

King William County, Virginia

Annual Comprehensive Financial Report



OC 27 KING WILLIAM COUNTY COURTHOUSE

The King William County courthouse, erected early in the second quarter of the 18th century, is one of the older courthouses still in use in the United States. This T-shaped building was constructed of brick laid in Flemish bond, with an arcade imitating the first capital in Williamsburg. One of the best preserved of Virginia's colonial courthouse buildings, it features fine Georgian brickwork. About 1840 the courthouse was enlarged with a unique stile and a brick wall was erected to enclose the court green. Its rural historic setting is a rare survival.

2024

*For the year ended
June 30, 2024*

INTRODUCTORY SECTION

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COUNTY OF KING WILLIAM, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

Prepared By:

**King William County
Department of Finance**

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COUNTY OF KING WILLIAM, VIRGINIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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COUNTY OF KING WILLIAM, VIRGINIA

DIRECTORY OF PRINCIPAL OFFICIALS

June 30, 2024

BOARD OF SUPERVISORS

Lindsay M. Robinson, Chairman

Justin Catlett

William L. Hodges

Benjamin J. Edwards

Mary Sue Bancroft

COUNTY ADMINISTRATOR

Stacey Davenport

SCHOOL BOARD

Lindsey Catlett, Chair

Veda G. Frazier, Vice Chair

Eric Farmer

Patricia Atkins

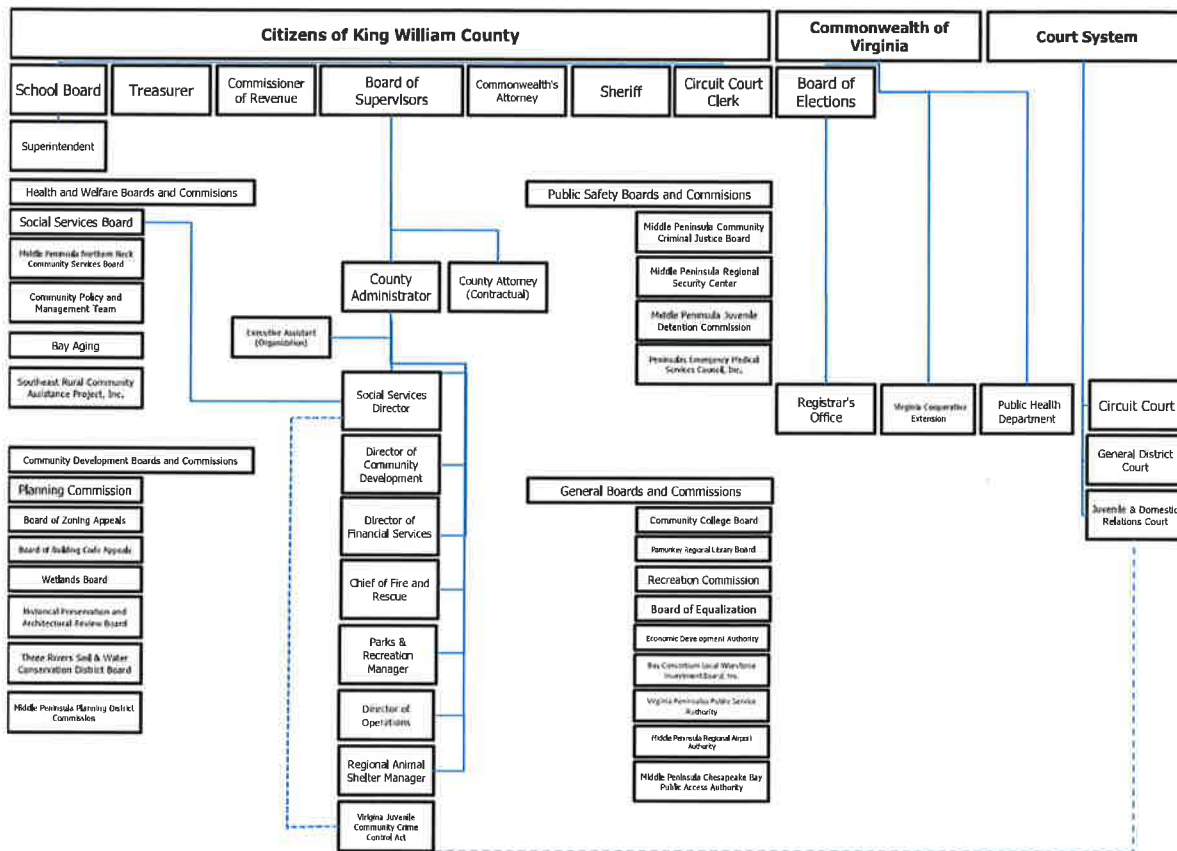
Scott Wassenberg

OTHER OFFICIALS

County Attorney.....	Mark Flynn
Commissioner of Revenue	Karena Funkhouser
Sheriff	Thomas Lumpkin
Commonwealth’s Attorney	Tiffany Webb
Clerk of Court	Tina Glazebrook
Treasurer	Abbi Carlton
Director of Social Services	Amanda Tevis
Presiding Judge, Chief Judge/Circuit Court	Hon. B. Elliott Bondurant
Chief Judge/General District Court	Hon. Wade A. Bowie
Presiding Judge/Juvenile & Domestic District Court	Hon. Mara M. Mathews

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County of King William Organization Chart



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FINANCIAL SECTION

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of King William
King William, 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 unit, each major fund, and the aggregate remaining fund information of the County of King William, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of King William, Virginia'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 unit, each major fund, and the aggregate remaining fund information of the County of King William, 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 King William, 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.

Restatement of Beginning Balances

As described in Note 20 to the financial statements, in 2024, the County restated beginning cash balances in the proprietary funds to included items previously not identified as cash equivalents. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 King William, 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 King William, 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 King William, 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 King William, Virginia 's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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 5, 2024, on our consideration of County of King William, 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 King William, 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 King William, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 5, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of King William presents the following discussion and analysis as an overview of the County's financial activities for the fiscal year ended June 30, 2024. We encourage readers to read this discussion and analysis in conjunction with the County's financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

Government Wide Finance Statements

The assets and deferred outflows of resources of the County, on a government-wide basis, exceeded its liabilities, and deferred inflows of resources on June 30, 2024, by \$24,350,264 (net position).

The Primary Government total net position from Governmental Activities, excluding component unit was \$24,350,264 on June 30, 2024, compared to \$23,595,584 total net position on June 30, 2023. Total net position represents the amount by which the County's assets exceeded liabilities. The government net position increased \$754,410.

The total net position from the Component Unit, the School Board, was \$23,764,497 on June 30, 2024, compared to \$16,056,736 total net position on June 30, 2023. Net position increased \$7,707,761 during FY2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Comprehensive Financial Report (ACFR) consists of four sections: introductory, financial, statistical, and compliance.

- The introductory section includes an organizational chart and a list of principal officials.
- The financial section includes the Independent Auditor's Report, management's discussion, and analysis (this section), the basic financial statements, required supplemental information, and combining and individual fund statements and schedules.
- The statistical section includes selected financial and demographic data related to the County, generally presented on a multi-year basis.
- The compliance section is required under the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Uniform Guidance; and includes the auditor's reports on compliance and internal controls. Compliance findings for the current and previous audits along with management plans to rectify future findings are found in the compliance section.

The required supplementary information includes this discussion and analysis, the Schedule of Funding Progress for the Virginia Retirement System, and the Other Postemployment Benefits Program (OPEB).

Finally, the combining and individual fund statements and schedules are included, which present individual statements for major funds other than the General Fund and combining statements for non-major governmental funds, fiduciary funds, and the component unit as well as other supporting schedules.

Government-wide Financial Statements

The government-wide financial statements (Exhibits 1 and 2) report information about the County using accounting methods like those found in the private sector.

The Statement of Net Position (Exhibit 1) presents information on all the County's assets and liabilities, including governmental activities and School Board activities. Net position is the residual amount remaining after liabilities are deducted from the balance of assets, and provides a measure of the County's financial health, or financial condition. Over time, changes in the net position may serve as an indicator of whether the County's financial condition is improving or

declining. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of the County's facilities.

The Statement of Activities (Exhibit 2) presents information using the accrual basis of accounting and shows how the County's net position changed during the fiscal year. All the current year's revenues and expenses are shown in this statement, regardless of when cash is received or paid. The Statement of Activities presents expenses before revenues to emphasize that the government's revenues are generated for the express purpose of providing services.

In the government-wide financial statements, the County's activities are divided into three categories:

- **Governmental activities:** Most of the County's basic services are reported here, including general government; judicial administration; public safety; public works; health and welfare; education; parks, recreation and cultural; and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and State grants.
- **Business-type activities:** Business-type activities consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the public and use the accrual basis of accounting, like private sector businesses.
- **Component unit:** The County has one component unit for which it is financially accountable, the King William County Public Schools (School Board). A primary government is accountable for an organization if the organization is fiscally dependent, and the organization is capable of imposing financial benefits or burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funding for its operation. The School Board is a legally separate entity and is discretely presented in this annual financial report. Additional information on the component unit can be found in Note 1 of the Notes to Financial Statements section of this report.

Fund Financial Statements

These statements focus on individual parts of the County's government, reporting the County's operations in more detail. Funds are used to ensure compliance with finance-related legal requirements and are used to keep track of specific sources of revenues and expenses for purposes. The County currently has two kinds of funds:

- **Governmental Funds** – Most of the County's basic services are included in governmental funds, which focus on (1) in flows and out flows of cash and other financial assets that can be readily converted to cash and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided to explain the relationship (or differences). The County has two major funds, the General Fund, and the Capital Projects Fund. The General Fund is the main operating account of the County and therefore, the largest of the governmental funds. The Capital Projects Fund is used to account for major capital projects, primarily construction related.
- **Fiduciary Funds** – Fiduciary funds are used to account for resources held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the funds are not available to support the County's programs. The County's fiduciary funds consist of special welfare funds, Virginia Juvenile Community Crime Control Act (VJCCCA) agency funds, Victim's Witness Program funds, Project Lifesaver funds, Drug Abuse Resistance Education (D.A.R.E.) funds, and donations to the Sheriff's Office and Fire and EMS department funds. The funds are used to account for monies received, held, and disbursed on behalf of special welfare children, and other local governments and specific programs.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The following table reflects the condensed statement of net position:

TABLE 1

King William County Summary of Net Position									
	Primary Government		Primary Government		Component Unit		Total Reporting Entity		
	Governmental Activities		Business-type Activities		School Board		Including School Board		
	2024	2023	2024	2023	2024	2023	2024	2023	
Assets:									
Current and other assets	\$ 27,373,957	\$ 32,028,350	\$ 9,357,952	\$ 12,553,330	\$ 14,805,832	\$ 11,367,238	\$ 51,537,741	\$ 55,948,918	
Capital assets	34,302,042	33,494,449	5,501,803	1,222,742	26,552,756	23,666,721	66,356,601	58,383,912	
Total assets	61,675,999	65,522,799	14,859,755	13,776,072	41,358,588	35,033,959	117,894,342	114,332,830	
Deferred outflows of resources	960,327	1,091,647	23,627	-	4,384,122	4,178,575	5,368,076	5,270,222	
Total assets and deferred outflows	\$ 62,636,326	\$ 66,614,446	\$ 14,883,382	\$ 13,776,072	\$ 45,742,710	\$ 39,212,534	\$ 123,262,418	\$ 119,603,052	
Liabilities:									
Current liabilities	\$ 3,578,043	\$ 5,287,721	\$ 1,593,273	\$ 293,921	\$ 1,633,520	\$ 1,583,633	\$ 6,804,836	\$ 7,165,275	
Long-term liabilities	31,789,242	34,904,819	9,818,876	9,805,495	16,778,810	17,296,382	58,386,928	62,006,696	
Total liabilities	35,367,285	40,192,540	11,412,149	10,099,416	18,412,330	18,880,015	65,191,764	69,171,971	
Deferred inflows of resources	6,387,069	6,502,708	2,941	-	3,565,883	4,275,783	9,955,893	10,778,491	
Total liabilities and deferred inflows	\$ 41,754,354	\$ 46,695,248	\$ 11,415,090	\$ 10,099,416	\$ 21,978,213	\$ 23,155,798	\$ 75,147,657	\$ 79,950,462	
Net position:									
Net investment in capital assets	\$ 5,037,784	\$ 3,166,483	\$ 983,757	\$ 934,672	\$ 26,552,756	\$ 23,666,721	\$ 32,574,297	\$ 27,767,876	
Restricted	2,369,060	808,618	992	-	1,731,431	883,191	4,101,483	1,691,809	
Unrestricted	13,475,128	15,944,097	2,483,543	2,741,984	(4,519,690)	(8,493,176)	11,438,981	10,192,905	
Total net position	\$ 20,881,972	\$ 19,919,198	\$ 3,468,292	\$ 3,676,656	\$ 23,764,497	\$ 16,056,736	\$ 48,114,761	\$ 39,652,590	

Net position (assets and deferred outflow of resources more than liabilities and deferred inflows of resources) may serve over time as a useful indicator of a government's financial position. On June 30, 2024, the County's governmental assets exceeded liabilities and deferred inflows of resources by \$24,350,264 while School Component Unit exceeded its liabilities by \$23,764,497.

The Reporting Entity: The Commonwealth of Virginia requires that counties, as well as their financially dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public schools, for their component units. GASB Statement No. 61, *Financial Reporting Entity, Omnibus*, requires that the primary government and its component units, which make up the total reporting entity, be accounted for separately on the face of the basic financial statements.

The Statement of Activities

The statement of activities illustrates the cost of governmental activities in net of related revenues. It also shows the general revenue sources that fund governmental operations. A summary of the statement of activities for the fiscal years covering July 1, 2023, thru June 30, 2024, follows:

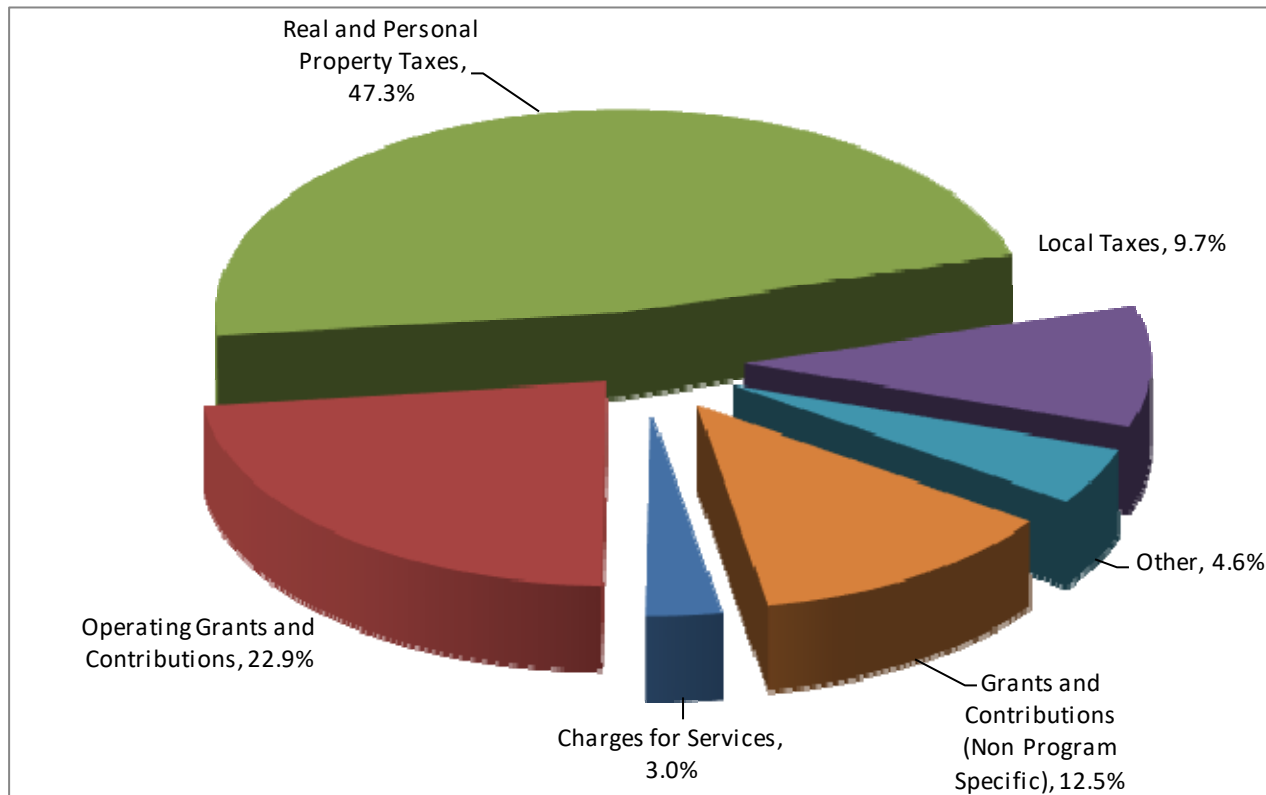
TABLE 2

King William County Change in Net Position									
	Primary Government				Component Unit		Total Reporting Entity Including		
	Governmental Activities		Business-type Activities		School Board		School Board		
	2024	2023	2024	2023	2024	2023	2024	2023	
Revenues									
Program revenues:									
Charges for services	\$ 1,428,178	\$ 1,174,201	\$ 477,901	\$ 859,401	\$ 603,770	\$ 541,788	\$ 2,509,849	\$ 2,575,390	
Operating grants and contributions	11,025,039	8,063,668	1,210,200	-	18,595,051	16,420,639	30,830,290	24,484,307	
Capital grants and contributions	-	-	-	-	-	-	-	-	
General revenues:									
Real and personal property taxes	22,762,353	23,139,139	-	-	-	-	22,762,353	23,139,139	
Other taxes	4,688,095	4,601,258	-	-	-	-	4,688,095	4,601,258	
Other	2,197,360	1,398,782	528,315	74,013	19,751,330	13,795,484	22,477,005	15,208,279	
Grants and contributions (non program specific)	6,013,576	6,651,594	-	-	-	-	6,013,576	6,651,594	
Total revenues	\$ 48,114,601	\$ 45,028,642	\$ 2,216,416	\$ 933,414	\$ 38,950,151	\$ 30,757,911	\$ 89,281,168	\$ 76,659,967	
Expenses									
General government	\$ 1,699,235	\$ 1,498,560	\$ 2,424,780	\$ 1,135,784	\$ -	\$ -	\$ 4,124,015	\$ 2,574,344	
Judicial	1,161,992	1,171,306	-	-	-	-	1,161,992	1,171,306	
Public safety	9,072,122	9,625,320	-	-	-	-	9,072,122	9,625,320	
Public works	4,722,983	2,536,675	-	-	-	-	4,722,983	2,536,675	
Health and welfare	2,734,576	2,177,819	-	-	-	-	2,734,576	2,177,819	
Education	21,889,843	16,478,269	-	-	31,242,390	27,834,661	53,132,233	44,312,930	
Parks, recreation and cultural	1,392,407	1,113,920	-	-	-	-	1,392,407	1,113,920	
Community development	3,377,776	2,173,966	-	-	-	-	3,377,776	2,173,966	
Interest on long-term debt	1,100,893	1,045,569	-	-	-	-	1,100,893	1,045,569	
Total expenses	\$ 47,151,827	\$ 37,821,404	\$ 2,424,780	\$ 1,135,784	\$ 31,242,390	\$ 27,834,661	\$ 80,818,997	\$ 66,731,849	
Change in net position	\$ 962,774	\$ 7,207,238	\$ (208,364)	\$ (202,370)	\$ 7,707,761	\$ 2,923,250	\$ 8,462,171	\$ 9,928,118	
Beginning net position	19,919,198	12,711,960	3,676,656	3,879,026	16,056,736	13,133,486	39,652,590	29,724,472	
Ending net position	\$ 20,881,972	\$ 19,919,198	\$ 3,468,292	\$ 3,676,656	\$23,764,497	\$16,056,736	\$ 48,114,761	\$ 39,652,590	

Governmental Activities - Revenues

Primary Government revenues increased from \$45,962,056 to \$50,331,017 or by \$4,368,961 (9.5%) in FY24 from FY23.

- Revenues from governmental activities for fiscal year 2024 totaled \$48,114,601 an increase of \$3.1 million from fiscal year 2023.
- Taxes comprise the largest source of revenues, totaling \$27,450,448, of which general property taxes account for \$22.75 million, or 47.3% of total revenues.
- Program revenues (charges for services, capital grants, and operating grants and contributions) generated a total of \$12,453,217, or 25.9% of total revenues.
- Revenues from grants and contributions not restricted to specific programs totaled \$6,013,576 or 12.5% of total revenues.



Governmental Activities - Expenses

Governmental activities expenses increased from \$37,821,404 to \$47,151,827 or 24.7%.

Education continues to be the County's largest program and highest priority with the County's contribution totaling \$21,889,843, or 46.4% of total expenses. Public safety expenses, which total \$9,072,122 or 19.2%, represent the second largest expense category for governmental activities.

Table 3 illustrates the net cost (total expenses less fees generated by the activities and program-specific governmental aid) for the County's governmental activities. Fees, such as charges for services and program specific aid from other governmental or outside entities, help offset the cost of the government services, thereby lessening the burden on the County's taxpayers. The County generates charges for services primarily from fees for certain court services, public safety fees, community development services, and parks and recreation activities. The County obtains grants primarily for public safety, health and welfare, and judicial administration. Net costs reflect the cost for which tax revenues support the services provided by the County government.

TABLE 3

Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2024 and 2023				
	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
<u>Governmental Activities</u>				
General government	\$ 1,699,235	\$ 1,498,560	\$ 1,208,831	\$ 913,874
Judicial	1,161,992	1,171,306	456,967	506,354
Public safety	9,072,122	9,625,320	7,203,193	7,788,590
Public works	4,722,983	2,536,675	4,722,983	2,536,675
Health and welfare	2,734,576	2,177,819	823,733	679,302
Education	21,889,843	16,478,269	16,827,928	10,165,108
Parks, recreation and cultural	1,392,407	1,113,920	1,005,938	774,981
Community development	3,377,776	2,173,966	1,348,144	1,706,306
Interest on long-term debt and other	1,100,893	1,045,569	1,100,893	1,045,569
Total Governmental Activities	\$ 47,151,827	\$ 37,821,404	\$ 34,698,610	\$ 26,116,759
<u>Business-type Activities</u>				
Water	\$ 2,424,780.0	\$ 1,075,784.0	\$ 221,490	\$ 512,668
Sewer	-	-	(800,000)	(296,285)
Total Business-type Activities	\$ 2,424,780	\$ 1,075,784	\$ (578,510)	\$ 216,383

After recognizing the effect of revenue from these fees, grants, and contributions, the net cost of governmental activities was \$34,698,610 compared to a total cost of \$47,151,827.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

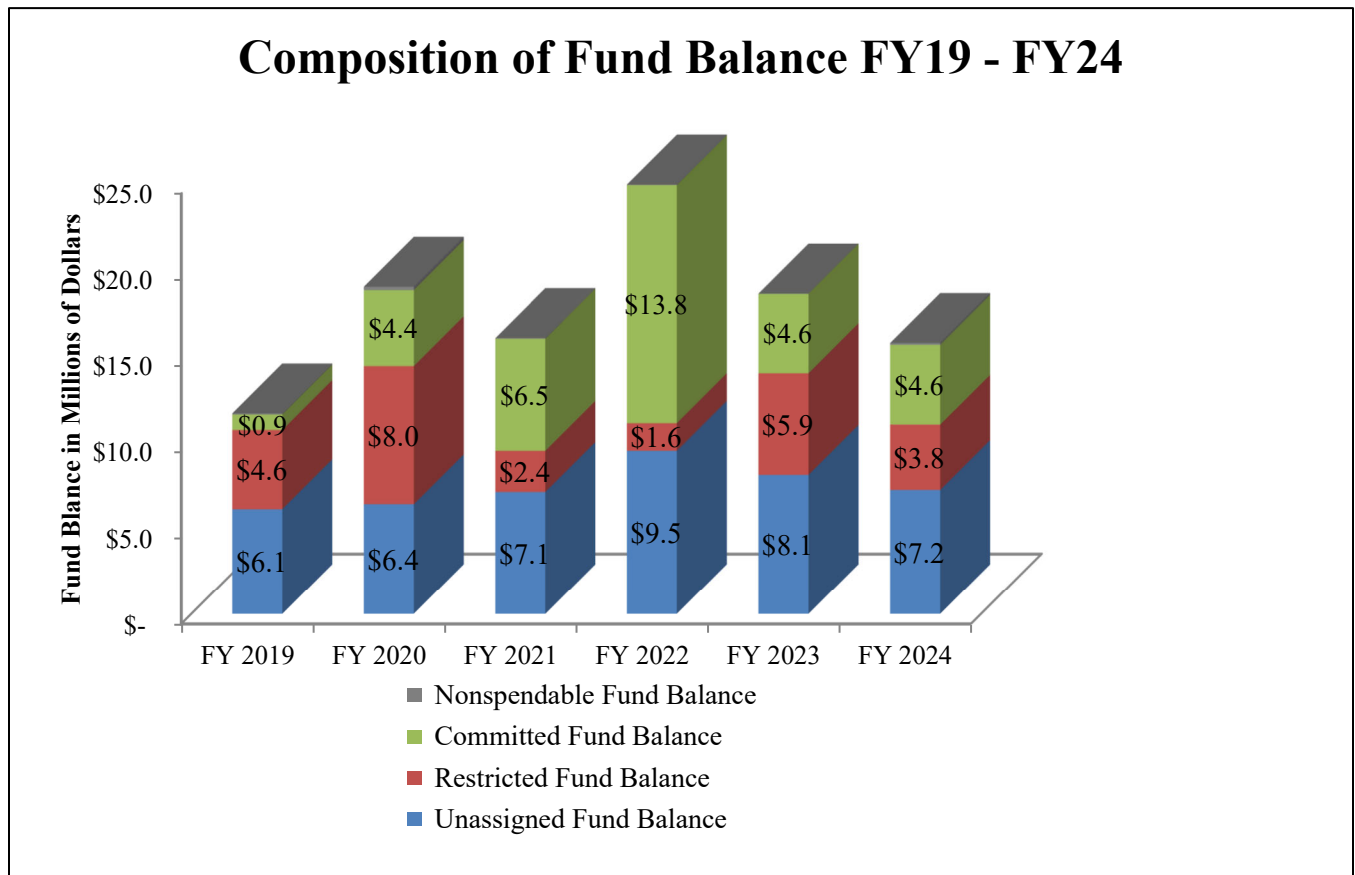
The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unreserved 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 fiscal year 2024, the County's government funds reported combined ending fund balances of \$15,748,121. Of this amount \$4,646,892 is assigned for capital projects, \$489,988 is assigned to debt service and \$3,279,408 assigned to various special revenue funds (Parks and Recreation Programs, Water and Sewer, EMS Recovery, and Regional Animal Shelter). The restricted amount of \$106,653 relates to prepaid expenses for fiscal year 2025.

The General Fund's liquidity can be measured by comparing unassigned fund balance to total fund revenues. At the end of the current fiscal year, the General Fund had an unassigned fund balance of \$7.2 million (Exhibit 3). At this level, when combined with committed and non-spendable fund balances, the County has sufficient funds to operate for approximately two months without interrupting service levels. The chart below depicts the composition of the County's General Fund balance for the last five fiscal years.

Composition of General Fund Balance



GENERAL FUND BUDGETARY HIGHLIGHTS

Table 4 provides a comparison of original budget, final amended budget, and actual revenues and expenditures in the General Fund.

TABLE 4

Budgetary Comparison General Fund For the Fiscal Year Ended June 30, 2024			
	Original Budget	Amended Budget	Actual
<u>Revenues</u>			
Taxes	\$ 27,646,220	\$ 27,646,220	\$ 27,566,624
Other	2,418,510	2,428,510	2,398,622
Intergovernmental	10,323,105	10,463,050	9,717,056
Total revenues	\$ <u>40,387,835</u>	\$ <u>40,537,780</u>	\$ <u>39,682,302</u>
<u>Expenditures</u>			
Expenditures	\$ <u>37,413,934</u>	\$ <u>38,008,458</u>	\$ <u>38,688,936</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>2,973,901</u>	\$ <u>2,529,322</u>	\$ <u>993,366</u>
<u>Other financing sources (uses)</u>			
Transfers in	\$ 279,714	\$ 897,000	\$ 896,194
Transfers out	<u>(3,253,615)</u>	<u>(3,426,322)</u>	<u>(2,882,824)</u>
Change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(993,264)</u>

During the year, budget amendments approved by the Board of Supervisors could be classified in the following key categories:

- Amendments for operating and capital projects that were incomplete in the prior fiscal year and subsequently re-appropriated in the new fiscal year.
- Amendments for supplemental appropriation for new projects and/or change orders for prior approved projects.
- Amendments for transfers and adjustments to support revised priorities.

Revenues: General Fund revenues of \$39,682,302 were less than budget amounts by \$855,478 primarily in intergovernmental revenues. The county received less aid from the federal and state governments than expected mainly in aid from public assistance and welfare administration, with revenues under budgeted amounts by \$361,215 and Children Services Act, with revenues under budgeted amounts by \$201,264.

Expenditures: General Fund expenditures were \$680,478 greater than amended budget amounts in FY24. Expenditures are over budgeted amounts due to the overspending of several funds. Health and welfare expenses, which were \$940,742 greater than budgeted amounts, accounts for the majority of the overspending in the general fund.

CAPITAL ASSETS AND LONG-TERM DEBT

Governmental Accounting Standards Board (GASB) Statement 34 requires the primary government (the County) to report debt and debt service incurred “on behalf” of component units (the School Board).

Capital Assets

The following table summarized the County’s capital assets, net of depreciation, as of June 30, 2024.

TABLE 5

Capital Assets								
For the Fiscal Year Ended June 30, 2024								
	Primary Government			Component Unit		Total Reporting Entity		
	Governmental Activities	Business-type Activity	Total	School Board		Including School Board		
	2024	2024	2023	2024	2023	2023	2023	
Land	\$ 2,176,989	\$ -	\$ 519,472	\$ 76,340	\$ 76,340	\$ 2,253,329	\$ 595,812	
Construction In progress	77,606	4,676,350	930,922	-	-	4,753,956	930,922	
Buildings and improvements	13,059,635	-	13,059,635	21,019,605	\$20,848,349	34,079,240	33,907,984	
Equipment	11,973,392	128,292	10,971,966	10,890,920	\$9,236,244	22,992,604	20,208,210	
Infrastructure	4,412,592	3,252,537	6,854,457	\$ 812,193	\$497,718	8,477,322	7,352,175	
Jointly owned assets	28,464,996	-	29,437,725	15,245,878	\$12,224,298	43,710,874	41,662,023	
Land improvements	-	-	-	636,614	\$636,614	636,614	636,614	
Total Capital Assets	\$ 60,165,210	\$ 8,057,179	\$ 61,774,177	\$ 48,681,550	\$43,519,563	\$ 116,903,939	\$ 105,293,740	
Less: Accumulated amortization	(25,863,168)	(2,555,376)	(27,056,986)	(22,128,794)	(19,852,842)	(50,547,338)	(46,909,828)	
Net Capital Assets	\$ 34,302,042	\$ 5,501,803	\$ 34,717,191	\$ 26,552,756	\$23,666,721	\$ 66,356,601	\$ 58,383,912	

During fiscal year, the following Capital projects were completed:

- Transfer Station
- Video Door Access Project
- BDA System or KWPS
- Purchase of Aylett property

Long-term Obligations

The following table provides an overview of the Long-Term obligations for the Primary Government.

TABLE 6

Summary of Changes in Long-Term Obligations For the Fiscal Year Ended June 30, 2024			
	July 1 2023	Net Increase (Decrease)	June 30, 2024
Governmental Activities:			
General obligation bonds	\$16,629,025	\$ (924,025)	\$15,705,000
Revenue bonds	6,126,100	(817,700)	5,308,400
Compensated absences	602,579	(125,474)	477,105
Net OPEB liabilities	438,285	43,805	482,090
Capital leases	6,242,093	(739,901)	5,502,192
Lease financing bond	3,259,600	(439,100)	2,820,500
County's premium on bonds	1,607,137	(113,182)	1,493,955
Total Government Activities	<u>\$34,904,819</u>	<u>\$(3,115,577)</u>	<u>\$31,789,242</u>

The overall effect of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is to reflect the County's long-term other postretirement benefit ("OPEB") obligations directly in the financial statements. Under previous accounting guidance, these amounts were recorded incrementally over time, but were not recognized in their entirety. Instead, the total liability which has now been recorded was only disclosed. The new standard not only changes certain measurement methodologies, but also requires certain new disclosures and that the County record a net OPEB liability directly on the statement of net position. However, because similar information has been disclosed in prior years, both in the notes to the financial statements and in required supplementary information, the effect of this new standard is not expected to negatively affect how most governmental entities are viewed by sophisticated readers of their financial statements.

