34,807,796	1.21%
2021	386,115	386,115	-	31,910,324	1.21%
2020	389,938	389,938	-	32,494,868	1.20%
2019	372,275	372,275	-	31,022,917	1.20%
2018	364,272	364,272	-	29,615,591	1.23%
2017	320,831	320,831	-	28,903,680	1.11%
2016	299,874	299,874	-	28,290,038	1.06%
2015	297,635	297,635	-	28,078,735	1.06%

County of Isle of Wight, Virginia

Schedule of County Share of Net OPEB Liability - Virginia Local Disability Program

June 30, 2024

	Measurement Date June 30			
	2023	**2022**	**2021**	**2020**
Employer's proportion of the net VLDP OPEB liability (asset)	0.91025%	1.00081%	0.99627%	1.00031%
Employer's proportionate share of the net VLDP OPEB liability (asset)	$(14,646)	$(5,884)	$(10,085)	$ 9,985
Employer's covered payroll	$ 5,571,422	$ 4,688,681	$ 4,002,129	$ 3,727,778
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	(0.26)%	(0.13)%	(0.25)%	0.27%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability (asset)	116.89%	107.99%	119.59%	76.84%

	Measurement Date June 30		
	2019	**2018**	**2017**
Employer's proportion of the net VLDP OPEB liability (asset)	0.99652%	1.01654%	1.07225%
Employer's proportionate share of the net VLDP OPEB liability (asset)	$ 20,188	$ 8,000	$ 6,000
Employer's covered payroll	$ 2,651,667	$ 2,468,217	$ 1,968,960
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	0.76%	0.32%	0.30%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability (asset)	49.19%	51.39%	38.40%

Note to Schedule:

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

County of Isle of Wight, Virginia

Schedule of County OPEB Contributions - Virginia Local Disability Program

June 30, 2024

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 55,009	$ 55,009	$ -	$ 6,471,652	0.85%
2023	47,357	47,357	-	5,571,422	0.85%
2022	38,924	38,924	-	4,688,681	0.83%
2021	33,224	33,224	-	4,002,129	0.83%
2020	26,840	26,840	-	3,727,778	0.72%
2019	19,092	19,092	-	2,651,667	0.72%
2018	14,810	14,810	-	2,468,217	0.60%
2017	11,814	11,814	-	1,968,960	0.60%
2016	8,197	8,197	-	1,366,240	0.60%
2015	3,899	3,899	-	649,779	0.60%

County of Isle of Wight, Virginia

Schedule of School Board Non-Professional Share of Net OPEB Liability (Asset) - Virginia Local Disability Program

June 30, 2024

	Measurement Date June 30			
	2023	**2022**	**2021**	**2020**
Employer's proportion of the net VLDP OPEB liability (asset)	0.15652%	0.13306%	0.09363%	0.10671%
Employer's proportionate share of the net VLDP OPEB liability (asset)	$(2,518)	$(782)	$(948)	$ 1,065
Employer's covered payroll	$ 957,966	$ 623,323	$ 376,163	$ 397,699
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	(0.26)%	(0.13)%	(0.25)%	0.27%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	116.89%	107.99%	119.59%	76.84%

	Measurement Date June 30		
	2019	**2018**	**2017**
Employer's proportion of the net VLDP OPEB liability (asset)	0.21506%	0.12581%	0.14372%
Employer's proportionate share of the net VLDP OPEB liability (asset)	$ 4,357	$ 1,000	-
Employer's covered payroll	$ 572,631	$ 305,472	$ 263,907
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	0.76%	0.33%	0.00%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	49.21%	51.39%	38.40%

Note to Schedule:

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

County of Isle of Wight, Virginia

Schedule of School Board Non-Professional OPEB Contributions - Virginia Local Disability Program

June 30, 2024

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 8,937	$ 8,937	$ -	$ 1,051,465	0.85%
2023	8,143	8,143	-	957,966	0.85%
2022	5,174	5,174	-	623,323	0.83%
2021	3,122	3,122	-	376,163	0.83%
2020	2,863	2,863	-	397,699	0.72%
2019	4,121	4,121	-	572,631	0.72%
2018	1,833	1,833	-	305,472	0.60%
2017	1,583	1,583	-	263,907	0.60%
2016	1,466	1,466	-	244,357	0.60%
2015	884	884	-	147,331	0.60%

County of Isle of Wight, Virginia

Schedule of School Board Professional Share of Net OPEB Liability (Asset) - Virginia Local Disability Program

June 30, 2024

	Measurement Date Year June 30			
	2023	**2022**	**2021**	**2020**
Employer's proportion of the net VLDP OPEB liability (asset)	1.50489%	1.44244%	1.28996%	1.32800%
Employer's proportionate share of the net VLDP OPEB liability (asset)	$ 9,991	$(1,622)	$(9,082)	$ 10,655
Employer's covered payroll	$ 14,053,178	$ 11,609,502	$ 8,680,127	$ 7,855,161
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	0.07%	(0.01)%	(0.10)%	0.14%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	93.77%	101.57%	114.46%	78.28%

	Measurement Date Year June 30		
	2019	**2018**	**2017**
Employer's proportion of the net VLDP OPEB liability (asset)	1.29409%	1.27169%	1.02846%
Employer's proportionate share of the net VLDP OPEB liability (asset)	$ 7,523	$ 10,000	$ 6,000
Employer's covered payroll	$ 6,205,524	$ 4,741,727	$ 2,902,316
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	0.12%	0.21%	0.21%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	74.12%	46.18%	31.96%

Note to Schedule:

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

County of Isle of Wight, Virginia

Schedule of School Board Professional OPEB Contributions - Virginia Local Disability Program

June 30, 2024

For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	$ 78,626	$ 78,626	$ -	$ 16,728,905	0.47%
2023	66,050	66,050	-	14,053,178	0.47%
2022	54,565	54,565	-	11,609,502	0.47%
2021	40,797	40,797	-	8,680,127	0.47%
2020	32,206	32,206	-	7,855,161	0.41%
2019	25,443	25,443	-	6,205,524	0.41%
2018	14,699	14,699	-	4,741,727	0.31%
2017	8,997	8,997	-	2,902,316	0.31%
2016	5,607	5,607	-	1,933,512	0.29%
2015	2,342	2,342	-	807,459	0.29%

June 30, 2024

I. Medical Insurance Programs

Changes of Benefit Terms

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

Actuarial Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used for the period presented:

2024	3.93%

The healthcare trend assumption was updated. These rates are consistent with information from the Getzen Trend Model, Milliman's Health Cost Guidelines, and actuarial judgement. Also, the withdrawal, retirement,and mortality assumptions were changed to be consistent with those used in the June 30, 2021 actuarial valuation of the Virginia Retirement System. The combined impact of these changes decreased liabilities by about $5,000.

Mortality Rates

Pre-Retirement Mortality Rates	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service-related.
Post-Retirement Mortality Rates	RP-2014 Employee Rates to age 49, Healthy Annuitant rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.
Post-Disablement Mortality Rates	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

Total OPEB Liability

The Valuation Date is July 1, 2023. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2024. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2024. This is the employer's fiscal year ending date. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and other actuarial assumptions, and was then projected forward to the measurement date.

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

II. Group Life Insurance Program

Changes of Benefit Terms

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

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:

School Board Professional

Teachers

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

County and School Board Non-Professional Plans

General Employees

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

Hazardous Duty Employees

Mortality Rates (pre -retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

III. Health Insurance Credit Program

Changes to Benefit Terms

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

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 20, 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:

County and School Board Non-Professional Plan

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

School Board Professional Plan

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

IV. Virginia Local Disability Program

Changes of Benefit Terms

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

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:

June 30, 2024

County and School Board Non-Professional Plan

Non-Largest Ten Locality Employers - General and Non-Hazardous Duty Employees

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

School Board Professional Plan

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

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Other Supplementary Information
Major Governmental Funds

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Year Ended June 30, 2024

The following funds are presented with other supplementary information:

- The ***Capital Projects Fund*** accounts for revenues and expenditures related to capital projects undertaken by the County as a governmental function. Financial statements have been presented in the Financial Section. This section provides additional budgetary data not presented elsewhere. This fund receives local, state and federal funding depending on the nature of the capital project.

- The ***Debt Service Fund*** accounts for resources assigned for repayments of principal and interest on the long-term debt of the County when a separate fund is required by debt covenants or management desires to build debt reserves. The County does not currently have any debt covenants requiring the debt service fund. This Fund also records the transactions for debt refundings. Financial statements have been presented in the Financial Section. This section provides additional budgetary data not presented elsewhere.

County of Isle of Wight, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Projects

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of money and property	$ -	$ -	$ 621,528	$ 621,528
Miscellaneous	-	1,441,091	338,000	(1,103,091)
Intergovernmental:				
Commonwealth of Virginia	-	850,000	-	(850,000)
Federal	2,951,445	16,423,117	1,980,165	(14,442,952)
Local	-	1,363,623	298,782	(1,064,841)
Total revenues	2,951,445	20,077,831	3,238,475	(16,839,356)
Expenditures				
Economic Development	-	-	1,200,000	(1,200,000)
Education	-	8,297,146	7,352,634	944,512
Capital outlay	4,868,689	35,299,554	6,425,050	28,874,504
Total expenditures	4,868,689	43,596,700	14,977,684	28,619,016
Deficiency of revenues under expenditures	(1,917,244)	(23,518,869)	(11,739,209)	11,779,660
Other financing sources (uses)				
Transfers in	1,088,000	2,281,750	2,281,750	-
Issuance of debt	-	13,008,614	-	(13,008,614)
Insurance recovery	-	39,153	39,154	1
Fund balance	-	8,189,352	-	(8,189,352)
Total other financing sources, net	1,088,000	23,518,869	2,320,904	(21,197,965)
Net change in fund balance	(829,244)	-	(9,418,305)	(9,418,305)
Fund balances - beginning of year	-	-	24,539,029	24,539,029
Fund balances - end of year	$ (829,244)	$ -	$ 15,120,724	$ 15,120,724

County of Isle of Wight, Virginia

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other financing sources (uses)				
Transfers in	$ 204,468	$ 204,468	$ 204,468	$ -
Transfers out	(948,240)	(948,240)	(948,240)	-
Fund balance	743,772	743,772	-	(743,772)
Total other financing sources, net	-	-	(743,772)	(743,772)
Net change in fund balance	-	-	(743,772)	(743,772)
Fund balances - beginning of year	-	-	3,672,000	3,672,000
Fund balances - end of year	$ -	$ -	$ 2,928,228	$ 2,928,228

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Other Supplementary Information
Nonmajor Governmental Funds

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Year Ended June 30, 2024

The following is a brief description of the nonmajor governmental funds reported by the County:

- The ***Department of Social Services Fund*** accounts for revenues and expenditures related to services provided to citizens in the community. Revenues are derived from state and federal funding.

- The ***Children's Services Fund*** accounts for revenues and expenditures related to services provided to the youth of the County. Revenues are derived from state and local funding.

- The ***E-911 Fund*** accounts for revenues and expenditures related to operation of the Emergency Communications Center, which supports all Public Safety Response Agencies of the county. Revenues are derived from local and state collected E911 wireless taxes and recovered costs from the County and the towns of Smithfield and Windsor.

- The ***Community Development Block Grant Fund*** accounts for revenues and expenditures related to management of the Federal rehabilitation loan program for individuals.

- The ***County Fair Fund*** accounts for revenues and expenditures related to services provided to the community to provide entertainment activities emphasizing the agriculture industry of the county. Revenues are derived from charges for services and local funding.

- The ***Grants Fund*** accounts for special revenues that are legally restricted to expenditures for specified purposes. The Grants Fund provides accounting for certain federal and state grants awarded to the County.

- The ***Opioid Settlement Fund*** accounts for special revenues that are legally restricted to expenditures for opioid abatement costs.