As of June 30, 2024, the County's governmental activities had long-term obligations totaling \$31,789,242 of which \$30.8 million represents indebtedness related to capital leases, long-term commitments, and issuances of bonds on behalf of the county and the School Board component unit.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Based on available data, the local economy continues to improve from the spring 2020 pandemic economic shutdown.

- The local unemployment rate was 2.7% for June 2024, as compared to 2.7% for June 2023. The national rate for this period was 4.3%. The Virginia rate for this period was 3.0%
- According to the Weldon Cooper Center for Public Service, King William County's population was estimated to be 19,030.
- The enrollment in public schools stayed the same from fiscal year 2023 to 2024 at 2,058 students enrolled.
- The latest available per capita personal income for King William County was \$57,290 as of 2024, an increase from the per capita personal income from 2021 of \$53,900.

The FY24 General Fund operating budget totaled \$39,682,302, which was an increase of \$1,541,760 (4%) over the FY23 adopted budget. All tax rates stayed the same from the 2023 to 2024 calendar year.

The increase in the General Fund includes the following:

- ❖ Provided a 1.5% COLA and 2% Merit salary increase for County employees.
- ❖ Provided an increase of \$1,159,514 funding to King William County Public Schools from FY23 to FY24

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of King William County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Dave Wilson, Director of Financial Services, King William County, 180 Horse Landing Road #4, King William, VA 23086 telephone (804) 769-4935, or visit the County's website www.kwc.gov.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Cash and cash equivalents	\$ 14,373,818	\$ 3,241,161	\$ 17,614,979	\$ 12,208,849
Investments	1,488,073	6,462,252	7,950,325	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	8,713,136	-	8,713,136	-
Accounts receivable	481,991	42,768	524,759	33,715
Internal balances	389,221	(389,221)	-	-
Due from primary government	-	-	-	742,825
Due from custodial funds	9,585	-	9,585	-
Due from other governmental units	1,775,748	-	1,775,748	871,823
Net pension asset	35,732	992	36,724	948,620
Prepaid items	106,653	-	106,653	-
Capital assets (net of accumulated depreciation):				
Land	2,176,989	-	2,176,989	76,340
Buildings and improvements	24,114,982	-	24,114,982	17,899,570
Land improvements	-	-	-	346,470
Equipment	5,582,016	52,527	5,634,543	7,561,102
Infrastructure	2,350,449	772,926	3,123,375	669,274
Construction in progress	77,606	4,676,350	4,753,956	-
Total assets	\$ 61,675,999	\$ 14,859,755	\$ 76,535,754	\$ 41,358,588
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 705,677	\$ 19,577	\$ 725,254	\$ 3,780,386
OPEB related items	145,900	4,050	149,950	603,736
Deferred charges on refunding	108,750	-	108,750	-
Total deferred outflows of resources	\$ 960,327	\$ 23,627	\$ 983,954	\$ 4,384,122
LIABILITIES				
Accounts payable	\$ 707,641	\$ 1,320,578	\$ 2,028,219	\$ 380,775
Accrued liabilities	81,373	-	81,373	1,252,745
Accrued interest payable	374,260	173,947	548,207	-
Due to other governmental units	851,972	-	851,972	-
Unearned revenue	1,502,054	-	1,502,054	-
Deposits	60,743	98,748	159,491	-
Long-term liabilities:				
Due within one year	2,844,549	140,000	2,984,549	48,106
Derivative instrument - rate swap	-	-	-	-
Due in more than one year	28,944,693	9,678,876	38,623,569	16,730,704
Total liabilities	\$ 35,367,285	\$ 11,412,149	\$ 46,779,434	\$ 18,412,330
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 5,929,474	\$ -	\$ 5,929,474	\$ -
Pension related items	351,638	-	351,638	2,852,685
OPEB related items	105,957	2,941	108,898	713,198
Total deferred inflows of resources	\$ 6,387,069	\$ 2,941	\$ 6,390,010	\$ 3,565,883
NET POSITION				
Net investment in capital assets	\$ 5,037,782	\$ 983,757	\$ 6,021,539	\$ 26,552,756
Restricted:				
Split levy with KWPS	2,319,018	-	2,319,018	-
Sheriff's asset forfeiture	13,627	-	13,627	-
Commonwealth Attorney's asset forfeiture	683	-	683	782,811
Net pension asset	35,732	992	36,724	948,620
Unrestricted (deficit)	13,475,130	2,483,543	15,958,673	(4,519,690)
Total net position	\$ 20,881,972	\$ 3,468,292	\$ 24,350,264	\$ 23,764,497

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

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	School Board
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	\$ 1,699,235	\$ -	\$ 490,404	\$ -	\$ (1,208,831)	\$ -	\$ (1,208,831)	\$ -
Judicial administration	1,161,992	134,881	570,144	-	(456,967)	-	(456,967)	-
Public safety	9,072,122	456,729	1,412,200	-	(7,203,193)	-	(7,203,193)	-
Public works	4,722,983	-	-	-	(4,722,983)	-	(4,722,983)	-
Health and welfare	2,734,576	2,287	1,908,556	-	(823,733)	-	(823,733)	-
Education	21,889,843	-	5,061,915	-	(16,827,928)	-	(16,827,928)	-
Parks, recreation, and cultural	1,392,407	386,469	-	-	(1,005,938)	-	(1,005,938)	-
Community development	3,377,776	447,812	1,581,820	-	(1,348,144)	-	(1,348,144)	-
Interest on long-term debt	1,100,893	-	-	-	(1,100,893)	-	(1,100,893)	-
Total governmental activities	\$ 47,151,827	\$ 1,428,178	\$ 11,025,039	\$ -	\$ (34,698,610)	\$ -	\$ (34,698,610)	\$ -
Business-type activities:								
Water	\$ 1,109,591	\$ 477,901	\$ -	\$ 410,200	\$ -	\$ (221,490)	\$ (221,490)	-
Sewer	-	-	-	800,000	-	800,000	800,000	-
Total business-type activities	\$ 1,109,591	\$ 477,901	\$ -	\$ 1,210,200	\$ -	\$ 578,510	\$ 578,510	-
Total primary government	\$ 48,261,418	\$ 1,906,079	\$ 11,025,039	\$ 1,210,200	\$ (34,698,610)	\$ 578,510	\$ (34,120,100)	\$ -
COMPONENT UNIT:								
School Board	\$ 31,242,390	\$ 603,770	\$ 18,595,051	\$ -	\$ -	\$ -	\$ -	\$ (12,043,569)
Total component unit	\$ 31,242,390	\$ 603,770	\$ 18,595,051	\$ -	\$ -	\$ -	\$ -	\$ (12,043,569)
General revenues:								
General property tax					\$ 22,762,353	\$ -	\$ 22,762,353	\$ -
Local sales and use tax					2,230,784	-	2,230,784	-
Consumer utility tax					258,239	-	258,239	-
Business license tax					557,351	-	557,351	-
Restaurant food tax					596,874	-	596,874	-
Other local taxes					1,044,847	-	1,044,847	-
Unrestricted revenues from use of money					397,800	491,840	889,640	521,407
Miscellaneous					484,371	36,475	520,846	683,601
Grants and contributions not restricted to specific programs					2,425,042	-	2,425,042	-
Payment from King William County School Board					3,588,534	-	3,588,534	-
Payment from King William County					-	-	-	18,546,322
Transfers					1,315,189	(1,315,189)	-	-
Total general revenues and transfers					\$ 35,661,384	\$ (786,874)	\$ 34,874,510	\$ 19,751,330
Change in net position					\$ 962,774	\$ (208,364)	\$ 754,410	\$ 7,707,761
Net position - beginning					19,919,198	3,676,656	23,595,854	16,056,736
Net position - ending					\$ 20,881,972	\$ 3,468,292	\$ 24,350,264	\$ 23,764,497

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

FUND FINANCIAL STATEMENTS

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Balance Sheet
Governmental Funds
June 30, 2024

	General	Debt Service	General Capital Projects	School Capital Projects	ARPA	Total
ASSETS						
Cash and cash equivalents	\$ 9,230,568	\$ 100,767	\$ 4,418,591	\$ 499,448	\$ 124,444	\$ 14,373,818
Investments	31,036	-	1,457,037	-	-	1,488,073
Receivables (net of allowance for uncollectibles):						
Taxes receivable	8,713,136	-	-	-	-	8,713,136
Accounts receivable	491,576	-	-	-	-	491,576
Due from other funds	-	389,221	-	-	1,409,116	1,798,337
Due from other governmental units	1,751,713	-	-	24,035	-	1,775,748
Prepaid items	106,653	-	-	-	-	106,653
Total assets	<u>\$ 20,324,682</u>	<u>\$ 489,988</u>	<u>\$ 5,875,628</u>	<u>\$ 523,483</u>	<u>\$ 1,533,560</u>	<u>\$ 28,747,341</u>
LIABILITIES						
Accounts payable	\$ 364,538	\$ -	\$ 329,353	\$ 13,750	\$ -	\$ 707,641
Accrued liabilities	81,373	-	-	-	-	81,373
Due to other governmental units	851,972	-	-	-	-	851,972
Due to other funds	-	-	1,409,116	-	-	1,409,116
Unearned revenue	-	-	-	-	1,502,054	1,502,054
Deposits	60,743	-	-	-	-	60,743
Total liabilities	<u>\$ 1,358,626</u>	<u>\$ -</u>	<u>\$ 1,738,469</u>	<u>\$ 13,750</u>	<u>\$ 1,502,054</u>	<u>\$ 4,612,899</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 8,094,651	\$ -	\$ -	\$ -	\$ -	\$ 8,094,651
Unavailable revenue - opioid settlement	291,670	-	-	-	-	291,670
Total deferred inflows of resources	<u>\$ 8,386,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,386,321</u>
Fund balances:						
Nonspendable	\$ 106,653	\$ -	\$ -	\$ -	\$ -	\$ 106,653
Restricted	2,333,328	-	1,457,037	-	-	3,790,365
Committed	914,574	489,988	2,680,122	509,733	31,506	4,625,923
Unassigned	7,225,180	-	-	-	-	7,225,180
Total fund balances (deficits)	<u>\$ 10,579,735</u>	<u>\$ 489,988</u>	<u>\$ 4,137,159</u>	<u>\$ 509,733</u>	<u>\$ 31,506</u>	<u>\$ 15,748,121</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,324,682</u>	<u>\$ 489,988</u>	<u>\$ 5,875,628</u>	<u>\$ 523,483</u>	<u>\$ 1,533,560</u>	<u>\$ 28,747,341</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$	15,748,121
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets, cost	\$	60,165,210	
Accumulated depreciation		<u>(25,863,168)</u>	34,302,042
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			
Unavailable revenue - property taxes	\$	2,165,177	
Unavailable revenue - opioid settlement		291,670	
Net pension asset		<u>35,732</u>	2,492,579
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Deferred charge on refunding	\$	108,750	
OPEB related items		145,900	
Pension related items		<u>705,677</u>	960,327
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds and loans payable	\$	(23,833,900)	
Less: Issuance premium (to be amortized over life of debt)		(1,493,955)	
Accrued Interest payable		(374,260)	
Net OPEB liabilities		(482,090)	
Equipment purchase agreements		(5,502,192)	
Compensated absences		<u>(477,105)</u>	(32,163,502)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(351,638)	
OPEB related items		<u>(105,957)</u>	<u>(457,595)</u>
Net position of governmental activities			<u>\$ 20,881,972</u>

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

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

	General	Debt Service	Capital Projects	School Capital Projects	ARPA	Total
REVENUES						
General property taxes	\$ 22,878,529	\$ -	\$ -	\$ -	\$ -	\$ 22,878,529
Other local taxes	4,688,095	-	-	-	-	4,688,095
Permits, privilege fees, and regulatory licenses	372,675	-	-	-	-	372,675
Fines and forfeitures	133,629	-	-	-	-	133,629
Revenue from the use of money and property	578,815	39,477	(171,563)	-	31,506	478,235
Charges for services	841,439	-	-	-	-	841,439
Miscellaneous	208,672	-	126,958	21,627	-	357,257
Recovered costs	263,392	-	-	-	-	263,392
Intergovernmental:						
Local government	-	2,239,428	-	1,349,106	-	3,588,534
Commonwealth	8,907,744	-	-	1,002,300	-	9,910,044
Federal	809,312	-	1,577,320	234,864	915,768	3,537,264
Total revenues	\$ 39,682,302	\$ 2,278,905	\$ 1,532,715	\$ 2,607,897	\$ 947,274	\$ 47,049,093
EXPENDITURES						
Current:						
General government administration	\$ 3,036,013	\$ -	\$ -	\$ -	\$ -	\$ 3,036,013
Judicial administration	947,777	-	-	-	47,343	995,120
Public safety	8,690,442	-	-	-	52,541	8,742,983
Public works	2,203,467	-	-	-	-	2,203,467
Health and welfare	2,770,715	-	-	-	-	2,770,715
Education	16,431,265	-	-	-	-	16,431,265
Parks, recreation, and cultural	1,227,787	-	-	-	-	1,227,787
Community development	493,301	-	-	-	-	493,301
Nondepartmental	2,888,169	-	-	-	-	2,888,169
Capital projects	-	-	6,304,120	2,334,486	-	8,638,606
Debt service:						
Principal retirement	-	2,920,726	-	-	-	2,920,726
Interest and other fiscal charges	-	1,161,435	-	-	-	1,161,435
Total expenditures	\$ 38,688,936	\$ 4,082,161	\$ 6,304,120	\$ 2,334,486	\$ 99,884	\$ 51,509,587
Excess (deficiency) of revenues over (under) expenditures	\$ 993,366	\$ (1,803,256)	\$ (4,771,405)	\$ 273,411	\$ 847,390	\$ (4,460,494)
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 896,194	\$ 2,302,626	\$ 2,303,425	\$ -	\$ -	\$ 5,502,245
Transfers out	(2,882,824)	-	(488,348)	-	(815,884)	(4,187,056)
Total other financing sources (uses)	\$ (1,986,630)	\$ 2,302,626	\$ 1,815,077	\$ -	\$ (815,884)	\$ 1,315,189
Net change in fund balances	\$ (993,264)	\$ 499,370	\$ (2,956,328)	\$ 273,411	\$ 31,506	\$ (3,145,305)
Fund balances (deficits) - beginning	11,572,999	(9,382)	7,093,487	236,322	-	18,893,426
Fund balances (deficits) - ending	\$ 10,579,735	\$ 489,988	\$ 4,137,159	\$ 509,733	\$ 31,506	\$ 15,748,121

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

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

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

Net change in fund balances - total governmental funds	\$ (3,145,305)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded the depreciation expense in the current period.