County of Isle of Wight, Virginia

Combining Balance Sheets -
Nonmajor Governmental Funds

June 30, 2024

	Department of Social Services Fund	Children's Services Fund	E-911 Fund	Community Development Block Grant Fund
Assets				
Cash and cash equivalents	$ 22,179	$ 46,118	$ -	$ 140,871
Accounts receivable	-	157	171,824	-
Due from other governments	132,846	147,207	49,310	-
Total assets	$ 155,025	$ 193,482	$ 221,134	$ 140,871
Liabiliies				
Accounts payable	$ 40,472	$ 81,628	$ 8,619	$ -
Accrued liabilities	-	-	8,963	-
Amounts held in escrow	-	-	-	-
Due to other funds	-	47,953	187,407	-
Due to other governments	-	-	16,145	-
Unearned revenues	-	-	-	-
Total liabilities	40,472	129,581	221,134	-
Deferred Inflows of Resources				
Settlements	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	114,553	63,901	-	140,871
Total fund balances	114,553	63,901	-	140,871
Total liabilities and fund balances	$ 155,025	$ 193,482	$ 221,134	$ 140,871

County of Isle of Wight, Virginia

Combining Balance Sheets -
Nonmajor Governmental Funds (Continued)

June 30, 2024

	County Fair Fund	Grants Fund	Opioid Settlement Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 199,209	$ -	$ 204,371	$ 612,748
Accounts receivable	-	-	598,554	770,535
Due from other governments	-	553,985	-	883,348
Total assets	$ 199,209	$ 553,985	$ 802,925	$ 2,266,631
Liabiliies				
Accounts payable	$ 14,088	$ 135,630	$ -	$ 280,437
Accrued liabilities	-	2,793	-	11,756
Amounts held in escrow	-	16,364	-	16,364
Due to other funds	-	12,163	-	247,523
Due to other governments	-	-	-	16,145
Unearned revenues	108,433	36,551	-	144,984
Total liabilities	122,521	203,501	-	717,209
Deferred Inflows of Resources				
Settlements	-	-	598,554	598,554
Total deferred inflows of resources	-	-	598,554	598,554
Fund Balances				
Restricted	-	161,858	204,371	366,229
Committed	-	94,135	-	94,135
Assigned	76,688	94,491	-	490,504
Total fund balances	76,688	350,484	204,371	950,868
Total liabilities and fund balances	$ 199,209	$ 553,985	$ 802,925	$ 2,266,631

County of Isle of Wight, Virginia

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

For the Fiscal Year Ended June 30, 2024

	Department of Social Services Fund	Children's Services Fund	E-911 Fund	Community Development Block Grant Fund
Revenues				
Other local taxes	$ -	$ -	$ 478,334	$ -
Revenues from use of money and property	382	-	-	-
Charges for services	-	-	-	-
Miscellaneous	379	-	5,838	-
Recovered costs	-	-	473,624	-
Intergovernmental:				
Commonwealth of Virginia	901,802	310,909	398,536	-
Federal	2,135,689	35,673	-	-
Local	-	-	-	-
Total revenues	3,038,252	346,582	1,356,332	-
Expenditures				
Judicial administration	-	-	-	-
Public safety	-	-	2,786,082	-
Public works	-	-	-	-
Health and welfare	4,199,664	570,656	-	-
Parks, recreation and cultural	-	-	-	-
Community development	-	-	-	-
Total expenditures	4,199,664	570,656	2,786,082	-
Excess (deficiency) of revenues over (under) expenditures	(1,161,412)	(224,074)	(1,429,750)	-
Other financing sources (uses)				
Transfers in	1,161,411	287,975	1,429,750	-
Transfers out	-	-	-	-
Total other financing sources (uses), net	1,161,411	287,975	1,429,750	-
Net change in fund balance	(1)	63,901	-	-
Fund balances (deficit) - beginning of year	114,554	-	-	140,871
Fund balances (deficit) - end of year	$ 114,553	$ 63,901	$ -	$ 140,871

County of Isle of Wight, Virginia

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

For the Fiscal Year Ended June 30, 2024

	County Fair Fund	Grants Fund	Opioid Settlement Fund	Total Governmental Funds
Revenues				
Other local taxes	$ -	$ -	$ -	$ 478,334
Revenues from use of money and property	30,588	-	179	31,149
Charges for services	399,304	-	-	399,304
Miscellaneous	40,588	8,256	97,804	152,865
Recovered costs	-	82	-	473,706
Intergovernmental:				
Commonwealth of Virginia	-	665,561	-	2,276,808
Federal	-	487,471	-	2,658,833
Local	-	7,005	-	7,005
Total revenues	470,480	1,168,375	97,983	6,478,004
Expenditures				
Judicial administration	-	265,796	-	265,796
Public safety	-	457,167	-	3,243,249
Public works	-	19,633	-	19,633
Health and welfare	-	-	-	4,770,320
Parks, recreation and cultural	488,582	1,830	-	490,412
Community development	-	115,329	-	115,329
Total expenditures	488,582	859,755	-	8,904,739
Excess (deficiency) of revenues over (under) expenditures	(18,102)	308,620	97,983	(2,426,735)
Other financing sources (uses)				
Transfers in	-	111,022	-	2,990,158
Transfers out	-	(404,011)	-	(404,011)
Total other financing sources (uses), net	-	(292,989)	-	2,586,147
Net change in fund balance	(18,102)	15,631	97,983	159,412
Fund balances (deficit) - beginning of year	94,790	334,853	106,388	791,456
Fund balances (deficit) - end of year	$ 76,688	$ 350,484	$ 204,371	$ 950,868

County of Isle of Wight, Virginia

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds Department of Social Services Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of property	$ -	$ -	$ 382	$ 382
Miscellaneous	-	-	379	379
Intergovernmental				
Commonwealth of Virginia	1,229,793	1,229,793	901,802	(327,991)
Federal	2,344,132	2,344,132	2,135,689	(208,443)
Total revenues	3,573,925	3,573,925	3,038,252	(535,673)
Expenditures				
Health and welfare	5,320,695	5,320,695	4,199,664	1,121,031
Total expenditures	5,320,695	5,320,695	4,199,664	1,121,031
Excess (deficiency) of revenues over (under) expenditures	(1,746,770)	(1,746,770)	(1,161,412)	585,358
Other financing sources (uses)				
Transfers in	1,750,000	1,750,000	1,161,411	(588,589)
Total other financing sources (uses), net	1,750,000	1,750,000	1,161,411	(588,589)
Net change in fund balance	3,230	3,230	(1)	(3,231)
Fund balances - beginning of year	-	-	114,554	114,554
Fund balances - end of year	$ 3,230	$ 3,230	$ 114,553	$ 111,323

(Continued)

County of Isle of Wight, Virginia

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds
Children's Services Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental				
Commonwealth of Virginia	$ 269,757	$ 306,757	$ 310,909	$ 4,152
Federal	-	-	35,673	35,673
Total revenues	269,757	306,757	346,582	39,825
Expenditures				
Health and welfare	528,791	605,791	570,656	35,135
Total expenditures	528,791	605,791	570,656	35,135
Excess (deficiency) of revenues over (under) expenditures	(259,034)	(299,034)	(224,074)	74,960
Other financing sources (uses)				
Transfers in	259,034	299,034	287,975	(11,059)
Total other financing sources (uses), net	259,034	299,034	287,975	(11,059)
Net change in fund balance	-	-	63,901	63,901
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ 63,901	$ 63,901

(Continued)

County of Isle of Wight, Virginia

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds
E-911 Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Other local taxes	$ 496,000	$ 496,000	$ 478,334	$ (17,666)
Miscellaneous	5,000	5,000	5,838	838
Recovered costs	529,325	529,325	473,624	(55,701)
Intergovernmental				
Commonwealth of Virginia	374,797	374,797	398,536	23,739
Total revenues	1,405,122	1,405,122	1,356,332	(48,790)
Expenditures				
Public safety	2,903,474	3,007,571	2,786,082	221,489
Total expenditures	2,903,474	3,007,571	2,786,082	221,489
Excess (deficiency) of revenues over (under) expenditures	(1,498,352)	(1,602,449)	(1,429,750)	172,699
Other financing sources (uses)				
Transfers in	1,498,352	1,594,602	1,429,750	(164,852)
Fund balance	-	7,847	-	(7,847)
Total other financing sources (uses), net	1,498,352	1,602,449	1,429,750	(172,699)
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ -	$ -

(Continued)

County of Isle of Wight, Virginia

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds
Community Development Block Grant Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Commonwealth of Virginia	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	140,871	140,871
Fund balances - end of year	$ -	$ -	$ 140,871	$ 140,871

(Continued)

County of Isle of Wight, Virginia

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds
County Fair Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of property	$ 36,550	$ 36,550	$ 30,588	$ (5,962)
Charges for services	357,200	357,200	399,304	42,104
Miscellaneous	40,950	40,950	40,588	(362)
Total revenues	434,700	434,700	470,480	35,780
Expenditures				
Parks, recreation and cultural	501,095	501,151	488,582	12,569
Total expenditures	501,095	501,151	488,582	12,569
Excess (deficiency) of revenues over (under) expenditures	(66,395)	(66,451)	(18,102)	48,349
Other financing sources (uses)				
Transfers in	66,395	66,395	-	(66,395)
Fund balance	-	56	-	(56)
Total other financing sources (uses), net	66,395	66,451	-	(66,451)
Net change in fund balance	-	-	(18,102)	(18,102)
Fund balances - beginning of year	-	-	94,790	94,790
Fund balances - end of year	$ -	$ -	$ 76,688	$ 76,688

(Continued)

County of Isle of Wight, Virginia

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds
Grants Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous	$ 4,000	$ 22,806	$ 8,256	$ (14,550)
Recovered costs	-	-	82	82
Intergovernmental				
Commonwealth of Virginia	429,743	916,498	665,561	(250,937)
Federal	65,111	634,643	487,471	(147,172)
Local	-	32,005	7,005	(25,000)
Total revenues	498,854	1,605,952	1,168,375	(437,577)
Expenditures				
Judicial administration	4,000	394,405	265,796	128,609
Public safety	208,122	791,568	457,167	334,401
Public works	-	233,629	19,633	213,996
Parks, recreation and cultural	-	2,187	1,830	357
Community development	35,749	230,550	115,329	115,221
Total expenditures	247,871	1,652,339	859,755	792,584
Excess (deficiency) of revenues over (under) expenditures	250,983	(46,387)	308,620	355,007
Other financing sources (uses)				
Transfers in	71,934	189,338	111,022	(78,316)
Transfers out	(322,917)	(420,991)	(404,011)	16,980
Fund balance	-	278,037	-	(278,037)
Total other financing sources (uses), net	(250,983)	46,384	(292,989)	(339,373)
Net change in fund balance	-	(3)	15,631	15,634
Fund balances - beginning of year	-	-	334,853	334,853
Fund balances - end of year	$ -	$ (3)	$ 350,484	$ 350,487

(Continued)

County of Isle of Wight, Virginia

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Nonmajor Governmental Funds Opioid Settlement Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of property	$ -	$ -	$ 179	$ 179
Miscellaneous	-	-	97,804	97,804
Total revenues	-	-	97,983	97,983
Expenditures				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	97,983	97,983
Net change in fund balance	-	-	97,983	97,983
Fund balances - beginning of year	-	-	106,388	106,388
Fund balances - end of year	$ -	$ -	$ 204,371	$ 204,371

Other Supplementary Information
Internal Service Funds

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June 30, 2024

The following is a brief description of the Internal Service Funds reported by the County:

- The ***Information Technology Fund*** - provides implementation and maintenance of the technology infrastructure.

- The ***Risk Management Fund*** - finances property, workers' compensation, auto and general liability insurance coverage.

County of Isle of Wight, Virginia

Combining Statements of Net Position - Internal Service Funds

June 30, 2024

	Information Technology Fund	Risk Management Fund	Total
Assets			
Current assets			
Cash and cash equivalents	$ 208,311	$ 317,298	$ 525,609
Accounts Receivable - net of allowance	86,308	-	86,308
Total current assets	294,619	317,298	611,917
Noncurrent assets			
Capital assets			
Depreciable - net	105,835	-	105,835
Net other post-employment benefits asset	539	125	664
Total noncurrent assets	106,374	125	106,499
Total assets	400,993	317,423	718,416
Deferred outflows of resources			
Pension plan	74,517	15,804	90,321
Other post-employment benefits	16,647	3,526	20,173
Total deferred outflows of resources	91,164	19,330	110,494
Liabilities			
Current liabilities			
Accounts payable	15,798	632	16,430
Accrued liabilities	338	-	338
Accrued interest payable	9	-	9
Loans payable	5,103	-	5,103
Compensated absences	9,777	2,316	12,093
Total current liabilities	31,025	2,948	33,973
Noncurrent liabilities			
Compensated absences	87,992	20,843	108,835
Other post-employment benefits	64,049	11,195	75,244
Net pension liability	64,994	13,785	78,779
Total noncurrent liabilities	217,035	45,823	262,858
Total liabilities	248,060	48,771	296,831
Deferred inflows of resources			
Pension plan	44,152	9,364	53,516
Other post-employment benefits	15,309	2,410	17,719
Total deferred inflows of resources	59,461	11,774	71,235
Net Position			
Net investment in capital assets	100,731	-	100,731
Restricted - Capital projects	56,212	-	56,212
Restricted - OPEB Asset	539	125	664
Unrestricted	27,154	276,083	303,237
Total net position	$ 184,636	$ 276,208	$ 460,844

County of Isle of Wight, Virginia

Combining Statements of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds

For the Fiscal Year Ended June 30, 2024

	Information Technology Fund	Risk Management Fund	Total
Operating revenues			
Charges for services	$ 1,656,792	$ 823,830	$ 2,480,622
Total operating revenues	1,656,792	823,830	2,480,622
Operating expenses:			
Personnel services	684,099	140,106	824,205
Fringe benefits	234,652	33,979	268,631
Contractual services	8,900	614,937	623,837
Other charges	635,736	27,312	663,048
Depreciation and amortization	58,432	-	58,432
Total operating expenses	1,621,819	816,334	2,438,153
Operating Income (loss)	34,973	7,496	42,469
Nonoperating revenues (expenses)			
Interest and fiscal charges	(149)	-	(149)
Total nonoperating revenues (expenses)	(149)	-	(149)
Net income (loss) before transfers	34,824	7,496	42,320
Changes in net position	34,824	7,496	42,320
Net position - beginning of year	149,812	268,712	418,524
Net position - end of year	$ 184,636	$ 276,208	$ 460,844

County of Isle of Wight, Virginia

Combining Statements of Cash Flows – Internal Service Funds

For The Fiscal Year Ended June 30, 2024

	Information Technology Fund	Risk Management Fund	Total
Cash flows from operating activities			
Received from customers and users	$ 1,572,852	$ 823,830	$ 2,396,682
Payments to suppliers for goods and services	(674,760)	(643,407)	(1,318,167)
Payments to employees	(916,886)	(181,580)	(1,098,466)
Net cash provided by operating activities	(18,794)	(1,157)	(19,951)
Cash flows from capital and related financing activities:			
Interest paid	(157)	-	(157)
Acquisition of capital assets	(7,498)	-	(7,498)
Proceeds from sale of assets	-	-	-
Principal payments on loans payable	(5,051)	-	(5,051)
Net cash used for capital and related financing activities	(12,706)	-	(12,706)
Change in cash and cash equivalents	(31,500)	(1,157)	(32,657)
Cash and cash equivalents - beginning of year	239,811	318,455	558,266
Cash and cash equivalents - end of year	$ 208,311	$ 317,298	$ 525,609
Reconciliation of operating loss to net cash provided by operating activities			
Operating income (loss)	$ 34,973	$ 7,496	$ 42,469
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	58,432	-	58,432
Pension and OPEB expense	4,139	(2,467)	1,672
Change in			
Receivables	(75,440)	-	(75,440)
Accounts payable and accrued liabilities	(29,785)	(1,158)	(30,943)
Unearned Revenue	(8,500)	-	(8,500)
Pension & OPEB	(383)	(71)	(454)
Deferred outflows of resources	5,110	3,839	8,949
Deferred inflow of resources	(34,455)	(10,136)	(44,591)
Compensated absences	27,115	1,340	28,455
Net cash provided by operating activities	$ (18,794)	$ (1,157)	$ (19,951)

Other Supplementary Information
Component Units & Fiduciary Funds

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June 30, 2024

The following is a brief description of the Component Units reported by the County:

- ***School Board Component Unit***- provides the primary Education function for the County
- ***Economic Development Authority Component Unit*** - provides the function of Economic Development Authority for the County.

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Balance Sheets - Governmental Funds

June 30, 2024

	Governmental Funds			
	School Operating Fund	School Capital Projects Fund	School Textbook Fund	School Cafeteria Fund
Assets				
Cash and investments	$ 4,407,576	$ -	$ -	$ 1,631,618
Accounts receivable - net of allowances for uncollectibles	10,000	-	-	77,632
Due from primary government	-	224,922	-	-
Due from other funds	1,523,332	79,496	-	-
Due from other governmental units	1,428,661	-	-	81,300
Total assets	$ 7,369,569	$ 304,418	$ -	$ 1,790,550
Liabilities				
Accounts payable	$ 728,795	$ 61,440	$ -	$ 538,338
Accrued liabilities	6,218,112	-	-	76,725
Due to primary government	335,289	-	-	-
Due to other governments	-	-	-	-
Due to other funds	87,373	-	-	301,864
Total liabilities	$ 7,369,569	$ 61,440	$ -	$ 916,927
Fund Balances				
Fund balances:				
Restricted- Grants	$ -	$ -	$ -	$ -
Assigned: Capital projects	-	242,978	-	-
Assigned: Student Activities	-	-	-	-
Assigned: Food Services	-	-	-	873,623
Total fund balances	$ -	$ 242,978	$ -	$ 873,623
Total liabilities and fund balance	$ 7,369,569	$ 304,418	$ -	$ 1,790,550

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Balance Sheets - Governmental Funds (Continued)

June 30, 2024

	Governmental Funds		
	School Grants Fund	Student Activities Fund	Totals
Assets			
Cash and investments	$ -	$ 667,586	$ 6,706,780
Accounts receivable - net of allowances for uncollectibles	331,286	-	418,918
Due from primary government	-	-	224,922
Due from other funds	-	-	1,602,828
Due from other governmental units	3,398,415	-	4,908,376
Total assets	$ 3,729,701	$ 667,586	$ 13,861,824
Liabilities			
Accounts payable	$ 94,698	$ -	$ 1,423,271
Accrued liabilities	-	-	6,294,837
Due to primary government	-	-	335,289
Due to other governments	155	-	155
Due to other funds	1,221,468	-	1,610,705
Total liabilities	$ 1,316,321	$ -	$ 9,664,257
Fund Balances			
Fund balances:			
Restricted- Grants	$ 2,413,380	$ -	$ 2,413,380
Assigned: Capital projects	-	-	242,978
Assigned: Student Activities	-	667,586	667,586
Assigned: Food Services	-	-	873,623
Total fund balances	$ 2,413,380	$ 667,586	$ 4,197,567
Total liabilities and fund balance	$ 3,729,701	$ 667,586	$ 13,861,824

County of Isle of Wight, Virginia

Component Unit – School Board
Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position

June 30, 2024

Total fund balances - School Board - governmental funds	$	4,197,567
Amounts reported for government activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements, net of accumulated depreciation.		
Non depreciable capital assets		2,693,004
Depreciable capital assets		196,734,254
Accumulated depreciation and amortization		(81,266,301)
Pension and OPEB assets are not available resources and, therefore are not reported in the funds		
Net pension asset		122,024
Net OPEB asset		2,518
Long-term obligations are not due and payable in the current period and are not reported in funds.		
Direct borrowing		(4,766,013)
Lease liability		(527,938)
Subscription liability		(21,319)
Compensated absences		(702,457)
OPEB liability		(10,246,743)
Net pension liability		(38,318,435)
Accrued interest		(16,685)
Deferred outflows of resources related to pension		13,214,845
Deferred outflows of resources related to OPEB		2,155,313
Deferred inflows of resources related to pension		(4,661,156)
Deferred inflows of resources related to OPEB		(2,028,113)
The internal service fund is used by management to charge the cost of health benefits. The assets and liabilities of the internal services fund is included in governmental activities in the Statement of Net Position.		1,314,858
Total net position- School Board - governmental activities	$	77,879,223

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Fiscal Year Ended June 30, 2024

	Governmental Funds			
	School Operating Fund	School Capital Projects Fund	School Textbook Fund	School Cafeteria Fund
Revenues				
Revenues from use of money and property	$ 336,190	$ -	$ -	$ 146
Charges for services	233,322	-	-	502,680
Miscellaneous	242,844	-	-	184,983
Recovered costs	307,137	-	-	-
Revenue from primary government	30,293,011	224,922	55,769	-
Intergovernmental:				
Commonwealth	42,399,863	-	439,767	45,607
Federal	235,550	-	-	2,108,053
Total revenues	$ 74,047,917	$ 224,922	$ 495,536	$ 2,841,469
Expenditures				
Current:				
Administration, attendance and health	$ 3,339,877	$ -	$ -	$ -
Instructional services	55,119,575	-	495,536	-
Operations and maintenance	7,297,674	-	-	-
Pupil transportation	5,711,376	-	-	-
School food services	-	-	-	3,005,690
Facilities	-	224,922	-	-
Technology	1,784,765	-	-	-
Capital Outlay	34,731	-	-	-
Debt Service	476,126	-	-	-
Total expenditures	$ 73,764,124	$ 224,922	$ 495,536	$ 3,005,690
Excess (deficiency) of revenues over (under) expenditures	$ 283,793	$ -	$ -	$ (164,221)
Other financing sources (uses)				
Transfers in	$ 27,193	$ -	$ -	$ -
Transfers out	-	-	-	-
Subscription liabilities issued	34,731	-	-	-
	$ 61,924	$ -	$ -	$ -
Net change in fund balance	345,717	-	-	(164,221)
Fund balance - beginning of year	(345,717)	242,978	-	1,037,844
Fund balance - end of year	$ -	$ 242,978	$ -	$ 873,623

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Continued)

For the Fiscal Year Ended June 30, 2024

	Governmental Funds		
	School Grants Fund	Student Activity Fund	Total
Revenues			
Revenues from use of money and property	$ -	$ -	$ 336,336
Charges for services	-	-	736,002
Miscellaneous	521,703	1,061,710	2,011,240
Recovered costs	-	-	307,137
Revenue from primary government	-	-	30,573,702
Intergovernmental:			
Commonwealth	1,941,620	-	44,826,857
Federal	4,259,186	-	6,602,789
Total revenues	$ 6,722,509	$ 1,061,710	$ 85,394,063
Expenditures			
Current:			
Administration, attendance and health	$ 359,976	$ -	$ 3,699,853
Instructional services	3,779,145	987,299	60,381,555
Operations and maintenance	1,195,598	-	8,493,272
Pupil transportation	-	-	5,711,376
School food services	-	-	3,005,690
Facilities	3,062	-	227,984
Technology	340,060	-	2,124,825
Capital Outlay	-	-	34,731
Debt Service	-	-	476,126
Total expenditures	$ 5,677,841	$ 987,299	$ 84,155,412
Excess (deficiency) of revenues over (under) expenditures	$ 1,044,668	$ 74,411	$ 1,238,651
Other financing sources (uses)			
Transfers in	$ -	$ -	$ 27,193
Transfers out	(27,193)	-	(27,193)
Subscription liabilities issued	-	-	34,731
	$ (27,193)	$ -	$ 34,731
Net change in fund balance	1,017,475	74,411	1,273,382
Fund balance - beginning of year	1,395,905	593,175	2,924,185
Fund balance - end of year	$ 2,413,380	$ 667,586	$ 4,197,567

County of Isle of Wight, Virginia

Component Unit – School Board
Reconciliation of the Governmental Funds' Statements of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2024

Net change in fund balances - School Board - governmental funds	$	1,273,382
Amounts reported for governmental activities in the statements of Net Position are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays and transfers.		
Joint activity transfer of capital assets		44,422,537
Capital outlay- capital assets		1,979,619
Capital outlay- right to use assets (leases and subscriptions)		34,731
Depreciation and amortization expense		(5,099,178)
Debt proceeds provide current financial resources to governmental funds but issuing debt increases long term liabilities in the statement of net position. Repayment of principal is an expenditure of the governmental funds but the repayment reduces long term liabilities in the statement of net position.		
Subscription liabilities issued		(31,581)
Repayment of direct borrowings		596,494
Repayment of lease and subscription liabilities		162,403
Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds		559,039
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		(113,160)
OPEB		260,770
Pension		2,242,814
Accrued interest		5,402
The internal service fund is used by management to charge the cost of health benefits. The net loss of the internal service fund is reported with governmental activities in the Statement of Activities		607,267
Change in net position of School Board - governmental activities	$	46,900,539

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds

For the Fiscal Year Ended June 30, 2024

	School Operating Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of money and property	$ 275,000	$ 275,000	$ 336,190	$ 61,190
Charges for services	171,000	171,000	233,322	62,322
Miscellaneous	500,000	512,500	242,844	(269,656)
Recovered Costs	200,000	200,000	307,137	107,137
Revenue from the Primary Government	29,930,166	30,405,166	30,293,011	(112,155)
Intergovernmental				
Commonwealth	43,642,732	43,642,732	42,399,863	(1,242,869)
Federal	110,000	110,000	235,550	125,550
Total revenues	74,828,898	75,316,398	74,047,917	(1,268,481)
Expenditures				
Current				
Administration, attendance and health	3,324,794	3,887,412	3,339,877	547,535
Instructional services	55,289,563	55,808,748	55,119,575	689,173
Operations and maintenance	7,316,290	7,302,973	7,297,674	5,299
Pupil transportation	6,066,061	5,855,609	5,711,376	144,233
School food services	-	-	-	-
Facilities	-	-	-	-
Technology	2,365,190	1,995,871	1,784,765	211,106
Debt Service	467,000	465,785	476,126	(10,341)
Capital Outlay	-	-	34,731	(34,731)
Total expenditures	74,828,898	75,316,398	73,764,124	1,552,274
Excess (deficiency) of revenues over (under) expenditures	-	-	283,793	283,793
Other Financing Sources (uses)				
Transfers in	-	-	27,193	(27,193)
Transfers Out	-	-	-	-
Subscription liabilities issued	-	-	34,731	(34,731)
Total other financing sources (uses)	$ -	$ -	$ 61,924	$ (61,924)
Net change in fund balance	-	-	345,717	345,717
Fund balance - beginning of year	-	-	(345,717)	(345,717)
Fund balance - end of year	$ -	$ -	$ -	$ -

(Continued)

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)

For the Fiscal Year Ended June 30, 2024

	School Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenue from use of money and property	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Revenue from the Primary Government	250,000	250,000	224,922	(25,078)
Intergovernmental	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	250,000	250,000	224,922	(25,078)
Expenditures				
Current				
Administration, attendance and health	$ -	$ -	$ -	$ -
Instructional services	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
School Food Services	-	-	-	-
Facilities	250,000	250,000	224,922	25,078
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	250,000	250,000	224,922	25,078
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Subscription liabilities issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	242,978	242,978
Fund balance - end of year	$ -	$ -	$ 242,978	$ 242,978

(Continued)

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)

For the Fiscal Year Ended June 30, 2024

	School Textbook Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenue from use of money and property	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Revenue from the Primary Government	278,903	278,903	55,769	(223,134)
Intergovernmental	-	-	-	-
Commonwealth	439,920	439,920	439,767	(153)
Federal	-	-	-	-
Total revenues	718,823	718,823	495,536	(223,287)
Expenditures				
Current				
Administration, attendance and health	$ -	$ -	$ -	$ -
Instructional Services	718,823	718,823	495,536	223,287
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
School food services	-	-	-	-
Facilities	-	-	-	-
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	718,823	718,823	495,536	223,287
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Subscription liabilities issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	$ -	$ -	$ -	$ -

(Continued)

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)

For the Fiscal Year Ended June 30, 2024

	School Cafeteria Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of money and property	$ -	$ -	$ 146	$ 146
Charges for services	919,945	919,945	502,680	(417,265)
Miscellaneous	1,200	1,200	184,983	183,783
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	20,016	20,016	45,607	25,591
Federal	1,633,803	1,633,803	2,108,053	474,250
Total revenues	2,574,964	2,574,964	2,841,469	266,505
Expenditures				
Current				
Administration, attendance and health	$ -	$ -	$ -	$ -
Instructional services	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
School food services	2,574,964	2,574,964	3,005,690	(430,726)
Facilities	-	-	-	-
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	2,574,964	2,574,964	3,005,690	(430,726)
Excess (deficiency) of revenues over (under) expenditures	-	-	(164,221)	(164,221)
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Transfers Out	-	-	-	-
Subscription liabilities issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	(164,221)	(164,221)
Fund balance - beginning of year	-	-	1,037,844	1,037,844
Fund balance - end of year	$ -	$ -	$ 873,623	$ 873,623