Capital asset additions	\$ 5,195,927	
Depreciation expense	(2,264,205)	
Jointly owned asset allocation of assets	(3,021,580)	
Jointly owned asset depreciation	<u>897,451</u>	807,593

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ (116,176)	
Opioid settlement	<u>127,114</u>	10,938

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments		2,920,726
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

The following is a summary of items supporting this adjustment:

Change in compensated absences	\$ 125,474	
OPEB expense	17,527	
Pension expense	165,279	
Premium amortization	113,182	
(Increase) decrease in deferred charges on refunding	(19,973)	
(Increase) decrease in accrued interest payable	<u>(32,667)</u>	<u>368,822</u>

Change in net position of governmental activities	\$ <u><u>962,774</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Funds
June 30, 2024

	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 854,146	\$ 2,387,015	\$ 3,241,161
Investments	6,462,252	-	6,462,252
Accounts receivable, net of allowances for uncollectibles	42,768	-	42,768
Total current assets	<u>\$ 7,359,166</u>	<u>\$ 2,387,015</u>	<u>\$ 9,746,181</u>
Noncurrent assets:			
Capital assets:			
Equipment	\$ 128,292	\$ -	\$ 128,292
Infrastructure	3,252,537	-	3,252,537
Accumulated depreciation	(2,555,376)	-	(2,555,376)
Construction in progress	4,676,350	-	4,676,350
Total capital assets	<u>\$ 5,501,803</u>	<u>\$ -</u>	<u>\$ 5,501,803</u>
Total noncurrent assets	<u>\$ 5,501,803</u>	<u>\$ -</u>	<u>\$ 5,501,803</u>
Other assets:			
Net pension asset	\$ 992	\$ -	\$ 992
Total other assts	<u>\$ 992</u>	<u>\$ -</u>	<u>\$ 992</u>
Total assets	<u>\$ 12,861,961</u>	<u>\$ 2,387,015</u>	<u>\$ 15,248,976</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 19,577	\$ -	\$ 19,577
OPEB related items	4,050	-	4,050
Total deferred outflows of resources	<u>\$ 23,627</u>	<u>\$ -</u>	<u>\$ 23,627</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 145,775	\$ -	\$ 145,775
Construction payable	1,013,644	-	1,013,644
Customers' deposits	98,748	-	98,748
Accrued interest payable	173,947	-	173,947
Due to other funds	389,221	-	389,221
Retainage payable	161,159	-	161,159
Bonds payable - current portion	140,000	-	140,000
Total current liabilities	<u>\$ 2,122,494</u>	<u>\$ -</u>	<u>\$ 2,122,494</u>
Noncurrent liabilities:			
Bonds payable, less current portion	\$ 9,665,495	\$ -	\$ 9,665,495
Net OPEB liabilities	13,381	-	13,381
Total noncurrent liabilities	<u>\$ 9,678,876</u>	<u>\$ -</u>	<u>\$ 9,678,876</u>
Total liabilities	<u>\$ 11,801,370</u>	<u>\$ -</u>	<u>\$ 11,801,370</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	\$ 2,941	\$ -	\$ 2,941
NET POSITION			
Net investment in capital assets	\$ 983,757	\$ -	\$ 983,757
Unrestricted	97,520	2,387,015	2,484,535
Total net position	<u>\$ 1,081,277</u>	<u>\$ 2,387,015</u>	<u>\$ 3,468,292</u>

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

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

	Enterprise Funds		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 477,901	\$ -	\$ 477,901
Miscellaneous	36,475	-	36,475
Total operating revenues	<u>\$ 514,376</u>	<u>\$ -</u>	<u>\$ 514,376</u>
OPERATING EXPENSES			
Other supplies and expenses	\$ 248,434	\$ -	\$ 248,434
Personnel services	201,620	-	201,620
Fringe benefits	74,812	-	74,812
Depreciation	112,220	-	112,220
Total operating expenses	<u>\$ 637,086</u>	<u>\$ -</u>	<u>\$ 637,086</u>
Operating income (loss)	<u>\$ (122,710)</u>	<u>\$ -</u>	<u>\$ (122,710)</u>
NONOPERATING REVENUES (EXPENSES)			
Connection fees	\$ 410,200	\$ 800,000	\$ 1,210,200
Interest income	491,840	-	491,840
Interest expense	(472,505)	-	(472,505)
Total nonoperating revenues (expenses)	<u>\$ 429,535</u>	<u>\$ 800,000</u>	<u>\$ 1,229,535</u>
Income (loss) before transfers	<u>\$ 306,825</u>	<u>\$ 800,000</u>	<u>\$ 1,106,825</u>
Transfers out	<u>\$ (772,010)</u>	<u>\$ (543,179)</u>	<u>\$ (1,315,189)</u>
Change in net position	<u>\$ (465,185)</u>	<u>\$ 256,821</u>	<u>\$ (208,364)</u>
Net position - beginning	1,546,462	2,130,194	3,676,656
Net position - ending	<u><u>\$ 1,081,277</u></u>	<u><u>\$ 2,387,015</u></u>	<u><u>\$ 3,468,292</u></u>

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

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

	Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 483,728	\$ -	\$ 483,728
Payments to suppliers	(219,285)	-	(219,285)
Payments to and for employees	(284,729)	-	(284,729)
Net cash provided by (used for) operating activities	\$ (20,286)	\$ -	\$ (20,286)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	\$ (382,789)	\$ (543,179)	\$ (925,968)
Net cash provided by (used for) noncapital financing activities	\$ (382,789)	\$ (543,179)	\$ (925,968)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Connection fees	\$ 410,200	\$ 800,000	\$ 1,210,200
Purchase of capital assets	(3,216,478)	-	(3,216,478)
Interest expense	(389,225)	-	(389,225)
Net cash provided by (used for) capital and related financing activities	\$ (3,195,503)	\$ 800,000	\$ (2,395,503)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 491,840	\$ -	\$ 491,840
Net cash provided (used) by investing activities	\$ 491,840	\$ -	\$ 491,840
Net increase (decrease) in cash and cash equivalents	\$ (3,106,738)	\$ 256,821	\$ (2,849,917)
Cash and cash equivalents - beginning, as originally reported	905,711	2,130,194	3,035,905
Error correction	9,517,425	-	9,517,425
Cash and cash equivalents - ending	\$ 7,316,398	\$ 2,387,015	\$ 9,703,413
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (122,710)	\$ -	\$ (122,710)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 112,220	\$ -	\$ 112,220
(Increase) decrease in accounts receivable	(42,766)	-	(42,766)
(Increase) decrease in net pension asset	(992)	-	(992)
(Increase) decrease in deferred outflows of resources	(23,627)	-	(23,627)
Increase (decrease) in customer deposits	12,118	-	12,118
Increase (decrease) in accounts payable	29,178	-	29,178
Increase (decrease) in accrued liabilities	(29)	-	(29)
Increase (decrease) in deferred inflows of resources	2,941	-	2,941
Increase (decrease) in OPEB liability	13,381	-	13,381
Total adjustments	\$ 102,424	\$ -	\$ 102,424
Net cash provided by (used for) operating activities	\$ (20,286)	\$ -	\$ (20,286)
Schedule of noncash capital and financing activities:			
Retainage payable	\$ 161,159	\$ -	\$ 161,159
Construction payable	1,013,644	-	1,013,644
Due to other funds	389,221	-	389,221

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

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 134,100
Due from other governmental units	15,793
Total assets	\$ <u>149,893</u>
LIABILITIES	
Accounts payable	\$ 9,366
Due to other governmental units	9,585
Total liabilities	\$ <u>18,951</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	\$ <u>130,942</u>
Total net position	\$ <u>130,942</u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Contributions	\$ 29,305
Electronic monitoring fees	87,773
Local shares	48,400
State grants	65,014
Federal grants	15,785
Total additions	\$ <u>246,277</u>
DEDUCTIONS	
Recipient payments	\$ 9,586
Salaries and wages	162,476
Fringe benefits	43,898
Purchased services	8,219
Miscellaneous	53,708
Total deductions	\$ <u>277,887</u>
Net increase (decrease) in fiduciary net position	\$ (31,610)
Net position, beginning	<u>162,552</u>
Net position, ending	\$ <u>130,942</u>

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The County of King William, Virginia (County) was formed in 1702 and is governed by an elected five-member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and fire protection; sanitation services; recreational activities; cultural events; education; and social services.

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The exception to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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 a primary governmental unit'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 of King William (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is both legally and substantively separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units to be included for the fiscal year ended June 30, 2024.

Discretely Presented Component Unit. The School Board members are elected by the citizens of King William County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2024.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Other Related Organizations

Economic Development Authority

The Economic Development Authority (Authority), formerly the Industrial Development Authority, was created as a political subdivision of the Commonwealth of Virginia (Commonwealth) by King William County in 1972, pursuant to the provisions of the Industrial Development and Revenue Bond Act, Chapter 49 of Title 15.2, *Code of Virginia*. This Act empowers the Authority, among other activities, to issue tax-exempt bonds to acquire, improve, maintain, equip, own, lease, or dispose of properties by inducing manufacturing and industrial enterprises to locate or remain in the Commonwealth. The County Board of Supervisors appoints the seven directors of the Authority and provides financial support by making direct payments of debt service expenses on behalf of the Authority. To date, activity of the Authority has been minimal and, as such, has been historically accounted for as part of the County's General Fund.

King William - King and Queen Regional Animal Shelter

The King William - King and Queen Regional Animal Shelter (Shelter) was created under a resolution between King William County and King and Queen County. The two counties share equally in both the cost of construction and operation of the facilities. The County serves as fiscal agent of the Shelter and administers the operation of the Shelter, and receives a fee of 3% of the annual operating expenditures from King and Queen County for managing the Shelter. The Shelter began operations in 2009 and the activity is accounted for as part of the County's General Fund.

Hampton Roads Sanitation District

The Hampton Roads Sanitation District (HRSD) was created by resolution pursuant to state statute and is governed by an eight-member board appointed by the Governor from the localities comprising HRSD's service area. The County currently has no representation on the board, but has agreements with HRSD to provide wastewater treatment services. In 1999, operation of the King William County Wastewater Treatment Plant and Wastewater Collection System, and all wastewater pumping stations owned by the County at that time were transferred to HRSD.

Middle Peninsula Juvenile Detention Commission

The Middle Peninsula Juvenile Detention Commission is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The Commission serves numerous localities and is funded through a per diem charge for each juvenile committed to the member jurisdictions, as well as by funding provided by the Commonwealth.

Middle Peninsula Planning District Commission

The Middle Peninsula Planning District Commission is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The counties of Essex, Gloucester, King and Queen, Middlesex, Mathews, and the County provide the financial support for the Commission and appoint its governing board. The majority of directors consist of elected officials of the governmental subdivisions within the planning district.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Other Related Organizations (Continued)

Middle Peninsula Northern Neck Community Services Board

The Middle Peninsula Northern Neck Community Services Board (Board) was created by resolution pursuant to state statute and is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The County appoints one of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. The County contributed \$71,007 in fiscal year 2024.

Middle Peninsula Regional Airport Authority

The Middle Peninsula Regional Airport Authority is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. King and Queen County contributes 50% of the annual local tax revenue received from personal property at the airport to support operations, and the remaining expenses, net of revenues, are shared equally between the Town of West Point and the Counties of Gloucester, King and Queen, and the County. Each member jurisdiction appoints one of the directors.

Middle Peninsula Regional Security Center

The Middle Peninsula Regional Security Center (Center) is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The counties of Essex, Mathews, Middlesex, King and Queen, and the County provide the financial support for the Center and appoint its governing Board, which has the ability execute contracts and to budget and expend funds. The County appoints two of the nine members to the board. No one locality contributes more than 50% of the Center's funding.

Pamunkey Regional Library

The Pamunkey Regional Library (Library) is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The counties of Goochland, Hanover, King and Queen, and the County provide the financial support for the Library and appoint its governing board, which has the ability to execute contracts and to budget and expend funds. The County appoints two of the seven members of the board. No one locality contributes 50% of the Library's funding.

Virginia Peninsulas Public Service Authority

The Virginia Peninsulas Public Service Authority (Authority) is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The board consists of 12 members who represent each of the member jurisdictions consisting of numerous localities. The member jurisdictions share in administrative costs on a per capita basis. The County has lease and operating agreements with the Authority to provide solid waste services for the County, which are billed monthly to the individual users of the Authority or to the County.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Other Related Organizations (Continued)

Bridging Communities Regional Career and Technical Center

The Town of West Point school division, Charles City school division and the county school divisions of King and Queen, Middlesex, New Kent, and King William participate in supporting the Center. The County of New Kent serves as the fiscal agent of the Center. The Center is governed by a six member board of control, which is comprised of one school board member from each of the six school divisions. The School Board's contribution for fiscal year 2024 was approximately \$242,699.

Included in the County's Financial Report

None

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

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

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

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

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

1. Governmental Funds - are those through which most governmental functions typically are financed. The County reports the following governmental funds:

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

Debt Service Fund - accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Payment of principal and interest on the County and school system's general long-term debt financing is provided by appropriations from the General Fund. The County reports the Debt Service Fund as a major fund.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

Capital Projects Funds - accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays except for those financed by proprietary funds or for assets held in trust for individuals, private organizations or of the governments. The County reports the Capital Projects Fund and the School Capital Project Fund as major funds.

Special Revenue Funds - account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure associated with ARPA. This fund has been determined to be major for public interest reasons, in that the presentation is of particular importance to financial statement users.

2. Proprietary Funds - Proprietary Funds account for operations that are financed in a manner similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of the Water Fund and the Sewer Fund.

Water Fund - The water fund accounts for the activities of the water treatment plant and the water distribution system.

Sewer Fund - The sewer fund accounts for the activities of the wastewater treatment plant and the wastewater collection system.

3. Fiduciary Funds - (Custodial Funds) - accounts for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. Custodial Funds utilize the accrual basis of accounting. Custodial funds do not have a measurement focus. Fiduciary funds are not included in the government-wide financial statements. The County's Custodial Funds include amounts held for others in a fiduciary capacity, which includes the following funds: Special Welfare Fund, Virginia Juvenile Community Crime Council Act (VJCCCA) Fund, Project Lifesaver Fund, D.A.R.E. Fund, Sheriff's Office Fund, and Fire and EMS Fund.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$177,178 at June 30, 2024 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 25/December 5 (50% each date)	January 15 (50% each date)
Lien Date	December 5	January 15

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets, which include property and equipment are reported in the applicable governmental columns in the government-wide financial statements for both the County and the Component Unit School Board. Capital assets are defined by the County as land, buildings, equipment, lease, subscription, and infrastructure assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for the intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). Donated capital assets are recorded at acquisition value at the date of donation. Assets received in a service concession arrangement are reported at acquisition value.

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

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

H. Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5-40
Furniture and equipment	3-5
Infrastructure	40
Land improvements	15
Intangible	10

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. A liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement. The General Fund is responsible for paying the liability for compensated absences for the general government employees and has been used in prior years to liquidate the governmental funds’ liability.

County employees earn vacation and sick leave at various rates. After five years of service with the County, employees are paid out for voluntary separation, non-disciplinary separation, and retirement. The rate paid out varies by years of service.

The School Board compensates eligible retiring employees at an approved rate for their unused accumulated sick leave. The retiring employee must retire under the regulations of the VRS and have been under contract in the school division for five consecutive years preceding retirement. The maximum number of allowable days is 150 days. The rate is 16% of the daily rate, or \$20 per day, whichever is greater.

J. Use of Estimates

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

K. Net Position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

L. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County and School Board's Retirement Plan's 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.

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC (nonprofessional), and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' 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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums or discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on 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.

O. Prepaid Items

Certain payments to vendors reflect costs applied to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. Prepaid items are accounted for using the consumption method and are valued at cost. Prepaid items in governmental funds are reported as nonspendable fund balance.

P. Fund Balance

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are either not in spendable form (such as prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

P. Fund Balance (Continued)

The Board of Supervisors formally established a minimum unassigned fund balance policy in the General Fund in the amount of twenty (20) percent (approximately 2-3 months) of the General Fund expenditures and outflows at the end of each fiscal year.

The County applies restricted resources first when expenditures are incurred for purpose for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

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

	General	Debt Service	General Capital Projects	School Capital Projects	ARPA	Total
Fund Balances:						
Nonspendable:						
Prepaid items	\$ 106,653	\$ -	\$ -	\$ -	\$ -	\$ 106,653
Total Nonspendable	\$ 106,653	\$ -	\$ -	\$ -	\$ -	\$ 106,653
Restricted:						
Split levy with KWPS	\$ 2,319,018	\$ -	\$ -	\$ -	\$ -	\$ 2,319,018
Sheriff's asset forfeiture	13,627	-	-	-	-	13,627
Commonwealth Attorney's asset forfeiture	683	-	-	-	-	683
Future capital projects	-	-	1,457,039	-	-	1,457,039
Total Restricted	\$ 2,333,328	\$ -	\$ 1,457,039	\$ -	\$ -	\$ 3,790,367
Committed:						
Future capital projects	\$ -	\$ -	\$ 2,680,120	\$ 509,733	\$ -	\$ 3,189,853
Future debt service	-	489,988	-	-	-	489,988
ARPA	-	-	-	-	31,506	31,506
Regional animal shelter	105,312	-	-	-	-	105,312
Four-for-life program	27,578	-	-	-	-	27,578
Fire programs	156,074	-	-	-	-	156,074
EMS billing	338,393	-	-	-	-	338,393
Victim witness program	71,688	-	-	-	-	71,688
Recreation programs	215,529	-	-	-	-	215,529
Total Committed	\$ 914,574	\$ 489,988	\$ 2,680,120	\$ 509,733	\$ 31,506	\$ 4,625,921
Unassigned	\$ 7,225,180	\$ -	\$ -	\$ -	\$ -	\$ 7,225,180
Total Fund Balances	\$ 10,579,735	\$ 489,988	\$ 4,137,159	\$ 509,733	\$ 31,506	\$ 15,748,121

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 represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable and opioid settlement are reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

R. Component Unit - School Board Capital Asset and Debt Presentation (Jointly Owned Assets)

By law, the School Board does not have taxing authority and, therefore, it cannot incur debt through general obligation bonds to fund the acquisition, construction, or improvement of its capital assets. That responsibility lies with the County who issues the debt on behalf of the School Board. However, the *Code of Virginia* requires the School Board to hold title to the capital assets (buildings and equipment) due to their responsibility for maintaining the assets.