(Continued)

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)

For the Fiscal Year Ended June 30, 2024

	School Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of money and property	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Miscellaneous	500,000	179,953	521,703	341,750
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	948,139	3,026,996	1,941,620	(1,085,376)
Federal	2,189,101	4,852,236	4,259,186	(593,050)
Total revenues	3,637,240	8,059,185	6,722,509	(1,336,676)
Expenditures				
Current				
Administration, attendance and health	$ 55,384	$ 306,797	$ 359,976	$ (53,179)
Instructional services	2,731,856	5,668,685	3,779,145	1,889,540
Operations and maintenance	-	1,725,773	1,195,598	530,175
Pupil transportation	-	-	-	-
School food services	-	-	-	-
Facilities	500,000	3,062	3,062	-
Technology	350,000	354,868	340,060	14,808
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	3,637,240	8,059,185	5,677,841	2,381,344
Excess (deficiency) of revenues over (under) expenditures	-	-	1,044,668	1,044,668
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(27,193)	27,193
Subscription liabilities issued	-	-	-	-
Total other financing sources (uses)	-	-	(27,193)	27,193
Net change in fund balance	-	-	1,017,475	1,017,475
Fund balance - beginning of year	-	-	1,395,905	1,395,905
Fund balance - end of year	$ -	$ -	$ 2,413,380	$ 2,413,380

(Continued)

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)

For the Fiscal Year Ended June 30, 2024

	Student Activities Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenue from use of money and property	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	1,061,710	1,061,710
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	-	-	1,061,710	1,061,710
Expenditures				
Current				
Administration, attendance and health	$ -	$ -	$ -	$ -
Instructional services	-	-	987,299	(987,299)
Operations and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
School food services	-	-	-	-
Facilities	-	-	-	-
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	-	-	987,299	(987,299)
Excess (deficiency) of revenues over (under) expenditures	-	-	74,411	74,411
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription liabilities issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	74,411	74,411
Fund balance - beginning of year	-	-	593,175	593,175
Fund balance - end of year	$ -	$ -	$ 667,586	$ 667,586

(Continued)

County of Isle of Wight, Virginia

Component Unit – School Board
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)

For the Fiscal Year Ended June 30, 2024

	Totals			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of money and property	$ 275,000	$ 275,000	$ 336,336	$ 61,336
Charges for services	1,090,945	1,090,945	736,002	(354,943)
Miscellaneous	1,001,200	693,653	2,011,240	1,317,587
Recovered costs	200,000	200,000	307,137	107,137
Revenue from the Primary Government	30,459,069	30,934,069	30,573,702	(360,367)
Intergovernmental				
Commonwealth	45,050,807	47,129,664	44,826,857	(2,302,807)
Federal	3,932,904	6,596,039	6,602,789	6,750
Total revenues	82,009,925	86,919,370	85,394,063	(1,525,307)
Expenditures				
Current				
Administration, attendance and health	3,380,178	4,194,209	3,699,853	494,356
Instructional services	58,740,242	62,196,256	60,381,555	1,814,701
Operations and maintenance	7,316,290	9,028,746	8,493,272	535,474
Pupil transportation	6,066,061	5,855,609	5,711,376	144,233
School food services	2,574,964	2,574,964	3,005,690	(430,726)
Facilities	750,000	253,062	227,984	25,078
Technology	2,715,190	2,350,739	2,124,825	225,914
Debt Service	467,000	465,785	476,126	(10,341)
Capital outlay	-	-	34,731	(34,731)
Total expenditures	82,009,925	86,919,370	84,155,412	2,763,958
Excess (deficiency) of revenues over (under) expenditures	-	-	1,238,651	1,238,651
Other Financing Sources (uses)				
Transfers in	-	-	27,193	27,193
Transfers out	-	-	(27,193)	(27,193)
Subscription liabilities issued	-	-	34,731	34,731
Total other financing sources (uses)	-	-	34,731	7,538
Net change in fund balances	-	-	1,273,382	1,273,382
Fund balances - beginning of year	-	-	2,924,185	2,924,185
Fund balances - end of year	$ -	$ -	$ 4,197,567	$ 4,197,567

County of Isle of Wight, Virginia

Component Unit – School Board
Statement of Net Position - Internal Service Fund

June 30, 2024

	School Health Benefits Fund
Assets	
Current assets	
Cash and cash equivalents - restricted	$ 1,944,266
Due from General Fund	7,877
Total current assets	1,952,143
Liabilities	
Current liabilities	
Accounts payable	137,143
Claims payable	500,142
Total current liabilities	637,285
Net Position	
Net position - unrestricted (deficit)	$ 1,314,858

County of Isle of Wight, Virginia

Component Unit – School Board
Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund

For the Fiscal Year Ended June 30, 2024

	School Health Benefits Fund
Operating revenues	
Recovered costs	$ 7,915,564
Total revenues	7,915,564
Operating expenses	
Healthcare benefits	7,308,297
Total expenses	7,308,297
Operating income	607,267
Change in net position	607,267
Net position (deficit) - beginning of year	707,591
Net position (deficit) - end of year	$ 1,314,858

County of Isle of Wight, Virginia

Component Unit – School Board
Statement of Cash Flows – Internal Service Fund

For the Fiscal Year Ended June 30, 2024

	School Health Benefits Fund
Cash flows from operating activities	
Received from customers and users	$ 7,915,564
Payments to suppliers for goods and services	(7,233,509)
Net cash provided by operating activities	682,055
Cash flows from nonoperating financing activities	
Transfers to other funds	875
Net cash provided by nonoperating financing activities	875
Change in cash and cash equivalents	682,930
Cash and cash equivalents - beginning of year	1,261,336
Cash and cash equivalents - end of year	$ 1,944,266
Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 607,267
Adjustments to reconcile operating income to net cash provided by operating activities	
Change in:	
Accounts payable and accrued liabilities	134,625
Claims payable	(59,837)
Net cash provided by operating activities	$ 682,055

County of Isle of Wight, Virginia

Component Unit – Economic Development Authority
Statement of Net Position

June 30, 2024

Assets		
Current assets		
Cash and cash equivalents	$	3,278,628
Accounts receivable		8,065
Lease receivable, current		47,207
Total current assets		3,333,900
Noncurrent assets		
Land held for resale		9,011,625
Capital assets		
Nondepreciable		270,784
Depreciable, net		1,232,608
Total capital assets		1,503,392
Lease receivable, non current		-
Total noncurrent assets		10,515,017
Total assets		13,848,917
Liabilities		
Current liabilities		
Accounts payable		2,876
Unearned revenue		7,565
Total current liabilities		10,441
Deferred inflows of resources		
Deferred inflow-lease		41,266
Total deferred inflows of resources		41,266
Net Position		
Net investment in capital assets		1,503,392
Restricted		230,232
Unrestricted		12,063,586
Total net position	$	13,797,210

County of Isle of Wight, Virginia

Component Unit – Economic Development Authority
Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2024

Operating revenues		
Charges for services	$	135,039
Sale of property		459,339
Other revenues		40,675
Total operating revenues		635,053
Operating expenses		
Operations		553,000
Compensation		2,625
Depreciation		239,143
Property sale concession		115,000
Total operating expenses		909,768
Operating income (loss)		(274,715)
Nonoperating revenues (expenses)		
Gain on sale		2,779,247
Total nonoperating revenues, net		2,779,247
Change in net position		2,504,532
Net position - beginning of year		11,292,678
Net position - end of year	$	13,797,210

County of Isle of Wight, Virginia

Component Unit – Economic Development Authority
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2024

Cash flows from operating activities		
Received from customers and users	$	627,389
Payments to suppliers for goods and services		(676,615)
Payments to employees		(2,625)
Net cash provided by operating activities		(51,851)
Cash flows from noncapital and related financing activities		-
Net cash provided by noncapital and related financing activities		-
Cash flows from capital and related financing activities		
Sale of property		(269,248)
Gain from disposal of asset		2,779,248
Net cash provided for (used in) capital and related financing activities		2,510,000
Change in cash and cash equivalents		2,458,149
Cash and cash equivalents - beginning of year		820,479
Cash and cash equivalents - end of year	$	3,278,628
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	$	(274,715)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation expense		239,143
Change in accounts receivable		14,331
Change in accounts payable		(8,615)
Change in deferred inflow of resources		(19,231)
Change in unearned revenue		(2,764)
Net cash provided by operating activities	$	(51,851)

Statistical Section

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June 30, 2024

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

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

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

County of Isle of Wight, Virginia

Net Position (Assets) by Component

Last Ten Fiscal Years

	2024	2023	2022*	2021	2020*
Governmental activities					
Net investment in capital assets	$ (55,093,042)	$ (15,778,664)	$ (19,239,469)	$ (21,461,167)	$ (14,604,210)
Restricted	2,550,412	1,999,065	44,278,547	408,538	3,407,069
Unrestricted	43,956,959	39,050,856	(3,772,310)	38,038,624	38,038,624
Total governmental activities net position	$ (8,585,671)	$ 25,271,257	$ 21,266,768	$ 16,985,995	$ 26,841,483
Business-type activities					
Net investment in capital assets	$ 573,574	$ (5,216,521)	$ (12,896,428)	$ (19,402,355)	$ (17,996,594)
Restricted	1,991	650	470,689	332,212	3,016,665
Unrestricted	11,967,934	14,794,627	15,897,362	9,386,855	9,386,855
Total business-type activities net position	$ 12,543,499	$ 9,578,756	$ 3,471,623	$ (9,683,288)	$ (5,593,074)
Primary government					
Net investment in capital assets	$ (54,519,468)	$ (20,995,185)	$ (32,135,897)	$ (40,863,522)	$ (32,600,804)
Restricted	2,552,403	1,999,715	44,749,236	740,750	6,423,734
Unrestricted	55,924,893	53,845,483	12,125,052	47,425,479	47,425,479
Total primary government net position	$ 3,957,828	$ 34,850,013	$ 24,738,391	$ 7,302,707	$ 21,248,409

(Continued)

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

County of Isle of Wight, Virginia

Net Position (Assets) by Component (Continued)

Last Ten Fiscal Years

	2019	2018	2017*	2016	2015
Governmental activities					
Net investment in capital assets	$ (16,230,336)	$ (37,423,718)	$ (13,319,241)	$ 4,931	$ 2,045,769
Restricted	5,218,666	10,987,940	18,689,154	5,440,119	7,174,341
Unrestricted	31,713,704	41,560,882	8,314,662	12,060,255	7,349,393
Total governmental activities net position	$ 20,702,034	$ 15,125,104	$ 13,684,575	$ 17,505,305	$ 16,569,503
Business-type activities					
Net investment in capital assets	$ (15,814,155)	$ (22,900,089)	$ (16,643,332)	$ (16,265,290)	$ (16,186,173)
Restricted	5,282,900	5,321,509	5,320,770	5,522,985	5,927,757
Unrestricted	2,434,210	8,568,353	1,392,872	(898,178)	(1,608,477)
Total business-type activities net position	$ (8,097,045)	$ (9,010,227)	$ (9,929,690)	$ (11,640,483)	$ (11,866,893)
Primary government					
Net investment in capital assets	$ (32,044,491)	$ (60,323,807)	$ (29,962,573)	$ (16,260,359)	$ (14,140,404)
Restricted	10,501,566	16,309,449	24,009,924	10,963,104	13,102,098
Unrestricted	34,147,914	50,129,235	9,707,534	11,162,077	5,740,916
Total primary government net position	$ 12,604,989	$ 6,114,877	$ 3,754,885	$ 5,864,822	$ 4,702,610

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

County of Isle of Wight, Virginia

Change in Net Position

Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Expenses					
Governmental activities:					
General government	$ 7,208,904	$ 12,739,010	$ 6,812,766	$ 7,915,154	$ 6,942,584
Judicial administration	3,860,993	2,413,642	2,092,876	1,624,584	1,575,825
Public safety	23,587,214	18,422,740	16,356,578	18,185,143	15,651,837
General services	7,554,198	5,731,653	5,267,674	5,705,232	6,097,278
Health and welfare	5,877,382	5,601,103	5,436,960	7,060,537	4,796,012
Education	74,996,240	27,518,658	43,382,111	26,123,526	30,148,936
Parks, recreation and cultural	4,508,921	4,185,080	3,891,446	3,696,311	3,679,176
Community development	5,328,218	5,127,640	5,145,183	5,203,477	3,488,247
Nondepartmental	-	-	-	-	-
Interest on long-term debt	4,299,436	4,382,292	-	-	4,308,156
Total governmental activities expenses	137,221,506	86,121,818	88,385,594	75,513,964	76,688,051
Business-type activities:					
Public utilities	10,585,585	9,777,597	9,456,664	7,807,503	8,783,282
Stormwater	1,153,225	1,396,019	1,187,198	1,577,626	998,538
Total business-type activities expenses	11,738,810	11,173,616	10,643,862	9,385,129	9,781,820
Total primary government expenses	$ 148,960,316	$ 97,295,434	$ 99,029,456	$ 84,899,093	$ 86,469,871
Program Revenue					
Governmental activities:					
Charges for services:					
General government	$ 1,667,251	$ 1,321,545	$ 1,593,384	$ 1,119,816	$ 842,074
Judicial administration	163,987	$ 267,739	1,593,384	1,119,816	842,074
Public safety	221,403	1,240,582	252,834	267,424	289,269
Public Works	47,613	-	1,428,572	1,545,482	1,058,829
Health and welfare	310,909	435,232	-	458,248	1,245,789
Parks, recreation and cultural	634,030	654,171	160,982	275,255	248,050
Community development	729,014	87,118	676,227	199,711	472,346
Operating grants and contributions	11,102,765	7,478,439	25,219	8,736	21,116
Capital grants and contributions	1,669,019	1,622,370	5,175,787	9,315,027	7,840,352
Interest rate subsidy	-	-	9,723,179	1,341,140	1,548,678
Total governmental activities program revenues	$ 16,545,991	13,107,196	$ 20,629,568	$ 15,650,655	$ 14,408,577

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2019	2018	2017	2016	2015
Expenses					
Governmental activities:					
General government	$ 6,752,097	$ 7,032,712	$ 5,305,220	$ 6,596,750	$ 4,954,948
Judicial administration	1,624,282	1,474,725	1,711,476	1,358,364	1,345,313
Public safety	15,638,826	12,787,055	15,820,681	13,206,973	11,227,838
General services	4,706,389	5,095,079	5,029,762	9,279,614	6,059,730
Health and welfare	3,914,717	4,021,853	4,232,228	3,832,773	3,654,546
Education	32,008,845	33,451,339	28,709,110	28,279,608	31,627,526
Parks, recreation and cultural	3,197,767	3,114,863	3,593,465	4,118,975	3,051,601
Community development	4,266,517	2,792,293	2,259,598	3,457,268	3,066,139
Nondepartmental	-	-	-	-	-
Interest on long-term debt	4,501,668	5,880,446	5,123,993	4,498,640	4,568,504
Total governmental activities expenses	76,611,108	75,650,365	71,785,533	74,628,965	69,556,145
Business-type activities:					
Public utilities	8,432,300	8,595,427	8,787,726	8,787,726	11,146,341
Stormwater	1,058,641	1,013,796	1,456,085	1,456,085	829,480
Total business-type activities expenses	9,490,941	9,609,223	10,243,811	10,243,811	11,975,821
Total primary government expenses	$ 86,102,049	$ 85,259,588	$ 82,029,344	$ 84,872,776	$ 81,531,966
Program revenue					
Governmental activities:					
Charges for services:					
General government	$ 1,362,889	$ 43,196	$ 1,029,176	$ 1,029,176	$ 388,251
Judicial administration	296,643	13,072	397,063	203,810	220,034
Public safety	1,241,386	1,465,714	2,682,915	1,584,774	1,330,020
General services	-	-	193,473	-	-
Health and welfare	217,003	-	273,895	-	-
Parks, recreation and cultural	271,808	507,198	693,847	560,673	479,016
Community development	43,231	982,610	98,030	64,411	42,952
Operating grants and contributions	4,758,736	7,021,642	9,874,844	5,357,743	5,282,485
Capital grants and contributions	2,964,205	-	2,827,555	3,059,806	3,133,139
Interest rate subsidy	-	-	-	-	-
Total governmental activities program revenues	$ 11,155,901	$ 10,033,432	$ 18,070,798	$ 11,860,393	$ 10,875,897

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Business-type activities					
Charges for services	$ 9,592,515	$ 7,727,098	$ 9,181,773	$ 8,390,163	$ 7,769,192
Capital grants and contributions	644,345	6,114,620	-	-	-
Total business-type activities program revenues	10,236,860	13,841,718	9,181,773	8,390,163	7,769,192
Total Primary Government program revenues			$ 22,921,002	$ 17,656,966	$ 17,656,966
Net expense - governmental activities	$ (120,675,515)	$ (73,014,622)	$ (73,903,232)	$ (64,382,063)	$ (63,121,548)
Net expense - business-type activities	(1,501,950)	2,668,102	(1,462,089)	(994,966)	(2,012,628)
Total primary government net expense	$ (122,177,465)	$ (70,346,520)	$ (75,365,321)	$ (65,377,029)	$ (65,134,176)
General revenues and other changes in net position					
Governmental activities					
Property taxes	$ 70,372,109	$ 60,440,657	$ 64,643,938	$ 60,942,814	$ 57,854,621
Other taxes	10,228,810	10,230,235	9,874,957	9,001,515	4,411,144
Revenue from use of property and money	774,156	2,276,710	40,944	(40,499)	1,409,372
Investment earnings	-	-	-	-	-
Miscellaneous	3,920,932	1,602,674	1,511,916	1,640,286	1,403,119
Intergovernmental, non-categorical aid	5,817,703	5,814,983	5,518,795	5,463,009	5,396,075
Gain on sale of assets	-	-	-	-	-
Transfers	(4,295,123)	(3,346,148)	(8,719,382)	(2,651,910)	(3,805,195)
Total governmental activities	86,818,587	77,019,111	72,871,168	74,355,215	66,669,136
Business-type activities					
Investment earnings	33,601	72,739	55,770	41,943	120,047
Gain on sale of assets	-	-	-	-	-
Miscellaneous	137,969	-	13,205	6,542	-
Transfers	4,295,123	3,346,148	8,752,382	2,651,910	3,805,195
Total business-type activities	4,466,693	3,418,887	8,821,357	2,700,395	3,925,242
Total primary government	$ 91,285,280	$ 80,437,998	$ 81,692,525	$ 77,055,610	$ 70,594,378
Change in net position					
Governmental activities	$ (33,856,928)	$ 4,004,489	$ (1,032,064)	$ 9,973,152	$ 7,194,297
Business-type activities	2,964,743	6,107,133	7,359,268	1,705,429	1,918,848
Total primary government	$ (30,892,185)	$ 10,111,622	$ 6,327,204	$ 11,678,581	$ 9,113,145

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2019	2018	2017	2016	2015
Business-type activities					
Charges for services	$ 6,640,576	$ 6,710,500	$ 6,988,013	$ 6,009,332	$ 5,779,255
Capital grants and contributions	285,844	-	23,836	2,469,514	480,741
Total business-type activities program revenues	6,926,420	6,710,500	7,011,849	8,478,846	6,259,996
Total Primary Government program revenues	$ 16,743,932	$ 16,743,932	$ 19,674,359	$ 19,683,129	$ 17,135,893
Net expense - governmental activities	$ (65,455,207)	$ (65,616,933)	$ 53,714,735	$ 63,424,682	$ 58,680,248
Net expense - business-type activities	(2,564,521)	(2,898,723)	3,255,798	1,357,666	5,715,825
Total primary government net expense	$ (68,019,728)	$ (68,515,656)	$ 56,970,533	$ 64,782,348	$ 64,396,073
General revenues and other changes in net position					
Governmental activities					
Property taxes	$ 57,269,604	$ 57,755,525	$ 62,107,289	$ 56,575,683	$ 54,539,535
Other taxes	3,627,945	7,928,102	8,637,670	7,497,791	7,005,687
Revenue from use of property and money	1,194,695	786,748	99,580	-	-
Investment earnings	-	-	-	1,434,262	956,397
Miscellaneous	2,361,944	1,150,233	1,328,044	356,418	379,229
Intergovernmental, non-categorical aid	5,375,993	5,409,797	-	-	-
Gain on sale of assets	-	-	-	62,012	218,075
Transfers	(3,300,000)	(3,791,022)	(4,922,005)	(1,565,679)	(5,954,960)
Total governmental activities	66,530,181	69,239,383	67,250,578	64,360,487	57,143,963
Business-type activities					
Investment earnings	167,713	89,138	44,586	18,397	17,873
Gain on sale of assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	3,300,000	3,791,022	4,922,005	1,565,679	5,954,960
Total business-type activities	3,467,713	3,880,160	4,966,591	1,584,076	5,972,833
Total primary government	$ 69,997,894	$ 73,119,543	$ 72,217,169	$ 65,944,563	$ 63,116,796
Change in net position					
Governmental activities	$ 5,576,930	$ 3,622,450	$ 13,535,843	$ 935,802	$ (1,536,285)
Business-type activities	913,182	981,437	1,710,793	226,410	257,008
Total primary government	$ 6,490,112	$ 4,603,887	$ 15,246,636	$ 1,162,212	$ (1,279,277)

County of Isle of Wight, Virginia

Fund Balances - Governmental Funds

Last Ten Fiscal Years

	2024	2023	2022	2021	2020
General Fund					
Non Spendable:					
Non Spendable	$ -	$ 375,000	$ 375,000	$ 375,000	$ 375,000
Spendable:					
Committed	3,140,376	3,020,292	2,793,789	4,098,407	7,389,502
Restricted	188,553	274,093	402,083	3,377	246,699
Assigned	5,692,447	261,886	1,666,389	3,242,714	572,753
Unassigned	26,610,423	26,879,564	29,574,561	25,527,263	20,390,116
Total General Fund	$ 35,631,799	$ 30,810,835	$ 34,811,822	$ 33,246,761	$ 28,974,070
All other Government funds					
Non Spendable:					
Non Spendable	$ -	$ -	$ -	$ -	$ -
Spendable:					
Restricted	1,939,203	17,938,338	43,581,563	34,066,998	2,785,370
Committed	94,135	105,000	70,000		
Assigned	16,966,482	10,959,147	9,598,701	5,727,202	5,727,202
Unassigned	-	-	-	(58,334)	(58,334)
Total all other Government Funds	$ 18,999,820	$ 29,002,485	$ 53,250,264	$ 39,735,866	$ 8,454,238

County of Isle of Wight, Virginia

Fund Balances - Governmental Funds (Continued)

Last Ten Fiscal Years

	2019	2018	2017	2016	2015
General Fund					
Non Spendable:					
Non Spendable	$ 375,000	$ 866,742	$ 920,645	$ 935,898	$ 992,540
Spendable:					
Committed	4,526,264	5,460,229	3,877,087	-	-
Restricted	-	22,259	61,568	22,170	22,126
Assigned	3,782,681	1,291,755	3,623,722	3,372,391	4,169,225
Unassigned	16,230,524	15,905,253	10,960,727	14,326,940	9,649,642
Total General Fund	$ 24,914,469	$ 23,546,238	$ 19,443,749	$ 18,657,399	$ 14,833,533
All other Government funds					
Non Spendable:					
Non Spendable	$ -	$ 4,855	$ -	$ 3,246	$ 2,349
Spendable:					
Restricted	4,843,666	10,096,400	17,738,141	5,445,121	7,149,866
Assigned	7,222,267	6,573,306	6,318,154	3,385,036	5,242,890
Unassigned	(176,175)	(49,728)	-	-	-
Total all other Government Funds	$ 11,889,758	$ 16,624,833	$ 24,056,295	$ 8,833,403	$ 12,395,105

County of Isle of Wight, Virginia

Changes in Fund Balance - Governmental Funds

Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Revenues					
General property taxes	$ 69,917,627	$ 59,266,647	$ 61,954,999	$ 60,444,185	$ 57,026,717
Other local taxes	10,228,810	10,230,235	9,874,957	9,001,515	8,040,738
Permits, fees and licenses	775,956	1,234,665	1,182,627	1,327,849	949,001
Fines and forfeitures	130,152	94,481	90,024	110,659	137,069
Revenue from use of property	2,817,863	2,721,244	3,894	(107,982)	1,409,372
Charges for services	2,411,742	2,023,801	2,258,593	1,821,965	1,528,095
Miscellaneous	1,291,743	1,153,395	653,338	796,103	1,279,219
Recovered costs	2,913,553	872,060	1,045,087	823,900	339,468
Intergovernmental	16,452,150	14,598,423	20,630,883	16,696,141	16,132,845
Total revenues	106,939,596	92,194,951	97,694,402	90,914,335	86,842,524
Expenditures					
General governmental administration	5,213,189	5,261,741	4,852,099	4,357,667	4,343,637
Judicial administration	3,608,013	2,145,793	1,836,934	1,525,324	1,527,731
Public safety	24,395,382	18,109,707	15,072,047	14,267,943	12,945,665
General services	7,631,749	5,577,461	5,018,823	4,835,470	4,487,503
Health and welfare	5,955,019	5,752,118	5,167,162	7,276,078	4,653,343
Education	37,926,336	52,163,409	38,516,384	25,780,713	28,689,619
Parks, recreation and cultural	4,076,238	3,361,131	3,113,886	2,559,866	3,189,112
Community development	5,500,913	3,952,292	5,117,425	5,072,277	3,387,273
Nondepartmental	2,578,103	5,413,174	2,064,267	2,672,290	2,208,471
Capital projects	-	3,615,054	2,485,903	5,215,782	5,605,813
Debt service					
Principal	7,977,035	8,319,840	7,936,822	7,481,155	7,416,448
Interest	4,283,059	4,440,539	4,327,087	3,518,292	4,480,486
Other fiscal charges	20,417	67,680	370,168	1,236,778	15,350
Total expenditures	109,165,453	118,179,939	95,879,007	85,799,635	82,950,451
Excess of revenues over (under) expenditures	(2,225,857)	(25,984,988)	1,815,395	5,114,700	3,892,073
Other financing sources (uses)					
Transfers in	5,340,969	5,980,286	17,112,300	8,054,724	3,803,626
Transfers out	(9,636,092)	(9,326,434)	(25,877,926)	(10,759,930)	(7,630,941)
Proceeds from borrowing	632,974	525,000	17,890,000	67,775,839	471,623
Premium on bonds issued	-	-	1,889,277	3,704,269	-
Lease & subscription liabilities	346,867	346,867	163,184	-	-
Payments to escrow agent	-	-	-	(35,357,218)	-
Proceeds from sale of property	-	210,503	71,277	90,739	87,690
Total other financing sources (uses), net	(3,315,282)	(2,263,778)	11,248,112	33,508,423	(3,268,002)
Net change in fund balance	$ (5,541,139)	$ (28,248,766)	$ 13,063,507	$ 38,623,123	$ 624,071
Debt service as a percentage of noncapital expenditures					
Debt Service (principal + interest)	$ 12,260,094	$ 12,760,379	$ 12,263,909	$ 10,999,447	$ 11,896,934
Total Expenditures	$ 109,165,453	$ 118,179,939	$ 95,879,007	$ 85,799,635	$ 82,950,451
Capitalized expenditures (Exhibit A-4)	$ 10,879,189	$ 14,157,450	$ 4,165,813	$ 4,165,813	$ 3,989,461
Noncapital expenditures	$ 98,286,264	$ 104,022,489	$ 91,713,194	$ 81,633,822	$ 78,960,990
	12.47%	12.27%	13.37%	13.47%	15.07%