The Virginia General Assembly amended the *Code of Virginia* to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation which is payable over more than one fiscal year for any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit for the primary government due to financing School Board capital assets with debt.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING:

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

1. During the month of March, 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 operating and capital budget includes proposed expenditures and the means of financing them.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING: (CONTINUED)

2. Public hearings are required to be 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 function level, which is the level presented in Exhibit 5. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments and the School Board is authorized to transfer budgeted amounts within the school systems categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Debt Service Fund, Capital Projects Funds and all other general governmental funds and the School Fund, School Textbook Fund and the School Cafeteria Fund of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several Supplemental Appropriations were necessary during the fiscal year.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations
Expenditures exceeded appropriations in General fund at June 30, 2024.

NOTE 3—DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Investments (Continued)

The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *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 carrying value of the position in LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of \$1 per share in accordance with GASB 79. The maturity of the LGIP is less than one year.

The goal of the County is to obtain the highest possible yield on available financial assets invested consistent with state law, while observing the primary goal of preservation of principal and providing necessary liquidity to meet cash flow needs.

Custodial Credit Risk (Investments)

The County’s investment policy requires that all securities purchased for the County be held by the County or by the County’s designated custodian. The County’s investments at June 30, 2024 were held by the County or in the County’s name by the County’s custodial banks.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2024 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale. The County’s investment policy has an emphasis on high credit quality and known marketability. Obligations of the Commonwealth of Virginia and its local governments and public bodies are allowable under the County’s investment policy provided they have a debt rating of at least AA by Standard & Poor’s. The County’s investment policy does not address credit risk for any other investment instruments.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Rating
	AAAm
Primary Government:	
Local Government Investment Pool	\$ 31,036
Virginia State Non-Arbitrage Pool	7,919,199
Total	\$ 7,950,235

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Interest Rate Risk

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Primary Government:		
Local Government Investment Pool	\$ 31,036	\$ 31,036
Virginia State Non-Arbitrage Pool	7,919,199	7,919,199
Total	\$ 7,950,235	\$ 7,950,235

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pools rest with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

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% of total investments, there must be a disclosure for the amount and issuer. At June 30, 2024, all of investments were in the Local Government Investment Pool.

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 4—DUE FROM OTHER GOVERNMENTS:

At June 30, 2024, the County has receivables from and amounts due to other governments as follows:

	Primary Government	Component Unit School Board
Amounts due from other governments are as follows:		
Other Local Governments:		
King William County	\$ -	\$ 742,825
King & Queen County	14,937	-
Commonwealth of Virginia:		
Local sales tax	407,512	-
Local communication sales tax	36,762	-
Rental vehicle tax	1,958	-
Rolling stock tax	19,326	-
Mobile home titling tax		
CSA funds	242,628	-
VPA funds	23,737	-
State sales tax	632,071	-
Constitutional officer reimbursements	150,137	-
Security grant	24,035	-
Victim witness grant	31,323	-
Other grants	34,350	-
E-911 funds	47,396	-
Federal Government:		
School fund grants	-	871,823
VPA funds	45,121	-
Victim witness grant	64,455	-
Total due from other governments	\$ 1,775,748	\$ 1,614,648
Amounts due to other governments are as follows:		
Other Local Governments:		
King William County School Board	\$ 742,825	\$ -
Town of West Point	109,147	-
Total due to other governments	\$ 851,972	\$ -

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 5—CAPITAL ASSETS—PRIMARY GOVERNMENT:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 519,472	\$ 1,759,517	\$ 102,000	\$ 2,176,989
Construction in progress	640,093	415,191	977,678	77,606
Total capital assets not subject to depreciation	\$ 1,159,565	\$ 2,174,708	\$ 1,079,678	\$ 2,254,595
Capital assets subject to depreciation:				
Buildings and improvements	\$ 13,059,635	\$ -	\$ -	\$ 13,059,635
Equipment	10,849,434	1,241,374	117,416	11,973,392
Infrastructure	3,601,920	810,672	-	4,412,592
Jointly owned assets	29,437,725	2,048,851	3,021,580	28,464,996
Total capital assets subject to depreciation	\$ 56,948,714	\$ 4,100,897	\$ 3,138,996	\$ 57,910,615
Accumulated depreciation:				
Buildings and improvements	\$ (5,859,424)	\$ (318,429)	\$ -	\$ (6,177,853)
Equipment	(5,757,654)	(751,138)	(117,416)	(6,391,376)
Infrastructure	(1,817,627)	(244,516)	-	(2,062,143)
Jointly owned assets	(11,179,125)	(950,122)	(897,451)	(11,231,796)
Total accumulated depreciation	\$ (24,613,830)	\$ (2,264,205)	\$ (1,014,867)	\$ (25,863,168)
Total capital assets being depreciated, net	\$ 32,334,884	\$ 1,836,692	\$ 2,124,129	\$ 32,047,447
Governmental activities capital assets, net	\$ 33,494,449	\$ 4,011,400	\$ 3,203,807	\$ 34,302,042

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$ 253,305
Judicial administration	189,009
Public safety	682,412
Public works	131,585
Health and welfare	1,346
Education	986,563
Parks, recreation and cultural	18,133
Community development	1,852
Total Governmental activities	\$ 2,264,205

Business-type activities:

Water	\$ 112,220
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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 5—CAPITAL ASSETS—PRIMARY GOVERNMENT: (Continued)

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Business-Type activities:				
Capital assets not subject to depreciation:				
Construction in progress	\$ 290,829	\$ 4,385,521	\$ -	\$ 4,676,350
Total capital assets not subject to depreciation	\$ 290,829	\$ 4,385,521	\$ -	\$ 4,676,350
Capital assets subject to depreciation:				
Equipment	\$ 122,532	\$ 5,760	\$ -	\$ 128,292
Infrastructure	3,252,537	-	-	3,252,537
Total capital assets subject to depreciation	\$ 3,375,069	\$ 5,760	\$ -	\$ 3,380,829
Accumulated depreciation:				
Equipment	\$ (71,963)	\$ (3,802)	\$ -	\$ (75,765)
Infrastructure	(2,371,193)	(108,418)	-	(2,479,611)
Total accumulated depreciation	\$ (2,443,156)	\$ (112,220)	\$ -	\$ (2,555,376)
Total capital assets being depreciated, net	\$ 931,913	\$ (106,460)	\$ -	\$ 825,453
Governmental activities capital assets, net	\$ 1,222,742	\$ 4,279,061	\$ -	\$ 5,501,803

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 6—CAPITAL ASSETS—COMPONENT UNIT—SCHOOL BOARD:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not subject to depreciation:				
Land	\$ 76,340	\$ -	\$ -	\$ 76,340
Total capital assets not subject to depreciation	\$ 76,340	\$ -	\$ -	\$ 76,340
Capital assets subject to depreciation:				
Buildings and improvements	\$ 20,848,349	\$ 171,256	\$ -	\$ 21,019,605
Equipment	9,236,244	1,845,270	190,594	10,890,920
Infrastructure	497,718	314,475	-	812,193
Land improvements	636,614	-	-	636,614
Jointly owned assets	12,224,298	3,021,580	-	15,245,878
Total capital assets subject to depreciation	\$ 43,443,223	\$ 5,352,581	\$ 190,594	\$ 48,605,210
Accumulated depreciation:				
Buildings and improvements	\$ (11,261,892)	\$ (493,347)	\$ -	\$ (11,755,239)
Equipment	(2,818,720)	(701,692)	(190,594)	(3,329,818)
Infrastructure	(98,787)	(44,132)	-	(142,919)
Land improvements	(253,943)	(36,201)	-	(290,144)
Jointly owned assets - buildings	(5,419,500)	(293,723)	897,451	(6,610,674)
Total accumulated depreciation	\$ (19,852,842)	\$ (1,569,095)	\$ 706,857	\$ (22,128,794)
Total capital assets being depreciated, net	\$ 23,590,381	\$ 3,783,486	\$ 897,451	\$ 26,476,416
Governmental activities capital assets, net	\$ 23,666,721	\$ 3,783,486	\$ 897,451	\$ 26,552,756

Depreciation expense was charged to functions/programs as follows:

Component Unit School Board \$ 1,569,095

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the current law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of King William, Virginia for the year ended June 30, 2024, is that school financed assets in the amount of \$17,233,200 are reported in the Primary Government for financial reporting purposes.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 7—INTERFUND TRANSFERS AND OBLIGATIONS:

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

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 896,194	\$ 2,882,824
Debt Service	2,302,626	-
Capital Projects	2,303,425	488,348
ARPA	-	815,884
Enterprise Funds:		
Water	-	772,010
Sewer	-	543,179
Total-All Funds	<u>\$ 5,502,245</u>	<u>\$ 5,502,245</u>

Details of the Primary Government's interfund receivables and payables as of June 30, 2024 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary Government:		
Governmental Funds:		
Debt Fund	\$ 389,221	\$ -
ARPA Fund	1,409,116	-
County Capital Projects Fund	-	1,409,116
Total Governmental Funds	<u>\$ 1,798,337</u>	<u>\$ 1,409,116</u>
Enterprise Funds:		
Water	\$ -	\$ 389,221
Total Enterprise Funds	<u>\$ -</u>	<u>\$ 389,221</u>
Total All Funds	<u>\$ 1,798,337</u>	<u>\$ 1,798,337</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments made between funds are made. These balances also include the amount of working capital loans made to internal service funds that the general fund expects to collect in the subsequent year.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS:

Primary Government:

A summary of long-term obligation transactions for the year ended June 30, 2024 is as follows:

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Incurred by County:					
Compensated absences	\$ 602,579	\$ 49,126	\$ 174,600	\$ 477,105	\$ 47,711
Net OPEB liabilities	438,285	222,513	178,708	482,090	-
Equipment purchase agreements	6,242,093	-	739,901	5,502,192	735,038
Direct borrowing and placements:					
General obligation bonds	16,629,025	-	924,025	15,705,000	775,000
Lease financing bond	3,259,600	-	439,100	2,820,500	447,700
Revenue bonds	6,126,100	-	817,700	5,308,400	839,100
Unamortized premium	1,607,137	-	113,182	1,493,955	-
Total incurred by County	\$ 34,904,819	\$ 271,639	\$ 3,387,216	\$ 31,789,242	\$ 2,844,549
Total Governmental Activities	\$ 34,904,819	\$ 271,639	\$ 3,387,216	\$ 31,789,242	\$ 2,844,549
Business-type Activities:					
Net OPEB liabilities	\$ -	\$ 13,381	\$ -	\$ 13,381	\$ -
Direct borrowing and placements:					
Revenue bonds	9,240,000	-	-	9,240,000	140,000
Unamortized premium	565,495	-	-	565,495	-
Total Business-type Activities	\$ 9,805,495	\$ 13,381	\$ -	\$ 9,818,876	\$ 140,000

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

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

Year Ending June 30,	Governmental Activities			
	Equipment Purchase Agreements		Direct Borrowings and Direct Placements	
			Lease Financing and Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 735,038	\$ 152,243	\$ 1,286,800	\$ 237,170
2026	730,185	135,006	1,327,400	199,291
2027	485,225	117,390	1,353,700	160,353
2028	500,731	104,407	1,395,600	119,733
2029	451,247	90,914	1,433,300	78,110
2030	393,741	78,391	830,100	36,035
2031	408,871	65,937	267,000	14,312
2032	424,508	53,006	115,000	6,747
2033	440,665	39,580	120,000	2,275
2034	457,363	25,644	-	-
2035	474,618	11,181	-	-
Total	\$ 5,502,192	\$ 873,699	\$ 8,128,900	\$ 854,026

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Direct Borrowings and Placements		Direct Borrowings and Placements	
	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 775,000	\$ 632,503	\$ 140,000	\$ 412,200
2026	780,000	594,318	145,000	404,897
2027	820,000	554,928	155,000	397,209
2028	840,000	499,180	165,000	389,009
2029	885,000	455,624	170,000	380,425
2030	930,000	409,796	180,000	371,456
2031	970,000	368,570	190,000	361,975
2032	1,005,000	332,402	200,000	351,981
2033	1,050,000	293,763	210,000	341,475
2034	1,085,000	253,554	220,000	330,456
2035	1,130,000	212,675	235,000	318,797
2036	1,170,000	173,000	245,000	306,497
2037	1,210,000	134,767	260,000	293,556
2038	1,250,000	94,215	270,000	279,975
2039	425,000	64,496	285,000	265,753
2040	440,000	46,980	300,000	250,763
2041	460,000	28,755	315,000	236,578
2042	480,000	9,720	330,000	223,275
2043	-	-	345,000	209,353
2044	-	-	360,000	194,813
2045	-	-	370,000	179,756
2046	-	-	390,000	164,081
2047	-	-	405,000	147,684
2048	-	-	420,000	130,669
2049	-	-	440,000	112,931
2050	-	-	460,000	94,284
2051	-	-	475,000	74,825
2052	-	-	500,000	54,531
2053	-	-	520,000	33,303
2054	-	-	540,000	11,241
Total	\$ 15,705,000	\$ 5,159,246	\$ 9,240,000	\$ 7,323,748

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of governmental activities long-term obligations:

	<u>Installments</u>	<u>Interest Rates</u>	<u>Year Issued</u>	<u>Final Maturity Year</u>	<u>Amount of Original Issue</u>	<u>Balance Governmental Activities</u>	<u>Amount Due Within One Year</u>
Compensated absences (payable from the General Fund)						\$ 477,105	\$ 47,711
Net OPEB liabilities (payable from the General Fund)						\$ 482,090	\$ -
Equipment Purchase Agreements:							
Motorola Solutions, Inc. for communications equipment	Varying annually	1.952%	2013	2026	\$ 3,000,000	\$ 515,000	\$ 255,000
Pumper and ambulance	\$72,677 annually	1.475%	2022	2029	964,169	630,612	136,554
Ford police Interceptors	\$24,582 annually	1.175%	2022	2025	144,605	24,439	24,439
School energy equipment	Varying semi-annually	3.133%	2021	2035	5,005,521	4,332,141	319,045
Total Equipment Purchase Agreements						\$ 5,502,192	\$ 735,038
Direct borrowings and direct placements:							
Revenue Bonds:							
Series 2011	Varying annually	3.00%	2011	2029	\$ 5,220,100	\$ 2,984,400	\$ 562,100
Series 2013	Varying annually	3.175%	2013	2031	1,375,000	609,000	87,000
Series 2017	Varying annually	2.82% - 5.13%	2017	2033	2,750,000	1,970,270 (a)	190,000
Total Revenue Bonds						\$ 5,563,670	\$ 839,100
Lease Financing Bond:							
Series 2019	Varying annually	1.01%	2019	2030	\$ 4,517,800	\$ 2,820,500	\$ 447,700
General Obligation Bonds:							
Series 2004	\$30,000 annually	4.10% - 5.10%	2004	2025	\$ 605,000	\$ 32,379 (b)	\$ 30,000
Series 2010	Varying annually	-	2010	2027	270,000	60,000	20,000
Series 2017	Varying annually	2.05% - 5.05%	2017	2038	11,925,000	10,204,023 (c)	505,000
Series 2022	Varying annually	3.55% - %5.05%	2022	2042	6,130,000	6,647,283 (d)	220,000
Total General Obligation Bonds						\$ 16,943,685	\$ 775,000
Total Direct Borrowings and Direct Placements						\$ 25,327,855	\$ 2,061,800
Total outstanding debt - governmental activities						\$ 31,789,242	\$ 2,844,549
(a) Includes unamortized premium of \$255,270							
(b) Includes unamortized premium of \$2,379							
(c) Includes unamortized premium of \$719,023							
(d) Includes unamortized premium of \$517,283							

Details of business-type activities long-term obligations:

	<u>Installments</u>	<u>Interest Rates</u>	<u>Year Issued</u>	<u>Final Maturity Year</u>	<u>Amount of Original Issue</u>	<u>Balance Business-Type Activities</u>	<u>Amount Due Within One Year</u>
Net OPEB liabilities						\$ 13,381	\$ -
Direct borrowings and direct placements:							
Revenue Bonds:							
Series 2023	Varying annually	5.125%	2023	2054	\$ 9,240,000	\$ 9,805,495 (a)	\$ 140,000
Total Revenue Bonds						\$ 9,805,495	\$ 140,000
Total outstanding debt - business-type activities						\$ 9,818,876	\$ 140,000
(a) Includes unamortized premium of \$565,495							

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Component Unit—School Board:

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

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Compensated absences (payable from the School Operating Fund)	\$ 256,694	\$ 250,034	\$ 25,669	\$ 481,059	\$ 48,106
Net pension liability	13,285,995	5,771,982	6,139,959	12,918,018	-
Net OPEB liabilities	3,753,693	733,515	1,107,475	3,379,733	-
Total incurred by School Board	<u>\$ 17,296,382</u>	<u>\$ 6,755,531</u>	<u>\$ 7,273,103</u>	<u>\$ 16,778,810</u>	<u>\$ 48,106</u>

NOTE 9—DEFERRED AND UNAVAILABLE REVENUE:

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 2,165,177
2nd half assessments due in December 2024	5,769,205	5,769,205
Prepaid property taxes due in December 2024 but paid in advance by taxpayers	160,269	160,269
Unavailable opioid settlement revenue that is not available for funding of current expenditures	-	291,670
	<u>\$ 5,929,474</u>	<u>\$ 8,386,321</u>

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 10—COMMITMENTS AND CONTINGENCIES:

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

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

A Consent Special Order issued under the authority of Virginia Code 62.1-44.15(8a) between the state Water Control Board and the Hampton Roads Sanitation District, the cities of Chesapeake, Hampton, Newport News, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg; the counties of King William, Isle of Wight, and York; the James City Service Authority; and the town of Smithfield for the purpose of resolving certain alleged violations of environmental laws and regulations. All parties have agreed to a two-phased approach to address the initiative: the first phase is principally a data collection, evaluation and plan development program and the second phase will implement long-term capacity enhancement and sewer rehabilitation plans.