(Continued)

*GASB pronouncement implementation: Lease liabilities FY2022; SBITA liabilities FY2023

County of Isle of Wight, Virginia

Changes in Fund Balance - Governmental Funds (Continued)

Last Ten Fiscal Years

	2019	2018	2017	2016	2015
Revenues					
General property taxes	$ 56,651,372	$ 57,574,975	$ 49,835,086	$ 51,334,720	$ 49,173,371
Other local taxes	8,129,901	7,928,102	8,580,982	7,284,843	6,842,828
Permits, fees and licenses	1,434,187	952,303	2,141,092	928,634	1,121,174
Fines and forfeitures	135,492	169,606	151,318	139,822	153,929
Revenue from use of property	1,194,695	786,748	99,580	920,139	438,475
Charges for services	1,594,890	1,889,881	2,887,413	1,651,746	1,264,429
Miscellaneous	1,817,107	1,150,233	787,010	1,589,453	2,265,305
Recovered costs	826,946	646,819	396,686	-	-
Intergovernmental	13,085,216	11,784,620	11,344,133	13,144,754	12,297,700
Total revenues	84,869,806	82,883,287	76,223,300	76,994,111	73,557,211
Expenditures					
General governmental administration	4,151,387	4,443,690	4,376,415	6,196,320	5,118,338
Judicial administration	1,662,999	1,582,629	1,542,881	1,373,968	1,389,675
Public safety	13,257,506	12,531,228	12,618,898	12,687,614	10,840,494
General services	4,436,961	5,201,835	4,585,899	5,334,386	4,958,423
Health and welfare	3,911,948	4,164,743	3,888,786	3,783,847	3,878,728
Education	30,571,555	31,767,458	26,116,112	25,672,090	23,161,494
Parks, recreation and cultural	2,724,889	2,873,147	2,838,301	2,752,043	2,675,524
Community development	4,254,468	2,910,174	2,880,539	3,456,762	3,117,464
Nondepartmental	2,429,187	1,846,733	1,676,722	-	-
Capital projects	6,327,168	6,471,210	3,468,132	6,750,976	13,264,484
Debt service					
Principal	7,229,617	4,639,186	3,006,700	3,100,940	2,845,721
Interest	4,637,072	8,623,961	4,468,592	4,329,537	5,014,093
Other fiscal charges	20,032	737,635	178,618	-	-
Total expenditures	85,614,789	87,793,629	71,646,595	75,438,483	76,264,438
Excess of revenues over (under) expenditures	(744,983)	(4,910,342)	4,576,705	1,555,628	(2,707,227)
Other financing sources (uses)					
Transfers in	4,389,327	4,449,036	9,953,287	8,626,309	12,719,784
Transfers out	(7,689,327)	(8,240,056)	(14,719,615)	(10,191,988)	(18,674,744)
Proceeds from borrowing	678,149	27,636,789	16,198,865	220,514	44,871,848
Premium on bonds issued	-	4,345,538	-	-	-
Lease & subscription liabilities	-	-	-	-	-
Payments to escrow agent	-	(26,610,438)	-	-	(43,476,292)
Proceeds from sale of property	-	500	-	51,701	299,667
Total other financing sources (uses), net	(2,621,851)	1,581,369	11,432,537	(1,293,464)	(4,259,737)
Net change in fund balance	$ (3,366,834)	$ (3,328,973)	$ 16,009,242	$ 262,164	$ (6,966,964)
Debt service as a percentage of noncapital expenditures		16%	11%	12%	12%

	$ 11,866,689
	$ 85,614,789
	$ 5,911,288
	$ 79,703,501
	14.89%

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County of Isle of Wight, Virginia

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial / Industrial Property	Agriculture Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
2024	$ 5,424,989,900	$ 823,331,976	$ 631,546,266	$ 6,879,868,142	$ 0.71	$ 6,879,868,142	100%
2023	3,996,153,967	727,308,587	564,403,264	5,287,865,818	0.85	5,287,865,818	100%
2022	3,915,986,199	723,666,564	568,995,323	5,208,648,086	0.85	5,208,648,086	100%
2021	3,744,185,800	730,617,000	570,617,600	5,045,420,400	0.85	5,045,420,400	100%
2020	3,708,392,489	728,539,351	570,242,440	5,007,174,280	0.85	5,007,174,280	100%
2019	3,504,978,448	719,485,846	546,574,725	4,771,039,019	0.85	4,771,039,019	100%
2018	3,451,012,097	719,464,081	549,075,515	4,719,551,693	0.85	4,719,551,693	100%
2017	3,400,486,756	694,930,358	551,118,971	4,646,536,085	0.85	4,646,536,085	100%
2016	3,349,194,640	679,547,808	550,272,662	4,579,015,110	0.85	4,579,015,110	100%
2015	3,285,777,463	671,045,521	240,480,302	4,197,303,286	0.85	4,197,303,286	100%

(1) Does not reflect land use assessments.

Source: Isle of Wight County Commissioner of Revenue

County of Isle of Wight, Virginia

Assessed Value of Taxable Property (4)

Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Machinery and Tools	Public Service (2)(3)	Total
2024	$ 6,879,868,142	$ 519,567,291	$ 24,359,191	$ 311,107,227	$ 165,921,462	$ 7,900,823,313
2023	5,287,865,818	577,674,760	19,999,783	293,523,367	181,353,952	6,360,417,680
2022	5,208,648,086	433,946,217	19,799,897	290,910,535	181,354,060	6,134,658,795
2021	5,045,420,400	370,239,897	18,672,993	272,122,060	193,238,893	5,899,694,243
2020	5,007,174,280	373,806,289	17,748,716	284,499,403	172,053,175	5,855,281,863
2019	4,771,039,019	352,995,485	19,705,871	296,492,660	164,825,059	5,605,058,094
2018	4,719,551,693	341,308,665	18,667,107	253,695,910	177,064,299	5,510,287,674
2017	4,646,536,085	334,433,134	18,250,173	246,170,869	171,357,723	5,416,747,984
2016	4,579,015,110	379,231,914	17,585,358	587,545,879	152,225,378	5,715,603,639
2015	4,197,303,286	380,073,520	20,267,854	578,929,789	145,270,583	5,321,845,032

(1) The assessed values listed are net of supplement and abatement activity.

(2) Real Estate was assessed at 100% of use value through fiscal year 2016 and has since been assessed at 100% of fair market value.

(3) In fiscal year 2017, the County began assessing machinery and tools at 40% of original cost.

(4) Assessed values are established by the State Corporation Commission.

(5) Real estate and personal property.

County of Isle of Wight, Virginia

Property Tax Rates
Tax Rates Per Hundred Dollars of Assessed Valuation

Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Boats and Aircraft / Farm Machinery
2024	$ 0.71	$ 4.50	$ 0.71	$ 1.95	1.00/1.00
2023	0.85	4.50	0.85	1.75	1.00/1.00
2022	0.85	4.50	0.85	1.75	1.00/1.00
2021	0.85	4.50	0.85	1.75	1.00/1.00
2020	0.85	4.50	0.85	1.75	1.00/1.00
2019	0.85	4.50	0.85	1.75	1.00/1.00
2018	0.85	4.50	0.85	1.75	1.00/1.00
2017	0.85	4.50	0.85	4.24	1.00/1.00
2016	0.85	4.50	0.85	0.70	1.00/1.00
2015	0.85	4.50	0.85	0.70	1.00/1.00

County of Isle of Wight, Virginia

Principal Property Taxpayers

Current Year and Nine Years Ago

REAL ESTATE

Taxpayer	2024 Assessed Valuation Real Estate	2024 Rank	2024 Percent of Total Assessed Valuation Real Estate	2015 Assessed Valuation Real Estate	2015 Rank	2015 Percent of Total Assessed Valuation Real Estate
International Paper	$ 88,677,300	1	1.29%	$ 106,817,200	1	2.54%
Vereit Real Estate LP	73,000,000	2	1.38%	-	-	-%
Eagle Harbor Apartments, LP	36,500,000	3	0.69%	25,600,000	5	0.61%
Smithfield Farmland Corp	36,032,600	4	0.68%	-	-	-%
Eagle Harbor West LLC	33,000,000	5	0.62%	13,285,400	9	0.32%
Smithfield Fresh Meats Corp	32,286,100	6	0.61%	-	-	-%
Eagle Harbor Apartments II, LP	23,500,000	7	0.44%	13,015,000	10	0.31%
Green Mountain Coffee Roasters	22,769,000	8	0.43%	-	-	-%
LDI Virginia LLC	16,049,600	9	0.30%	14,417,900	7	0.34%
Sentara Healthcare	15,689,200	10	0.30%	14,669,700	6	0.35%
Smithfield Foods Inc	-	-	-%	41,811,700	3	1.00%
Inland RI Holdings LLC etals	-	-	-%	41,871,600	2	1.00%
Gwaltney of Smithfield, Ltd.	-	-	-%	30,293,000	4	0.72%
Cypress Creek Dev. Co. LLC	-	-	-%	13,227,000	8	0.32%
	$ 377,503,800		6.74%	$ 315,008,500		7.51%

PERSONAL PROPERTY

Taxpayer	2024 Assessed Valuation Personal Property	2024 Rank	2024 Percent of Total Assessed Valuation Personal Property (1)	2015 Assessed Valuation Personal Property	2015 Rank	2015 Percent of Total Assessed Valuation Personal Property (1)
International Paper	$ 153,188,010	1	17.92%	$ 334,829,154	1	29.77%
Gwaltney of Smithfield Ltd.	59,348,085	2	6.66%	95,584,475	2	8.50%
Keurig Green Mountain Inc	44,903,417	3	5.04%	61,085,927	3	5.43%
ST Tissue LLC	24,402,173	4	2.74%	38,086,613	4	3.39%
Franklin Lumber LLC	11,740,531	5	1.32%	17,045,872	5	1.52%
Charter Communications/Spectrum SE LLC	10,435,342	6	1.17%	2,639,288	10	0.23%
Cost Plus Inc.	7,517,516	7	0.84%	7,317,150	6	0.65%
Food Lion	2,773,723	8	0.31%	2,565,199	9	0.23%
Keybank National Association	2,289,652	9	0.26%	-	-	-%
Monority Alliamce Capital LLC	1,623,617	10	0.18%	-	-	-%
Premium Pet Health LLC	-	-	-%	3,328,317	7	0.30%
NMHG Financial Services Inc	-	-	-%	3,152,030	8	0.28%
	$ 318,222,066		36.44%	$ 565,634,025		50.30%

(1) Includes personal property, mobile homes, and machinery and tools.

County of Isle of Wight, Virginia

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total (3) Tax Levy	Current Tax (1) Collections	Percent of Levy Collected	Delinquent (1)(2) Tax Collections	(4) Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2024	69,413,161	66,955,342	96.46%	1,901,161	67,512,000	97.26%	5,766,679	8.31%
2023	64,565,682	62,471,657	96.76%	2,094,025	61,931,125	95.92%	1,553,493	2.41%
2022	62,270,638	60,969,798	97.91%	1,300,840	60,338,443	96.90%	669,485	1.08%
2021	57,763,407	56,636,803	98.05%	1,126,604	56,957,224	98.60%	1,447,025	2.51%
2020	56,672,054	54,408,488	96.01%	2,263,566	55,311,373	97.60%	3,166,451	5.59%
2019	53,193,829	52,007,865	97.77%	1,185,964	52,681,154	99.04%	1,859,253	3.50%
2018	57,775,634	56,573,858	97.92%	1,201,776	56,788,549	98.29%	1,416,467	2.45%
2017	52,429,271	51,212,340	97.68%	1,216,931	53,469,984	101.98%	3,474,575	6.63%
2016	51,099,354	49,979,110	97.81%	1,120,244	51,099,354	100.00%	2,240,488	4.38%
2015	50,406,860	48,910,585	97.03%	1,496,275	50,406,859	100.00%	2,992,549	5.94%

(1) Collections include amount reimbursed by the State for Personal Property Tax under the Personal Property Tax Relief Act (PP'TRA) of 1998.

(2) Does not include land redemptions.

(3) Represents fully supplemented and abated tax levy amounts.

(4) Represents total taxes collected in fiscal year for all tax years.