Developer Agreements

Between fiscal years 2003 and 2007, the County entered into multiple development agreements with local developers. According to the agreements, the County was deeded water and wastewater infrastructure in exchange for future connection fee credits. As of June 30, 2024, all credits in connection with these agreements had been fully earned and were recorded as revenue on the Statement of Revenues, Expenditures and Changes in Fund balances.

Federal and State Assisted Programs

The County and School Board have received proceeds from several federal and state grant programs. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. Based upon past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

The County was committed under the following construction contracts at June 30, 2024:

Contractor	Project	Contract Sum	Balance
Walter C. Via Enterprises	Water Tower	\$ 2,612,956	\$ 1,015,801
Landmark Structures	Water Tower	6,533,000	4,997,951

NOTE 11—LITIGATION:

At June 30, 2024, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 12—RISK MANAGEMENT:

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees and others; and natural disasters. To reduce insurance costs and the need for self-insurance, the County has joined with other municipalities in the Commonwealth of Virginia in several public entity risk pools to operate as common risk management and insurance programs for member municipalities. The County is not self-insured.

The County has coverage with the Virginia Risk Sharing Association (VRSA) for all insurable risks identified by the County. Each VRSA member jointly and severally agrees to assume, pay, and discharge any liability. The County pays VRSA contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the VRSA and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the VRSA may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

Health Insurance - School Board

The School Board retains a portion of the risks through a self-insurance health insurance program and has also purchased insurance to transfer other risks to outside parties. There has been no significant reduction in insurance coverage during the past year.

NOTE 13—PENSION PLAN:

Plan Description

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

Benefit Structures

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

NOTE 13—PENSION PLAN: (CONTINUED)

Benefit Structures (Continued)

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

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

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	86	30
Inactive members:		
Vested inactive members	30	11
Non-vested inactive members	42	29
Inactive members active elsewhere in VRS	65	9
Active members	123	57
Total covered employees	<u>346</u>	<u>136</u>

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 9.97% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$628,204 and \$593,897 for the years ended June 30, 2024 and June 30, 2023, respectively.

NOTE 13—PENSION PLAN: (CONTINUED)

Contributions (Continued)

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 2.35% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$20,043 and \$22,028 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Asset

The net pension asset (NPA) 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. The County’s and Component Unit School Board’s (nonprofessional) net pension assets were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension assets were determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

Mortality rates:

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: (Continued)

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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 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 13—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - 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 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:

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2024, 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. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Asset

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 21,148,425	\$ 21,284,071	\$ (135,646)
Changes for the year:			
Service cost	\$ 793,589	\$ -	\$ 793,589
Interest	1,437,449	-	1,437,449
Differences between expected and actual experience	143,485	-	143,485
Contributions - employer	-	589,764	(589,764)
Contributions - employee	-	329,029	(329,029)
Net investment income	-	1,372,455	(1,372,455)
Benefit payments, including refunds	(1,292,955)	(1,292,955)	-
Administrative expenses	-	(13,662)	13,662
Other changes	-	(1,985)	1,985
Net changes	\$ 1,081,568	\$ 982,646	\$ 98,922
Balances at June 30, 2023	\$ 22,229,993	\$ 22,266,717	\$ (36,724)

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 3,759,209	\$ 4,642,400	\$ (883,191)
Changes for the year:			
Service cost	\$ 127,318	\$ -	\$ 127,318
Interest	256,285	-	256,285
Differences between expected and actual experience	(63,146)	-	(63,146)
Contributions - employer	-	23,056	(23,056)
Contributions - employee	-	67,740	(67,740)
Net investment income	-	297,953	(297,953)
Benefit payments, including refunds	(179,410)	(179,410)	-
Administrative expenses	-	(2,983)	2,983
Other changes	-	120	(120)
Net changes	\$ 141,047	\$ 206,476	\$ (65,429)
Balances at June 30, 2023	\$ 3,900,256	\$ 4,848,876	\$ (948,620)

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

The following presents the net pension liability (asset) of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (asset) 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability (Asset)	\$ 2,957,268	\$ (36,724)	\$ (2,460,262)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ (455,111)	\$ (948,620)	\$ (1,355,867)

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$438,223 and (\$161,232), respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,050	\$ 4,899	\$ -	\$ 146,035
Change in assumptions	-	-	11,695	-
Net difference between projected and actual earnings on pension plan investments	-	346,739	-	73,254
Employer contributions subsequent to the measurement date	628,204	-	20,043	-
Total	<u>\$ 725,254</u>	<u>\$ 351,638</u>	<u>\$ 31,738</u>	<u>\$ 219,289</u>

\$628,204 and \$20,043 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction (increase) of the Net Pension Liability (Asset) in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (Nonprofessional)
2025	\$ (205,671)	\$ (151,727)
2026	(367,136)	(124,870)
2027	308,007	66,537
2028	10,212	2,466
2029	-	-
Thereafter	-	-

NOTE 13—PENSION PLAN: (CONTINUED)

Pension Plan Data

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

Component Unit School Board (Professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the System). Additional information related to the plan description is included in the first section of this note.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually employer required contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 division were \$2,016,101 and \$2,017,579 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 Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the other grants and programs of the financial statements.

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

At June 30, 2024, the school division reported a liability of \$12,918,018 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.12781% as compared to 0.13955% at June 30, 2022.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2024, the school division recognized pension expense of \$823,564. 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 division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience \$	1,109,669	\$ 504,116
Change in assumptions	585,619	-
Net difference between projected and actual earnings on pension plan investments	-	839,932
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,259	1,289,348
Employer contributions subsequent to the measurement date	2,016,101	-
Total	<u>\$ 3,748,648</u>	<u>\$ 2,633,396</u>

\$2,016,101 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (659,688)
2026	(1,091,841)
2027	793,863
2028	56,817
2029	-

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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 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 standard rates

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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

Net Pension Liability

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

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

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

The long-term expected rate of return and discount rate information previously described also apply to this plan.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 22,899,039	\$ 12,918,018	\$ 4,712,798

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net Pension Asset	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Asset	Net Pension Liability	Pension Expense
VRS Pension Plans:									
Primary Government	\$ 725,254	\$ 351,638	\$ 36,724	\$ 438,223	\$ -	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	31,738	219,289	948,620	-	(161,232)
School Board Professional	-	-	-	-	3,748,648	2,633,396	-	12,918,018	823,564
Totals	\$ 725,254	\$ 351,638	\$ 36,724	\$ 438,223	\$ 3,780,386	\$ 2,852,685	\$ 948,620	\$ 12,918,018	\$ 662,332

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan 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 Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. 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.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts 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. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute 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.

Contributions

The contribution requirements for the GLI Plan 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 GLI Plan 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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Contributions (Continued)

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. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$37,178 and \$34,768 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board professional group were \$68,420 and \$68,161 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the Group Life Insurance Plan from the Component Unit School Board nonprofessional group were \$8,559 and \$8,327 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the other grants and contributions of the financial statements.

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

At June 30, 2024, the County reported a liability of \$327,772 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$642,712 and \$78,555, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI 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 County's proportion was 0.02733% as compared to 0.02720% at June 30, 2022. At June 30, 2023, the Component Unit School Board professional and nonprofessional groups' proportion was 0.05359% and 0.00655%, respectively as compared to 0.05930% and 0.00650%, respectively at June 30, 2022.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$32,475. For the year ended June 30, 2024, the Component Unit School Board professional group recognized GLI OPEB expense of \$3,825. For the year ended June 30, 2024, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$1,650. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,736	\$ 9,950	\$ 64,191	\$ 19,510	\$ 7,846	\$ 2,385
Net difference between projected and actual earnings on GLI OPEB plan investment	-	13,172	-	25,828	-	3,157
Change of assumptions	7,006	22,709	13,738	44,530	1,679	5,443
Changes in proportionate share	41,197	85	564	85,390	15,450	12,154
Employer contributions subsequent to the measurement date	37,178	-	68,420	-	8,559	-
Total	\$ 118,117	\$ 45,916	\$ 146,913	\$ 175,258	\$ 33,534	\$ 23,139

\$37,178, \$68,420 and \$8,559, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
<u>Year Ended June 30</u>			
2025	\$ 14,705	\$ (27,144)	\$ (1,466)
2026	(1,847)	(46,916)	(3,431)
2027	13,371	(6,297)	5,072
2028	5,288	(10,938)	787
2029	3,506	(5,470)	874
Thereafter	-	-	-

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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

Mortality Rates - Non-Largest Ten Locality Employers - 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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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

Mortality Rates - Non-Largest Ten Locality Employers - 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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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

NET GLI OPEB Liability

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

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

The total GLI OPEB liability is calculated by the 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.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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%

*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%.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

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

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$	485,861	\$ 327,772	\$ 199,957
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability		952,700	642,712	392,085
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability		116,443	78,555	47,922

GLI Plan Fiduciary Net Position

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

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan 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 HIC 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.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. 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. 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.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under 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 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	6
Vested inactive members	1
Active members	<u>66</u>
Total covered employees	<u><u>73</u></u>

Contributions

The contribution requirements for active employees is governed by §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. The School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was 0.70% 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 from the School Board to the HIC Plan were \$11,095 and \$10,720 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The School Board’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.

Actuarial Assumptions

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - 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 Pub-2010 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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - 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 Pub-2010 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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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%

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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 ended 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.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 87,109	\$ 18,239	\$ 68,870
Changes for the year:			
Service cost	\$ 2,020	\$ -	\$ 2,020
Interest	5,952	-	5,952
Differences between expected and actual experience	(30,339)	-	(30,339)
Contributions - employer	-	10,721	(10,721)
Net investment income	-	1,533	(1,533)
Benefit payments	(1,908)	(1,908)	-
Administrative expenses	-	(44)	44
Net changes	\$ (24,275)	\$ 10,302	\$ (34,577)
Balances at June 30, 2023	\$ 62,834	\$ 28,541	\$ 34,293

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Sensitivity of the School Board's HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board's			
Net HIC OPEB Liability	\$ 41,858	\$ 34,293	\$ 27,911

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2024, the School Board recognized HIC Plan OPEB expense of \$1,630. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience \$	-	\$ 28,058
Net difference between projected and actual earnings on HIC OPEB plan investments	391	-
Change in assumptions	5,766	-
Employer contributions subsequent to the measurement date	11,095	-
Total	\$ 17,252	\$ 28,058

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

\$11,095 reported as deferred outflows of resources related to the HIC OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2025	\$	(4,859)
2026		(4,860)
2027		(4,708)
2028		(5,735)
2029		(1,739)
Thereafter		-

HIC Plan Data

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

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan 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 HIC 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.

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits is described below:

Eligible Employees

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. 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. 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.

HIC Plan 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 years of service credit to qualify for the HIC as a retiree.

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. 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, 2017. 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 from the school division to the VRS Teacher Employee HIC Plan were \$153,069 and \$152,528 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC 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 school division's proportionate share is reflected in the other grants and contributions of the financial statements.

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)***Teacher Employee HIC OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB***

At June 30, 2024, the school division reported a liability of \$1,531,474 for its proportionate share of the VRS Teacher Employee HIC 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 division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan 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 division's proportion of the VRS Teacher Employee HIC Plan was 0.12640% as compared to 0.13818% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$71,565. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan 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 division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 67,408
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	769	-
Change in assumptions	35,650	1,543
Change in proportionate share and differences between actual and expected contributions	31	197,448
Employer contributions subsequent to the measurement date	<u>153,069</u>	<u>-</u>
Total	<u>\$ 189,519</u>	<u>\$ 266,399</u>

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Teacher Employee HIC OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB (Continued)

\$153,069 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net 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 Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (52,095)
2026	(47,587)
2027	(39,222)
2028	(39,085)
2029	(30,654)
Thereafter	(21,306)

Actuarial Assumptions

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

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 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 Pub-2010 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 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’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 Plan are as follows (amounts expressed in thousands):

		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)	\$	<u>1,211,417</u>
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.

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS 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 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 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%.

Discount Rate

The discount rate used to measure the total Teacher Employee HIC 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 and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Plan 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 rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate (Continued)

contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB 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 Teacher Employee HIC OPEB liability.

Sensitivity of the School Division’s Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The follow presents the school division’s proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	1,732,268	\$ 1,531,474	\$ 1,361,318

Teacher Employee HIC OPEB Fiduciary Net Position

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

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN):

County and School Board

Plan Description

In addition to the pension and other postemployment benefits previously described, the County administers a single-employer defined benefit healthcare plan, The County of King William Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

In addition to the pension and other postemployment benefits previously described, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The King William County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Benefits Provided

Postemployment benefits that are provided to eligible retirees include medical insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. No benefits are provided to Medicare eligible retirees or their spouses.

Postemployment benefits that are provided to eligible retirees include medical, vision, and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the King William County Public School’s retiree medical plan. The participant must pay the entire premium.

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	107	261
Total retirees with coverage	-	12
Total	107	273

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2024 was \$0 and \$179,118.