County of Isle of Wight, Virginia

Taxable Sales by Category

Last Ten Years

	2024	2023	2022	2021	2020
Apparel stores	$ 3,275,979	$ 4,357,404	$ 2,031,198	$ 2,283,686	$ 3,153,733
General merchandise	21,576,841	21,201,907	20,401,798	19,503,277	18,148,931
Food stores	123,244,438	112,677,895	104,886,854	98,742,509	82,746,947
Eating and drinking establishments	53,883,742	48,556,571	45,543,766	37,892,254	36,625,313
Home furnishings and appliances	733,479	904,784	1,006,148	733,210	740,770
Building materials and farm tools	13,841,648	13,150,894	12,469,891	10,810,423	7,938,465
Auto dealers and supplies	5,471,355	5,186,635	5,715,223	4,359,135	4,391,501
Service stations	11,226,461	14,954,058	14,913,503	12,708,001	12,876,461
Other retail stores	6,900,651	8,107,158	6,687,611	4,906,103	4,090,605
All other outlets	88,366,483	89,445,229	79,940,378	71,284,349	64,573,472
	$ 328,521,077	$ 318,542,535	$ 293,596,370	$ 263,222,947	$ 235,286,198

(Continued)

Source: Isle of Wight County Commissioner of Revenue

County of Isle of Wight, Virginia

Taxable Sales by Category (Continued)

Last Ten Years

	2019	2018	2017	2016	2015
Apparel stores	$ 2,796,422	$ 2,945,495	$ 3,112,767	$ 3,138,661	$ 3,155,626
General merchandise	18,426,147	18,471,979	17,055,174	17,052,902	15,058,574
Food stores	75,489,663	75,929,226	75,469,177	74,278,038	70,333,859
Eating and drinking establishments	34,531,724	32,415,274	30,001,191	30,638,029	28,003,995
Home furnishings and appliances	984,728	1,149,106	1,655,721	3,673,785	1,970,161
Building materials and farm tools	7,929,969	7,623,262	7,733,809	8,087,111	7,607,946
Auto dealers and supplies	4,652,629	4,127,154	4,262,699	3,734,038	3,699,950
Service stations	12,306,750	10,231,430	10,116,257	8,297,669	8,750,178
Other retail stores	4,527,901	7,707,369	7,444,040	8,318,528	8,155,461
All other outlets	78,248,666	76,326,354	67,585,166	63,207,520	66,100,640
	$ 239,894,599	$ 236,926,649	$ 224,436,001	$ 220,426,281	$ 212,836,390

County of Isle of Wight, Virginia

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	(1) Gross Bonded Debt	(2) Less Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net General Obligation Bonded Debt to Assessed Value	(3) Percentage of Per Capita Income	Net Bonded Debt Per Capita
2024	41,287	$ 6,879,868,142	161,869,380	$ 32,249,511	$ 129,619,869	1.88%	7.2%	3,139
2023	40,151	5,287,865,818	171,577,059	34,128,376	137,448,683	2.60%	8.1%	3,423
2022	38,606	5,208,648,086	181,072,116	35,516,372	145,555,744	2.79%	9.7%	3,770
2021	37,109	5,045,420,400	171,249,638	36,615,945	134,633,693	2.67%	9.8%	3,628
2020	37,649	5,007,174,280	139,900,880	35,715,310	104,185,570	2.08%	7.8%	2,767
2019	38,386	4,771,039,019	148,330,252	36,519,191	111,811,061	2.34%	8.1%	2,913
2018	38,020	4,719,551,693	156,544,148	37,310,496	119,233,652	2.53%	9.2%	3,136
2017	37,074	4,646,536,085	157,839,769	37,986,086	119,853,683	2.58%	10.0%	3,233
2016	36,438	4,579,015,110	145,898,692	38,534,357	107,364,335	2.34%	9.4%	2,946
2015	36,007	4,197,303,286	150,247,147	39,148,981	111,098,166	2.65%	10.0%	3,085

(1) Includes all long-term general obligation debt. Prior year amounts were restated to include bond premium, discount, and adjustments.

(2) Prior year amounts were restated to include bond premium.

(3) See Exhibit C-14 for per capita income.

County of Isle of Wight, Virginia

Schedule of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities				
Fiscal Year	**General Obligation Bonds**	**PACE Loans**	**Loans Payable**	**Lease Liabilities**	**Subscription Liabilities**
2024	$ 129,619,869	$ 4,326,512	$ 1,786,797	$ 704,353	$ 135,244
2023	137,448,683	4,326,512	1,759,831	483,783	182,304
2022	145,555,744	4,326,512	1,905,283	473,804	-
2021	134,633,693	4,326,512	1,426,252	-	-
2020	104,185,570	4,326,512	1,234,124	-	-
2019	111,811,061	4,326,512	1,154,305	-	-
2018	119,233,652	4,326,512	872,070	-	-
2017	119,853,683	4,326,512	834,485	-	-
2016	107,364,335	4,326,512	766,113	-	-
2015	111,098,166	4,326,512	722,822	-	-

	Business Type Activities				
Fiscal Year	**General Obligation Bonds**	**Notes Payable**	**Loans Payable**	**Lease Liabilities**	**Subscription Liabilities**
2024	$ 32,249,511		$ 52,139	$ 4,899	$ 34,446
2023	34,128,376	-	129,891	29,353	67,122
2022	35,516,372	-	181,247	7,811	-
2021	36,615,945	-	133,789	-	-
2020	35,715,310	-	129,246	-	-
2019	36,519,191	-	53,368	-	-
2018	37,310,496	-	77,956	-	-
2017	37,986,086	-	28,763	-	-
2016	38,534,357	12,000	39,916	-	-
2015	39,148,981	24,000	50,903	-	-

Fiscal Year	**Total Primary Government**	**Percentage Personal Income**	**Net Bonded Debt Per Capita**
2024	$ 168,913,770	8.80%	3,856
2023	178,555,855	11.72%	4,576
2022	187,966,773	12.34%	4,817
2021	177,136,191	13.31%	4,705
2020	145,590,762	10.94%	3,867
2019	153,864,437	11.16%	4,008
2018	161,820,686	12.47%	4,256
2017	163,029,529	13.61%	4,397
2016	151,043,233	13.27%	4,145
2015	155,371,384	13.96%	4,315

(1) Includes all long-term general obligation debt. Prior year amounts were restated to include bond premium, discount, and adjustments.

(2) See Exhibit C-14 for per capita income.

County of Isle of Wight, Virginia

Legal Debt Margin

Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Total assessed valuation of real estate from land book	$ 6,879,962,642	$ 5,287,865,818	$ 5,208,648,086	$ 5,045,420,400	$ 5,007,174,280
Percent limitation based on the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	687,996,264	528,786,582	520,864,809	504,542,040	500,717,428
Total debt of the County	152,426,237	161,591,706	170,544,553	162,085,328	130,644,576
Total debt of the Town of Smithfield	3,416,000	5,220,736	6,017,455	6,855,711	5,666,352
Total debt of the Town of Windsor	870,308	934,823	992,001	1,058,724	1,195,942
Total	156,712,545	167,747,265	177,554,009	169,999,763	137,506,870
Amount by which legal debt margin exceeds total debt	$ 531,283,719	$ 361,039,317	$ 343,310,800	$ 334,542,277	$ 363,210,558

(Continued)

Under state finance laws, the County of Isle of Wight's outstanding general obligation debt should not exceed 10% of total assessed value.

County of Isle of Wight, Virginia

Legal Debt Margin (Continued)

Last Ten Fiscal Years

	2019	2018	2017	2016	2015
Total assessed valuation of real estate from land book	$ 4,771,039,019	$ 4,719,551,693	$ 4,646,536,085	$ 4,579,015,110	$ 4,197,303,286
Percent limitation based on the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	477,103,902	471,955,169	464,653,609	457,901,511	419,730,329
Total debt of the County	138,037,818	145,215,577	151,024,995	138,290,000	141,575,000
Total debt of the Town of Smithfield	6,710,634	7,877,421	6,507,832	3,970,025	4,548,745
Total debt of the Town of Windsor	1,173,269	1,228,217	1,281,529	1,422,869	1,484,849
Total	145,921,721	154,321,215	158,814,356	143,682,894	147,608,594
Amount by which legal debt margin exceeds total debt	$ 331,182,181	$ 317,633,954	$ 305,839,253	$ 314,218,617	$ 272,121,735

Under state finance laws, the County of Isle of Wight's outstanding general obligation debt should not exceed 10% of total assessed value.

County of Isle of Wight, Virginia

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	(1) Population		(1) Per Capita Income		Registered Voters	(2) Unemployment Rate
2024	41,287	(4)	$ 43,807	(4)	31,832	2.9%
2023	40,151	(4)	42,122	(4)	31,013	2.8%
2022	38,606	(4)	39,024	(4)	29,739	3.1%
2021	37,109	(4)	37,126	(4)	30,218	4.0%
2020	37,649	(4)	35,344	(4)	28,559	6.3%
2019	38,386	(4)	35,920	(4)	28,248	2.9%
2018	38,020	(4)	34,139	(4)	28,200	3.2%
2017	37,074	(4)	32,477	(4)	27,718	3.7%
2016	36,438	(4)	31,247	(4)	26,555	4.6%
2015	36,007	(4)	30,903	(4)	26,176	5.2%

Source:
(1) Weldon-Cooper Center for Public Service, UVA. (Census Information Only)
(2) Virginia Employment Commission.
(3) Estimated assuming a 3% growth rate from the prior year.
(4) 2020 Census Data
(5) Va. State Board of Elections

County of Isle of Wight, Virginia

Full-time Equivalent County Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021	2020
General government					
Board of Supervisors	1.0	1.0	1.0	1.0	0.5
County Administration	2.5	2.5	2.5	2.5	2.5
County Attorney	1.5	1.5	1.5	1.5	2.0
Commissioner of Revenue	11.0	11.0	11.0	10.5	10.5
Treasurer	7.0	10.0	9.0	10.0	9.5
Budget and Finance	8.0	7.0	7.0	7.0	8.0
Purchasing	2.0	2.0	2.0	2.0	1.0
Human Resources	4.0	4.0	3.0	3.0	2.5
Communications	2.0	2.0	1.5	1.5	1.5
Economic Development	4.0	4.0	4.0	4.0	4.0
Registrar	3.0	2.0	2.0	3.5	3.0
Inspections	8.0	8.0	8.0	8.0	5.0
Information Technology	9.0	9.0	8.0	8.0	7.0
Risk Management	2.0	2.0	2.0	2.0	2.0
Planning and Zoning	9.0	9.0	8.0	9.0	11.0
Health & Welfare	38.0	40.0	38.0	39.0	39.0
Tourism	4.0	4.0	4.0	4.0	4.0
Farmers Market	-	-	-	-	-
Circuit Court	1.0	1.0	1.0	1.0	1.0
Clerk of Court	7.0	7.0	7.0	7.0	7.0
Commonwealth Attorney	8.0	8.0	8.0	8.0	8.0
Total general government	132.0	135.0	128.5	132.5	129.0
Public Safety					
Sheriff Deputies (including Sheriff)	65.3	58.3	55.5	53.5	52.0
Administrative	4.0	4.0	4.0	4.0	4.0
Animal Control	8.0	7.0	7.0	7.5	7.0
Emergency Communications	21.8	21.8	21.8	18.0	18.0
Total Public Safety	99.0	91.0	88.3	83.0	81.0
Fire and Rescue					
Administrative	6.0	5.0	5.0	5.0	5.0
Firefighters/Paramedics	55.5	51.0	46.0	51.5	51.0
Total Fire and Rescue	61.5	56.0	51.0	56.5	56.0
General Services					
Administrative	3.0	3.9	3.9	3.9	3.9
Engineering	3.0	3.0	2.0	2.0	2.0
Stormwater	8.3	8.3	8.3	9.2	8.2
Refuse collection	10.0	10.0	10.0	36.0	25.0
Building and Grounds	10.0	10.0	10.0	10.0	10.0
Custodians	9.5	9.5	9.5	8.5	9.0
Total Public Works	43.8	44.7	43.7	69.6	58.1
Parks, Recreation and Cultural	23.0	22.0	21.0	21.0	21.0
Public Utilities	23.8	22.8	21.8	20.0	20.0
Public Schools					
Instructional Positions	454.0	450.0	447.0	434.0	420.0
Administrators	73.0	79.0	76.0	74.0	74.0
Support Personnel	258.0	250.0	266.0	236.0	234.0
Total Public Schools	785.0	779.0	789.0	744.0	728.0
Grand total	1,168.1	1,150.5	1,143.3	1,126.6	1,093.1

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools
Grand Totals 2011-2014 updated

County of Isle of Wight, Virginia

Full-time Equivalent County Government Employees by Function/Program (Continued)

Last Ten Fiscal Years

Function/Program	2019	2018	2017	2016	2015
General government					
Board of Supervisors	0.5	0.5	0.5	0.5	0.5
County Administration	2.5	2.5	2.5	3.5	3.0
County Attorney	2.0	2.0	2.0	2.0	2.0
Commissioner of Revenue	10.5	10.5	9.5	10.5	10.5
Treasurer	10.0	11.0	10.0	10.0	9.50
Budget and Finance	7.0	7.0	7.0	6.0	5.0
Purchasing	1.0	1.0	1.0	1.00	1.50
Human Resources	2.0	2.0	2.0	2.0	2.0
Communications	1.5	1.5	1.0	2.0	2.0
Economic Development	4.0	4.0	3.0	4.0	5.0
Registrar	3.0	3.5	3.0	3.50	3.50
Inspections	5.0	5.0	5.0	5.0	5.0
Information Technology	7.5	7.5	7.5	7.0	7.0
Risk Management	2.0	1.0	1.0	1.0	1.0
Planning and Zoning	11.0	11.0	10.0	10.0	10.0
Health & Welfare	2.00	2.00	1.50	1.50	1.50
Tourism	4.00	4.50	3.50	3.50	3.50
Farmers Market	0.5	-	-	-	-
Circuit Court	-	-	-	-	-
Clerk of Court	7.0	7.0	7.0	7.0	7.0
Commonwealth Attorney	8.0	8.0	6.0	6.0	6.0
Total general government	91.00	91.50	83.00	86.00	85.50
Public Safety					
Sheriff Deputies (including Sheriff)	52.5	52.5	49.0	48.5	47.50
Administrative	4.0	4.0	4.0	5.0	5.0
Animal Control	6.5	5.0	6.0	5.5	5.50
Emergency Communications	16.5	18.5	19.5	19.5	19.50
Total Public Safety	79.50	80.00	78.50	78.50	77.50
Fire and Rescue					
Administrative	5.0	5.0	5.5	5.0	5.0
Firefighters/Paramedics	48.5	43.5	47.0	58.5	54.50
Total Fire and Rescue	53.50	48.50	52.50	63.50	59.50
General Services					
Administrative	3.9	3.9	4.0	3.50	3.50
Engineering	2.00	2.00	1.50	1.90	1.90
Stormwater	8.2	7.2	9.0	10.4	10.4
Refuse collection	23.0	23.5	19.0	21.0	20.5
Building and Grounds	8.0	8.0	6.0	8.0	8.0
Custodians	9.0	8	-	-	-
Total Public Works	54.10	52.60	39.50	44.80	44.30
Parks, Recreation and Cultural	26.0	27.0	25.0	20.0	21.0
Public Utilities	18.0	12.0	14.6	16.2	15.2
Public Schools					
Instructional Positions	412.0	365.0	398.0	533.0	402.0
Administrators	80.0	58.0	60.0	19.0	45.5
Support Personnel	267.0	241.0	254.0	142.0	248.0
Total Public Schools	759.00	664.00	712.00	694.00	695.50
Grand total	1,081.10	975.60	1,005.10	1,003.00	998.50