Total OPEB Liability

The County and School Board’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023 and July 1, 2022 for the County and School Board, respectively.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 and July 1, 2022 actuarial valuation for the County and School Board, respectively, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Primary Government	
Discount Rate	3.97% based on 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Salary Increases	The salary increase rate was 2.85% for general employers and 2.25% for Police and Fire employees on top of 2.50% inflation
Healthcare Trend Rate	7.50% for fiscal year ending 2024, decreasing to an ultimate rate of 4.04%
Demographic	Assume 20% of employees with medical coverage would elect to retain coverage at retirement
Component Unit School Board	
Inflation	2.50% per year
Salary Increases	The salary increase rate was 3.50% to 5.35% per annum
Discount Rate	3.93% based on the Bond Buyer General Obligation 20-Bond Municipal Index.
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.30% graded down to 4.00% over 55 years

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2023	\$ 110,771	\$ 1,167,077
Changes for the year:		
Service cost	18,639	80,160
Interest	4,235	42,284
Difference between expected and actual experience	25,767	-
Changes in assumptions	8,287	(17,704)
Benefit payments	-	(179,118)
Net changes	\$ 56,928	\$ (74,378)
Balances at June 30, 2024	\$ 167,699	\$ 1,092,699

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97% for the County and 2.93% for the School Board) or one percentage point higher (4.79% for the County and 4.93% for the School Board) than the current discount rate:

	Rate		
	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Primary Government:			
Total OPEB liability	\$ 188,910	\$ 167,699	\$ 149,243

	Rate		
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Component Unit School Board:			
Total OPEB liability	\$ 1,156,697	\$ 1,092,699	\$ 1,031,119

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

The following presents the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.04% for the County and 5.30% decreasing to 3.00% over 55 years for the School Board) or one percentage point higher (5.04% for the County and 7.30% decreasing to 5.00% over 55 years for the School Board) than the current healthcare cost trend rates:

	Rate		
	1% Decrease (3.04%)	Healthcare Trend (4.04%)	1% Increase (5.04%)
Primary Government:			
Total OPEB liability	\$ 140,482	\$ 167,699	\$ 201,672

	Rate		
	1% Decrease (5.30% decreasing to 3.00%)	Healthcare Trend (6.30% decreasing to 4.00%)	1% Increase (7.30% decreasing to 5.00%)
Component Unit School Board:			
Total OPEB liability	\$ 976,379	\$ 1,092,699	\$ 1,226,538

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

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

For the year ended June 30, 2024, the County and the School Board recognized OPEB expense in the amount of \$2,219 and \$193,247. At June 30, 2024, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,086	\$ 37,158	\$ 119,950	\$ 172,711
Changes in assumptions	9,747	25,824	96,568	47,633
Total	<u>\$ 31,833</u>	<u>\$ 62,982</u>	<u>\$ 216,518</u>	<u>\$ 220,344</u>

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

Year Ended June 30	Primary Government	Component Unit School Board
2025	\$ (21,526)	\$ (16,155)
2026	(11,352)	(39,125)
2027	(12,385)	19,172
2028	4,385	32,282
2029	4,865	-
Thereafter	4,864	-

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024 (CONTINUED)

NOTE 18—SUMMARY OF OTHER POSTEMPLOYMENT BENEFIT PLANS:

Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 14):								
County	\$ 118,117	\$ 45,916	\$ 327,772	\$ 32,475	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	33,534	23,139	78,555	1,650
School Board Professional	-	-	-	-	146,913	175,258	642,712	3,825
Health Insurance Credit Plan (Note 15)	-	-	-	-	17,252	28,058	34,293	1,630
Teacher Health Insurance Credit Plan (Note 16)	-	-	-	-	189,519	266,399	1,531,474	71,565
County Stand-Alone Plan (Note 17)	31,833	62,982	167,699	2,219	-	-	-	-
School Stand-Alone Plan (Note 17)	-	-	-	-	216,518	220,344	1,092,699	193,247
Totals	\$ 149,950	\$ 108,898	\$ 495,471	\$ 34,694	\$ 603,736	\$ 713,198	\$ 3,379,733	\$ 271,917

NOTE 19—LINE OF DUTY ACT (LODA) (OPEB BENEFITS):

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by Title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VRSA. VRSA assumes all liability for the County's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VRSA. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$37,950.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 (CONTINUED)

NOTE 20—RESTATEMENT OF BEGINNING BALANCES:

During the current fiscal year, management identified an error in the classification of cash flows related to classification of cash equivalents. The correction of this error required stating the beginning cash and cash equivalents in the Statement of Cash Flows for the Proprietary Funds by \$9,517,425. The correction of this error had no effect on net position.

The table below summarizes the effect of the restatement.

<u>Account</u>	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Cash and cash equivalents - Water Fund	\$ 905,711	\$ 9,517,425	\$ 10,423,136
Cash and cash equivalents - Sewer Fund	2,130,194	-	2,130,194
Total	\$ 3,035,905	\$ 9,517,425	\$ 12,553,330

NOTE 21—UPCOMING PRONOUNCEMENTS:

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 this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

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General Fund

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 23,352,480	\$ 23,352,480	\$ 22,878,529	\$ (473,951)
Other local taxes	4,293,740	4,293,740	4,688,095	394,355
Permits, privilege fees, and regulatory licenses	471,200	471,200	372,675	(98,525)
Fines and forfeitures	55,000	55,000	133,629	78,629
Revenue from the use of money and property	437,709	437,709	578,815	141,106
Charges for services	882,045	882,045	841,439	(40,606)
Miscellaneous	45,923	55,923	208,672	152,749
Recovered costs	526,633	526,633	263,392	(263,241)
Intergovernmental:				
Commonwealth	9,272,011	9,393,736	8,907,744	(485,992)
Federal	1,051,094	1,069,314	809,312	(260,002)
Total revenues	\$ 40,387,835	\$ 40,537,780	\$ 39,682,302	\$ (855,478)
EXPENDITURES				
Current:				
General government administration	\$ 2,784,355	\$ 2,794,356	\$ 3,036,013	\$ (241,657)
Judicial administration	869,443	870,443	947,777	(77,334)
Public safety	8,293,319	8,892,342	8,690,442	201,900
Public works	2,174,051	2,174,051	2,203,467	(29,416)
Health and welfare	1,829,973	1,829,973	2,770,715	(940,742)
Education	16,639,584	16,639,584	16,431,265	208,319
Parks, recreation, and cultural	1,212,378	1,196,878	1,227,787	(30,909)
Community development	700,123	700,123	493,301	206,822
Nondepartmental	2,910,708	2,910,708	2,888,169	22,539
Total expenditures	\$ 37,413,934	\$ 38,008,458	\$ 38,688,936	\$ (680,478)
Excess (deficiency) of revenues over (under) expenditures	\$ 2,973,901	\$ 2,529,322	\$ 993,366	\$ (1,535,956)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 279,714	\$ 897,000	\$ 896,194	\$ (806)
Transfers out	(3,253,615)	(3,426,322)	(2,882,824)	543,498
Total other financing sources (uses)	\$ (2,973,901)	\$ (2,529,322)	\$ (1,986,630)	\$ 542,692
Net change in fund balances	\$ -	\$ -	\$ (993,264)	\$ (993,264)
Fund balances - beginning	-	-	11,572,999	11,572,999
Fund balances - ending	\$ -	\$ -	\$ 10,579,735	\$ 10,579,735

Note: The budget is adopted on a basis consistent with generally accepted accounting principles.

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ARPA Fund

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 31,506	\$ 31,506
Intergovernmental:				
Federal	-	2,285,331	915,768	(1,369,563)
Total revenues	\$ -	\$ 2,285,331	\$ 947,274	\$ (1,338,057)
EXPENDITURES				
Current:				
Judicial administration	\$ -	\$ 50,000	\$ 47,343	\$ 2,657
Public safety	-	50,300	52,541	(2,241)
Total expenditures	\$ -	\$ 100,300	\$ 99,884	\$ 416
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 2,185,031	\$ 847,390	\$ (1,337,641)
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ (2,185,031)	\$ (815,884)	\$ 1,369,147
Total other financing sources (uses)	\$ -	\$ (2,185,031)	\$ (815,884)	\$ 1,369,147
Net change in fund balances	\$ -	\$ -	\$ 31,506	\$ 31,506
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 31,506	\$ 31,506

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

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

	2023	2022	2021
Total pension liability			
Service cost	\$ 793,589	\$ 599,582	\$ 551,521
Interest	1,437,449	1,372,925	1,256,772
Changes of benefit terms	-	-	31,272
Changes of assumptions	-	-	747,867
Difference between expected and actual experience	143,485	(16,707)	(294,213)
Benefit payments	(1,292,955)	(1,094,845)	(1,249,178)
Net change in total pension liability	\$ 1,081,568	\$ 860,955	\$ 1,044,041
Total pension liability - beginning	21,148,425	20,287,470	19,243,429
Total pension liability - ending (a)	<u>\$ 22,229,993</u>	<u>\$ 21,148,425</u>	<u>\$ 20,287,470</u>
Plan fiduciary net position			
Contributions - employer	\$ 589,764	\$ 432,576	\$ 383,927
Contributions - employee	329,029	317,945	241,599
Net investment income	1,372,455	(18,121)	4,749,847
Benefit payments	(1,292,955)	(1,094,845)	(1,249,178)
Administrator charges	(13,662)	(13,484)	(12,098)
Other	(1,985)	500	444
Net change in plan fiduciary net position	\$ 982,646	\$ (375,429)	\$ 4,114,541
Plan fiduciary net position - beginning	21,284,071	21,659,500	17,544,959
Plan fiduciary net position - ending (b)	<u>\$ 22,266,717</u>	<u>\$ 21,284,071</u>	<u>\$ 21,659,500</u>
County's net pension liability - ending (a) - (b)	\$ (36,724)	\$ (135,646)	\$ (1,372,030)
Plan fiduciary net position as a percentage of the total pension liability	100.17%	100.64%	106.76%
Covered payroll	\$ 6,387,778	\$ 5,853,701	\$ 5,176,559
County's net pension liability as a percentage of covered payroll	-0.57%	-2.32%	-26.50%

2020	2019	2018	2017	2016	2015	2014
\$ 498,360	\$ 461,711	\$ 454,526	\$ 413,783	\$ 399,804	\$ 427,980	\$ 425,539
1,231,894	1,160,608	1,079,622	1,036,388	1,005,764	960,437	900,618
-	-	-	-	-	-	-
-	537,672	-	(16,844)	-	-	-
(382,914)	211,545	291,924	(178,886)	(409,236)	(251,096)	-
(708,391)	(694,347)	(643,892)	(629,749)	(487,936)	(491,661)	(451,521)
\$ 638,949	\$ 1,677,189	\$ 1,182,180	\$ 624,692	\$ 508,396	\$ 645,660	\$ 874,636
18,604,480	16,927,291	15,745,111	15,120,419	14,612,023	13,966,363	13,091,727
\$ 19,243,429	\$ 18,604,480	\$ 16,927,291	\$ 15,745,111	\$ 15,120,419	\$ 14,612,023	\$ 13,966,363
\$ 389,628	\$ 370,865	\$ 304,470	\$ 294,179	\$ 372,193	\$ 365,362	\$ 393,290
230,242	221,187	190,664	199,433	180,702	172,177	172,426
333,333	1,094,690	1,133,488	1,683,245	241,338	593,824	1,752,531
(708,391)	(694,347)	(643,892)	(629,749)	(487,936)	(491,661)	(451,521)
(11,148)	(10,661)	(9,712)	(9,652)	(8,272)	(7,965)	(9,260)
(396)	(691)	(1,014)	(1,501)	(101)	(128)	92
\$ 233,268	\$ 981,043	\$ 974,004	\$ 1,535,955	\$ 297,924	\$ 631,609	\$ 1,857,558
17,311,691	16,330,648	15,356,644	13,820,689	13,522,765	12,891,156	11,033,598
\$ 17,544,959	\$ 17,311,691	\$ 16,330,648	\$ 15,356,644	\$ 13,820,689	\$ 13,522,765	\$ 12,891,156
\$ 1,698,470	\$ 1,292,789	\$ 596,643	\$ 388,467	\$ 1,299,730	\$ 1,089,258	\$ 1,075,207
91.17%	93.05%	96.48%	97.53%	91.40%	92.55%	92.30%
\$ 4,947,660	\$ 4,644,318	\$ 3,754,254	\$ 3,721,702	\$ 3,577,844	\$ 3,598,101	\$ 3,734,948
34.33%	27.84%	15.89%	10.44%	36.33%	30.27%	28.79%

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Component Unit School Board (nonprofessional)

Pension Plan

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

	2023	2022	2021
Total pension liability			
Service cost	\$ 127,318	\$ 112,120	\$ 114,814
Interest	256,285	259,345	247,496
Changes of assumptions	-	-	109,165
Difference between expected and actual experience	(63,146)	(216,760)	(204,375)
Benefit payments	(179,410)	(251,053)	(156,310)
Net change in total pension liability	\$ 141,047	\$ (96,348)	\$ 110,790
Total pension liability - beginning	3,759,209	3,855,557	3,744,767
Total pension liability - ending (a)	\$ 3,900,256	\$ 3,759,209	\$ 3,855,557
Plan fiduciary net position			
Contributions - employer	\$ 23,056	\$ 62,008	\$ 57,962
Contributions - employee	67,740	63,136	58,907
Net investment income	297,953	(2,488)	1,033,515
Benefit payments	(179,410)	(251,053)	(156,310)
Administrator charges	(2,983)	(2,983)	(2,536)
Other	120	109	98
Net change in plan fiduciary net position	\$ 206,476	\$ (131,271)	\$ 991,636
Plan fiduciary net position - beginning	4,642,400	4,773,671	3,782,035
Plan fiduciary net position - ending (b)	\$ 4,848,876	\$ 4,642,400	\$ 4,773,671
 School Division's net pension liability (asset) - ending (a) - (b)	 \$ (948,620)	 \$ (883,191)	 \$ (918,114)
 Plan fiduciary net position as a percentage of the total pension liability	 124.32%	 123.49%	 123.81%
 Covered payroll	 \$ 1,531,485	 \$ 1,411,088	 \$ 1,283,170
 School Division's net pension liability (asset) as a percentage of covered payroll	 -61.94%	 -62.59%	 -71.55%

	2020	2019	2018	2017	2016	2015	2014
\$	107,568	\$ 130,936	\$ 132,918	\$ 135,196	\$ 147,006	\$ 149,564	\$ 148,866
	243,199	220,411	212,564	199,924	185,682	162,279	146,068
	-	105,727	-	(67,991)	-	-	-
	(113,279)	159,146	(109,826)	19,693	(47,205)	90,966	-
	(191,339)	(132,653)	(114,463)	(98,040)	(66,013)	(70,936)	(55,770)
\$	46,149	\$ 483,567	\$ 121,193	\$ 188,782	\$ 219,470	\$ 331,873	\$ 239,164
	3,698,618	3,215,051	3,093,858	2,905,076	2,685,606	2,353,733	2,114,569
\$	<u>3,744,767</u>	<u>\$ 3,698,618</u>	<u>\$ 3,215,051</u>	<u>\$ 3,093,858</u>	<u>\$ 2,905,076</u>	<u>\$ 2,685,606</u>	<u>\$ 2,353,733</u>
\$	36,578	\$ 53,438	\$ 58,831	\$ 61,425	\$ 86,210	\$ 87,689	\$ 112,627
	43,418	61,090	61,738	63,992	66,926	68,007	67,436
	71,673	241,348	248,079	363,846	52,781	122,327	348,354
	(191,339)	(132,653)	(114,463)	(98,040)	(66,013)	(70,936)	(55,770)
	(2,502)	(2,332)	(2,092)	(2,028)	(1,679)	(1,565)	(1,757)
	(85)	(153)	(224)	(328)	(22)	(29)	19
\$	(42,257)	\$ 220,738	\$ 251,869	\$ 388,867	\$ 138,203	\$ 205,493	\$ 470,909
	3,824,292	3,603,554	3,351,685	2,962,818	2,824,615	2,619,122	2,148,213
\$	<u>3,782,035</u>	<u>\$ 3,824,292</u>	<u>\$ 3,603,554</u>	<u>\$ 3,351,685</u>	<u>\$ 2,962,818</u>	<u>\$ 2,824,615</u>	<u>\$ 2,619,122</u>
\$	(37,268)	\$ (125,674)	\$ (388,503)	\$ (257,827)	\$ (57,742)	\$ (139,009)	\$ (265,389)
	101.00%	103.40%	112.08%	108.33%	101.99%	105.18%	111.28%
\$	935,050	\$ 1,288,422	\$ 1,214,486	\$ 1,340,453	\$ 1,366,858	\$ 1,391,726	\$ 1,751,586
	-3.99%	-9.75%	-31.99%	-19.23%	-4.22%	-9.99%	-15.15%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2023

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.12781%	\$ 12,918,018	\$ 12,605,581	102.48%	82.45%
2022	0.13955%	13,285,995	12,878,243	103.17%	82.61%
2021	0.13905%	10,794,587	12,222,357	88.32%	85.46%
2020	0.14310%	20,829,174	12,522,785	166.33%	71.47%
2019	0.14535%	19,128,886	12,395,075	154.33%	73.51%
2018	0.14814%	17,421,000	11,613,756	150.00%	74.81%
2017	0.14995%	18,441,000	11,764,523	156.75%	72.92%
2016	0.15270%	21,399,000	11,677,255	183.25%	68.28%
2015	0.15775%	19,855,000	11,655,579	170.35%	70.68%
2014	0.15381%	18,588,000	9,045,366	205.50%	70.88%