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools
Grand Totals 2011-2014 updated

County of Isle of Wight, Virginia

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021	2020
Sheriff					
Physical arrests	1,373	1,296	1,159	746	1,421
Traffic violations	1,903	2,309	1,614	1,988	3,252
Fire					
Emergency responses - Fire	842	835	989	914	922
Emergency responses - Rescue	5,774	5,636	5,493	5,284	4,804
Building Permits					
Residential	234	210	360	300	200
Residential - Value	$ 60,495,768	$ 52,013,980	$ 141,181,562	$ 68,130,237	$ 42,297,744
Commercial	35	11	22	11	8
Commercial - Value	$ 228,345,030	$ 5,128,373	$ 4,866,579	$ 1,617,010	$ 1,354,702
Refuse Collection					
Refuse collected (tons per day)	64	62	62	88	61
Public Schools					
Cost Per Student	$ 15,484	$ 14,147	$ 12,971	$ 11,049	$ 10,518
Average Daily Membership	5,428	5,460	5,570	5,392	5,591
Student/Teacher Ratio	13.05	12.99	11.16	12.70	13.19
Park and Recreation					
Athletic field permits issued	204	119	102	21	12
County Fair Admissions	38,657	32,455	32,737	-	35,170
Library					
Volumes in collection - physical	75,815	75,084	73,985	135,050	69,133
Volumes in collection - digital	1,961,857	1,480,995	1,530,401	1,150,462	1,391,873
Total volumes borrowed	191,582	174,279	290,346	273,681	154,196
Water					
New connections	44	45	71	131	116
Average daily consumption (thousands of gallons)	0.32	0.31	0.32	0.32	0.35

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

Note:

County Fair was canceled in fiscal year 2019 due to a hurricane.

County Fair was canceled in fiscal year 2021 due to the COVID pandemic.

County of Isle of Wight, Virginia

Operating Indicators by Function/Program (Continued)

Last Ten Fiscal Years

Function/Program	2019	2018	2017	2016	2015
Sheriff					
Physical arrests	1,432	1,056	853	842	470
Traffic violations	2,487	3,037	3,427	3,280	2,582
Fire					
Emergency responses - Fire	737	1,108	1,031	793	1,728
Emergency responses - Rescue	4,756	4,598	4,450	4,493	4,323
Building Permits					
Residential	195	156	171	158	130
Residential - Value	$ 36,267,481	$ 32,555,058	$ 32,108,219	$ 32,638,877	$ 28,774,421
Commercial	9	14	15	8	9
Commercial - Value	$ 3,833,333	$ 3,744,477	$ 2,361,121	$ 2,616,297	$ 1,803,859
Refuse Collection					
Refuse collected (tons per day)	59	64	59	29	28
Public Schools					
Cost Per Student	$ 11,640	$ 10,598	$ 11,288	$ 10,341	$ 9,922
Average Daily Membership	5,375	5,338	5,263	5,441	5,233
Student/Teacher Ratio	13.05	14.6	16.1	14.0	14.1
Park and Recreation					
Athletic field permits issued	27	26	11	24	30
County Fair Admissions	-	28,831	30,168	25,000	29,337
Library					
Volumes in collection - physical	67,172	67,281	68,638	69,454	73,430
Volumes in collection - digital	167,991	137,708	89,591	79,821	66,716
Total volumes borrowed	198,182	163,688	200,768	191,128	187,594
Water					
New connections	96	80	102	92	52
Average daily consumption (thousands of gallons)	0.33	0.32	0.35	0.33	0.65

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

County of Isle of Wight, Virginia

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	32	32	32	30	33	30	30	30	30	30
Fire and Rescue										
Fire Units	5	5	5	5	5	5	5	5	5	5
Rescue Units	2	2	2	2	2	2	2	2	2	4
Refuse Collection										
Collection trucks	5	5	5	5	5	5	5	5	6	6
Public Schools										
School Facilities	9	9	9	9	9	9	9	9	9	9
Park and Recreation										
Parks	7	7	11	11	11	11	10	7	7	7
Acreage	2,897	3,006	3,077	3,077	3,077	3,077	569	570	570	570
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	15	15	15	15	15	15	9	12	12	12
Community centers	4	4	4	4	4	4	3	2	2	2
Museums	3	3	3	3	3	3	3	2	2	2
Library Facilities	3	3	3	3	3	3	3	3	3	3

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Isle of Wight, Virginia as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise County of Isle of Wight, Virginia's basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Isle of Wight, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 2, 2024

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Isle of Wight, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Isle of Wight, Virginia's major federal programs for the year ended June 30, 2024. County of Isle of Wight, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Isle of Wight, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our audit procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on County of Isle of Wight, Virginia's response to the noncompliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. County of Isle of Wight, Virginia's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

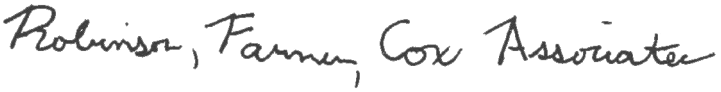
Report on Internal Control over Compliance

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

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

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.



Richmond, Virginia
December 2, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the County of Isle of Wight, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the reporting requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Isle of Wight, Virginia, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Isle of Wight, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

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

Note 4 - De Minimis Cost Rate

The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note 6 - Subrecipients

No awards were passed through to subrecipients.

Note 7 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	$ 319,202
Capital Projects Fund	1,980,165
Department of Social Services Fund	2,135,689
Children's Services Fund	35,673
Grants Fund	487,471
Total primary government	$ 4,958,200
Component Unit School Board:	
School Operating Fund	$ 235,550
School Cafeteria Fund	2,108,053
School Grants Fund	4,259,186
Total Component Unit School Board	$ 6,602,789
Total federal expenditures per basic financial statements	$ 11,560,989
Amounts required to reconcile federal revenues to expenditures:	
Less: QSCB federal interest subsidy	$ (319,202)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 11,241,787

COUNTY OF ISLE OF WIGHT, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assisance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
DEPARTMENT OF JUSTICE:				
Direct payments:				
Treatment Court Discretionary Grant Program	16.585	n/a		$ 147,570
Pass through payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	39001-10220		61,659
Violence Against Women Formula Grants	16.588	20-X9425VA19/21-Y9425VA20		22,470
Total Department of Justice				$ 231,699
DEPARTMENT OF TREASURY:				
Pass through payments:				
Department of Accounts:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown		$ 238,105
Total Department of Treasury				$ 238,105
DEPARTMENT OF TRANSPORTATION:				
Pass through payments:				
Virginia Department of Transportation:				
Highway Planning and Construction	20.205	115,P101,R201,C501		$ 809,750
Recreational Trails Program	20.219	VRT-323-M-190		211,395
Alcohol Open Container Requirements	20.607	Unknown		26,880
Total Department of Transportation				$ 1,048,025
DEPARTMENT OF HOMELAND SECURITY:				
Direct payments:				
Assistance to Firefighters Grant	97.044	n/a		$ 959,020
Pass through payments:				
Virginia Department of Emergency Services:				
Emergency Management Performance Grants	97.042	EMP-2017-EP-00006		7,422
Total Department of Homeland Security				$ 966,442
DEPARTMENT OF AGRICULTURE:				
Pass through payments:				
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0040122/0040123		$ 598,114
Department of Agriculture:				
Child Nutrition Cluster:				
Food distribution - National School Lunch Program	10.555	Unknown	$ 219,171	
Department of Education:				
National School Lunch Program	10.555	406230	1,386,722	
Total AL# 10.555			$ 1,605,893	
School Breakfast Program	10.553	405910	$ 502,159	
		Total Child Nutrition Cluster		$ 2,108,052
Total Department of Agriculture				$ 2,706,166
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Pass through payments:				
Virginia Department of Social Services:				
Title VI-E Prevention Program	93.472	1140123/1140124		$ 6,199
Guardianship Assistance	93.090	1110123/1110124		6,779
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950123/0950124		12,395
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500123/0500124		1,245
Low Income Home Energy Assistance	93.568	0600423/0600424		60,208
Chafee Education and Training Vouchers Program (ETV)	93.599	9160122		371
Stephanie Tubbs Jones Child Welfare Service Program	93.645	0900123/0900124		238
Foster Care Title IV - E	93.658	1100123/1100124		220,726
Adoption Assistance	93.659	1120123/112024		105,496
Social Services Block Grant	93.667	1000123/1000124		356,580
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123/9150124		3,396
Children's Health Insurance Program	93.767	0540123/0540124		5,293
Medicaid Cluster:				
Medical Assistance Program	93.778	1200123/1200124		466,391
Temporary Assistance for Needy Families	93.558	0400123/0400124		240,161
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000223/8000224		6,331
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760123/0760124		57,844
Total Department of Health and Human Services				$ 1,549,653

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Direct payments:				
Home Investment Partnerships Program	14.239	n/a		$ 37,055
Total Department of Housing and Urban Development				$ 37,055
DEPARTMENT OF EDUCATION:				
Direct payments:				
Adult Education - Basic Grants to States	84.002	n/a		$ 31,267
Impact Aid	84.041	n/a		156,679
Pass through payments:				
Virgina Department of Education:				
Title I Grants to Local Educational Agencies	84.010	429010		1,075,316
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	430710, 402870	$ 1,448,813	
Special Education - Preschool grants	84.173	625210	37,158	
		Total Special Education Cluster (IDEA):		1,485,971
Career and Technical Education - Basic Grants to States	84.048	600310		133,752
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	614800		147,375
Student Support and Academic Enrichment Program	84.424	602810		95,884
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	501950	$ 294	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	501830, 501930	1,251,646	
COVID-19 - American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	Unknown	4,711	
Total AL# 84.425				1,256,651
English Language Acquisition State Grants	84.365	605120		2,876
Total Department of Education				$ 4,385,771
DEPARTMENT OF DEFENSE:				
Direct payments:				
ROTC Language and Culture Training Grants	12.357	n/a		$ 78,871
Total Department of Defense				$ 78,871
Total Expenditures of Federal Awards				$ 11,241,787

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficienc(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	modified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	Yes

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425	COVID-19 - Education Stabilization Fund
10.553/10.555/10.559	Child Nutrition Cluster
20.205	Highway Planning and Construction
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

Finding 2024-001: Elibigibility - Child Nutrition Cluster (Assistance Listing Number 10.553/10.555/10.559)

Program:	Child Nutrition Cluster (Assistance Listing Number 10.553/10.555/10.559)
Criteria:	Applicants who meet the published federal income eligibility guidelines should be given free or reduced price meals as applicable.
Condition:	Twenty-five applications were selected for testing. The School Board incorrectly approved eight applications for free meals, when they should have been approved for reduced or denied. Four applications were denied, when they should have been approved for either free or reduced meals.
Cause:	Household income and family size data were incorrectly entered into the online software, and other applications were misplaced.
Effect:	Applicants were not approved or denied appropriately.
Recommendation:	Controls should be strengthened to ensure that the amounts entered into the online software are accurate.
Views of Responsible Officials:	The Component Unit School Board is considering corrective action for FY25.

COUNTY OF ISLE OF WIGHT, VIRGINIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

Findings - Financial Statement Audit:
2023-001:
Financial Reporting

Condition:

The Component Unit School Board's financial statements did not contain all necessary adjustments to reconcile to the entity's internal documents to comply with generally accepted accounting principles (GAAP).

Recommendation:

The School Board should implement steps and procedures to improve its internal controls over financial reporting and to ensure that all year-end adjusting entries are identified and recorded on a timely basis.

Current Status:

Corrective action taken.

Findings - Federal Awards:
2023-002:
Elibigibility - Child Nutrition Cluster (Assistance Listing Number 10.553/10.555/10.559)

Condition:

Thirty-five applications were selected for testing. The School Board incorrectly approved two applications for free meals, when they should have been approved for reduced. One application was approved for reduced meals, when it should have been approved for free. One application was denied, when it should have been approved for free. Additionally, there were seven applicants selected where the application could not be provided by the School Board.

Recommendation:

Controls should be strengthened to ensure that the amounts entered into the online software are accurate.

Current Status:

Finding repeated in current year as finding 2024-001.

Findings - Commonwealth of Virginia:
2023-003:
Annual School Report

Condition:

The School Board has not yet prepared the Annual School Report.

Recommendation:

School Board management should have procedures in place to ensure that the Annual School Reporrt is completed and submitted to the State Board of Education by September 15th.

Current Status:

Corrective action taken.

ISLE OF WIGHT COUNTY, VIRGINIA

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