Schedule of Employer Contributions - Pension Plan
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution*	Contractually Required Contribution*	Contribution Deficiency (Excess)		
	(1)	(2)	(3)	(4)	(5)
Primary Government					
2024	\$ 628,204	\$ 628,204	\$ -	\$ 6,827,989	9.20%
2023	593,897	593,897	-	6,387,778	9.30%
2022	434,659	434,659	-	5,853,701	7.43%
2021	358,001	358,001	-	5,176,559	6.92%
2020	389,641	389,641	-	4,947,660	7.88%
2019	370,815	370,815	-	4,644,318	7.98%
2018	304,470	304,470	-	3,754,254	8.11%
2017	294,179	294,179	-	3,721,702	7.90%
2016	376,747	376,747	-	3,577,844	10.53%
2015	378,880	378,880	-	3,598,101	10.53%
Component Unit School Board (nonprofessional)					
2024	\$ 20,043	\$ 20,043	\$ -	\$ 1,584,992	1.26%
2023	22,028	22,028	-	1,531,485	1.44%
2022	71,965	71,965	-	1,411,088	5.10%
2021	57,963	57,963	-	1,283,170	4.52%
2020	36,157	36,157	-	935,050	3.87%
2019	53,876	53,876	-	1,288,422	4.18%
2018	58,831	58,831	-	1,214,486	4.84%
2017	61,425	61,425	-	1,340,453	4.58%
2016	87,889	87,889	-	1,366,858	6.43%
2015	89,488	89,488	-	1,391,726	6.43%
Component Unit School Board (professional)					
2024	\$ 2,016,101	\$ 2,016,101	\$ -	\$ 12,650,342	15.94%
2023	2,017,579	2,017,579	-	12,605,581	16.01%
2022	2,073,166	2,073,166	-	12,878,243	16.10%
2021	1,967,188	1,967,188	-	12,222,357	16.09%
2020	1,901,973	1,901,973	-	12,522,782	15.19%
2019	1,874,061	1,874,061	-	12,395,075	15.12%
2018	1,895,365	1,895,365	-	11,613,756	16.32%
2017	1,706,234	1,706,234	-	11,764,523	14.50%
2016	1,641,822	1,641,822	-	11,677,255	14.06%
2015	1,690,059	1,690,059	-	11,655,579	14.50%

*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Notes to Required Supplementary Information - Pension Plan
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the 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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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

Schedule of Employer's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2023

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
				Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	
(1)	(2)	(3)	(4)	(5)	(6)
Primary Government:					
2023	0.02733%	\$ 327,772	\$ 6,438,601	5.09%	69.30%
2022	0.02720%	327,514	5,916,324	5.54%	67.21%
2021	0.02530%	295,026	5,231,257	5.64%	67.45%
2020	0.02421%	404,025	4,983,088	8.11%	52.64%
2019	0.02351%	382,570	4,609,038	8.30%	52.00%
2018	0.02059%	313,000	3,915,385	7.99%	51.22%
2017	0.02020%	304,000	3,725,679	8.16%	48.86%
Component Unit School Board (professional):					
2023	0.05359%	\$ 642,712	\$ 12,622,490	5.09%	69.30%
2022	0.05930%	713,548	12,889,714	5.54%	67.21%
2021	0.05920%	689,248	12,222,357	5.64%	67.45%
2020	0.06085%	1,015,486	12,522,782	8.11%	52.64%
2019	0.06232%	1,014,113	12,219,038	8.30%	52.00%
2018	0.06307%	958,000	11,992,308	7.99%	51.22%
2017	0.06406%	964,000	11,816,832	8.16%	48.86%
Component Unit School Board (nonprofessional):					
2023	0.00655%	\$ 78,555	\$ 1,542,005	5.09%	69.30%
2022	0.00650%	78,266	1,413,675	5.54%	67.21%
2021	0.00630%	73,116	1,295,870	5.64%	67.45%
2020	0.00454%	75,765	935,050	8.10%	52.64%
2019	0.00657%	106,912	1,285,962	8.31%	52.00%
2018	0.00679%	103,000	1,290,577	7.98%	51.22%
2017	0.00714%	107,000	1,317,024	8.12%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2017 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)
Primary Government:					
2024	\$ 37,178	\$ 37,178	\$ -	\$ 6,884,840	0.54%
2023	34,768	34,768	-	6,438,601	0.54%
2022	31,948	31,948	-	5,916,324	0.54%
2021	28,249	28,249	-	5,231,257	0.54%
2020	25,912	25,912	-	4,983,088	0.52%
2019	23,967	23,967	-	4,609,038	0.52%
2018	20,360	20,360	-	3,915,385	0.52%
2017	19,374	19,374	-	3,725,679	0.52%
Component Unit School Board (professional):					
2024	\$ 68,420	\$ 68,420	\$ -	\$ 12,670,333	0.54%
2023	68,161	68,161	-	12,622,490	0.54%
2022	69,604	69,604	-	12,889,714	0.54%
2021	66,001	66,001	-	12,222,357	0.54%
2020	65,118	65,118	-	12,522,782	0.52%
2019	63,359	63,359	-	12,219,038	0.52%
2018	62,360	62,360	-	11,992,308	0.52%
2017	61,448	61,448	-	11,816,832	0.52%
Component Unit School Board (nonprofessional):					
2024	\$ 8,559	\$ 8,559	\$ -	\$ 1,584,992	0.54%
2023	8,327	8,327	-	1,542,005	0.54%
2022	7,634	7,634	-	1,413,675	0.54%
2021	6,998	6,998	-	1,295,870	0.54%
2020	4,862	4,862	-	935,050	0.52%
2019	6,687	6,687	-	1,285,962	0.52%
2018	6,711	6,711	-	1,290,577	0.52%
2017	6,849	6,849	-	1,317,024	0.52%

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

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the 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:

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Pub-2010 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

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios

Health Insurance Credit (HIC) Plan

Component Unit School Board (nonprofessional)

For the Measurement Dates of June 30, 2020 through June 30, 2023

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 2,020	\$ 2,739	\$ 2,621	\$ -
Interest	5,952	5,642	4,591	-
Changes in benefit terms	-	-	-	68,012
Differences between expected and actual experience	(30,339)	(5,127)	-	-
Changes of assumptions	-	3,709	6,326	-
Benefit payments	(1,908)	(1,404)	-	-
Net change in total HIC OPEB liability	\$ (24,275)	\$ 5,559	\$ 13,538	\$ 68,012
Total HIC OPEB Liability - beginning	87,109	81,550	68,012	-
Total HIC OPEB Liability - ending (a)	\$ 62,834	\$ 87,109	\$ 81,550	\$ 68,012
Plan fiduciary net position				
Contributions - employer	\$ 10,721	\$ 9,878	\$ 8,982	\$ -
Net investment income	1,533	(212)	1,068	-
Benefit payments	(1,908)	(1,404)	-	-
Administrator charges	(44)	(34)	(39)	-
Net change in plan fiduciary net position	\$ 10,302	\$ 8,228	\$ 10,011	\$ -
Plan fiduciary net position - beginning	18,239	10,011	-	-
Plan fiduciary net position - ending (b)	\$ 28,541	\$ 18,239	\$ 10,011	\$ -
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 34,293	\$ 68,870	\$ 71,539	\$ 68,012
Plan fiduciary net position as a percentage of the total HIC OPEB liability	45.42%	20.94%	12.28%	0.00%
Covered payroll	\$ 1,531,485	\$ 1,411,088	\$ 1,283,170	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	2.24%	4.88%	5.58%	0.00%

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 Component Unit School Board (nonprofessional)
 For the Years Ended June 30, 2021 through June 30, 2024

Date	Contributions in Relation to				Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	
2024	\$ 11,095	\$ 11,095	\$ -	\$ 1,584,992	0.70%
2023	10,720	10,720	-	1,531,485	0.70%
2022	9,878	9,878	-	1,411,088	0.70%
2021	8,982	8,982	-	1,283,170	0.70%

Schedule is intended to show information for 10 years. However, the program was not utilized until the year ended June 30, 2021.

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the 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:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Pub-2010 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

Schedule of County School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.12640% \$	1,531,474 \$	12,605,581	12.15%	17.90%
2022	0.13818%	1,725,932	12,878,243	13.40%	15.08%
2021	0.13820%	1,773,893	12,222,357	14.51%	13.15%
2020	0.14280%	1,863,372	12,522,782	14.88%	6.23%
2019	0.14570%	1,906,700	12,219,038	15.60%	6.23%
2018	0.14828%	1,882,000	12,292,167	15.31%	8.08%
2017	0.14937%	1,899,000	11,816,832	16.07%	7.04%

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

Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2017 through June 30, 2024

Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
				(4)	(5)
2024	\$ 153,069	\$ 153,069	\$ -	\$ 12,650,342	1.21%
2023	152,528	152,528	-	12,605,581	1.21%
2022	155,827	155,827	-	12,878,243	1.21%
2021	147,891	147,891	-	12,222,357	1.21%
2020	150,273	150,273	-	12,522,782	1.20%
2019	147,072	147,072	-	12,219,038	1.20%
2018	147,506	147,506	-	12,292,167	1.20%
2017	131,167	131,167	-	11,816,832	1.11%

Schedule is intended to show information for 10 years. Additional years will be provided as they become available.

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Changes in Total OPEB Liability and Related Ratios

Primary Government

For the Years Ended June 30, 2018 through June 30, 2024

	<u>2024</u>	<u>2023</u>
Total OPEB liability		
Service cost	\$ 18,639	\$ 18,385
Interest	4,235	3,372
Changes in assumptions	8,287	(1,854)
Differences between expected and actual experience	25,767	(1,031)
Net change in total OPEB liability	\$ 56,928	\$ 18,872
Total OPEB liability - beginning	110,771	91,899
Total OPEB liability - ending	<u>\$ 167,699</u>	<u>\$ 110,771</u>
 Covered employee payroll	 \$ N/A	 \$ N/A
 County's total OPEB liability (asset) as a percentage of covered-employee or covered payroll	 N/A	 N/A

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Exhibit 28

<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>	
\$	19,723	\$	17,523	\$	18,563	\$	16,429	\$	15,947
	3,222		3,467		5,551		5,476		4,726
	(49,017)		7,936		(476)		7,030		(516)
	(51,612)		(1,720)		(60,563)		(1,800)		-
\$	(77,684)	\$	27,206	\$	(36,925)	\$	27,135	\$	20,157
	169,583		142,377		179,302		152,167		132,010
\$	<u>91,899</u>	\$	<u>169,583</u>	\$	<u>142,377</u>	\$	<u>179,302</u>	\$	<u>152,167</u>
\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A
	N/A		N/A		N/A		N/A		N/A

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Changes in Total OPEB Liability and Related Ratios

Component Unit School Board

For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022
Total OPEB liability			
Service cost	\$ 80,160	\$ 81,171	\$ 85,635
Interest	42,284	32,980	22,861
Changes in assumptions	(17,704)	117,893	-
Differences between expected and actual experience	-	166,420	(74,163)
Benefit payments	(179,118)	(162,359)	(151,419)
Net change in total OPEB liability	\$ (74,378)	\$ 236,105	\$ (117,086)
Total OPEB liability - beginning	1,167,077	930,972	1,048,058
Total OPEB liability - ending	\$ 1,092,699	\$ 1,167,077	\$ 930,972
 Covered employee payroll	 \$ 13,262,425	 \$ 13,262,425	 \$ 12,144,881
 School Board's total OPEB liability (asset) as a percentage of covered-employee or covered payroll	 8.24%	 8.80%	 7.67%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Exhibit 29

<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>	
\$	80,180	\$	79,437	\$	54,563	\$	65,813
	34,272		55,554		57,694		46,173
	22,618		52,249		273,532		(26,341)
	(473,083)		-		369,582		-
	(172,084)		(275,455)		(352,000)		(194,429)
\$	(508,097)	\$	(88,215)	\$	403,371	\$	(108,784)
	1,556,155		1,644,370		1,240,999		1,349,783
\$	<u>1,048,058</u>	\$	<u>1,556,155</u>	\$	<u>1,644,370</u>	\$	<u>1,240,999</u>
\$	12,144,881	\$	13,348,806	\$	11,731,946	\$	11,906,700
	8.63%		11.66%		14.02%		10.42%

Notes to Required Supplementary Information - County OPEB
For the Year Ended June 30, 2024

Valuation Date: 7/1/2023
Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.97% based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Healthcare Trend Rate	7.50% for fiscal year ending 2024, decreasing to an ultimate rate of 4.04%
Salary Increase Rates	The salary increase rate was 2.85% for general employers and 2.25% for Police and Fire employees on top of 2.50% inflation
Demographic Assumption	20% of employees with medical coverage would elect to retain coverage at retirement.

Notes to Required Supplementary Information - Component Unit School Board OPEB
For the Year Ended June 30, 2024

Valuation Date: 7/1/2022
Measurement Date: 6/30/2024

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.93%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption were 6.30% to 4.00% over 55 years
Salary Increase Rates	The salary increases, including inflation were 3.50% to 5.35%
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 White Collar Employee Rates to age 49 White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90. The mortality rates for disabled retirees was calculated using the RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES*

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Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 46,223	\$ 46,223	\$ 39,477	\$ (6,746)
Intergovernmental:				
Local government	2,239,419	2,239,419	2,239,428	9
Total revenues	<u>\$ 2,285,642</u>	<u>\$ 2,285,642</u>	<u>\$ 2,278,905</u>	<u>\$ (6,737)</u>
EXPENDITURES				
Debt service:				
Principal retirement	\$ 2,925,244	\$ 2,925,244	\$ 2,920,726	\$ 4,518
Interest and other fiscal charges	1,160,000	1,160,000	1,161,435	(1,435)
Total expenditures	<u>\$ 4,085,244</u>	<u>\$ 4,085,244</u>	<u>\$ 4,082,161</u>	<u>\$ 3,083</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,799,602)</u>	<u>\$ (1,799,602)</u>	<u>\$ (1,803,256)</u>	<u>\$ (3,654)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,309,602	\$ 1,309,602	\$ 2,302,626	\$ 993,024
Total other financing sources (uses)	<u>\$ 1,309,602</u>	<u>\$ 1,309,602</u>	<u>\$ 2,302,626</u>	<u>\$ 993,024</u>
Net change in fund balances	\$ (490,000)	\$ (490,000)	\$ 499,370	\$ 989,370
Fund balances (deficits) - beginning	490,000	490,000	(9,382)	(499,382)
Fund balances (deficits) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 489,988</u>	<u>\$ 489,988</u>

General Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ 564,164	\$ (171,563)	\$ (735,727)
Miscellaneous	200,000	200,000	126,958	(73,042)
Recovered costs	121,541	121,541	-	(121,541)
Intergovernmental:				
Federal	1,577,320	1,577,320	1,577,320	-
Total revenues	<u>\$ 1,898,861</u>	<u>\$ 2,463,025</u>	<u>\$ 1,532,715</u>	<u>\$ (930,310)</u>
EXPENDITURES				
Capital projects	\$ 12,315,178	\$ 17,121,628	\$ 6,304,120	\$ 10,817,508
Total expenditures	<u>\$ 12,315,178</u>	<u>\$ 17,121,628</u>	<u>\$ 6,304,120</u>	<u>\$ 10,817,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (10,416,317)</u>	<u>\$ (14,658,603)</u>	<u>\$ (4,771,405)</u>	<u>\$ 9,887,198</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,322,830	\$ 7,565,116	\$ 2,303,425	\$ (5,261,691)
Transfers out	-	-	(488,348)	(488,348)
Total other financing sources (uses)	<u>\$ 3,322,830</u>	<u>\$ 7,565,116</u>	<u>\$ 1,815,077</u>	<u>\$ (5,750,039)</u>
Net change in fund balances	\$ (7,093,487)	\$ (7,093,487)	\$ (2,956,328)	\$ 4,137,159
Fund balances - beginning	7,093,487	7,093,487	7,093,487	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,137,159</u>	<u>\$ 4,137,159</u>

School Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 21,627	\$ 21,627
Intergovernmental:				
Local government	1,714,323	1,714,323	1,349,106	(365,217)
Commonwealth	1,248,435	1,248,435	1,002,300	(246,135)
Federal	246,146	246,146	234,864	(11,282)
Total revenues	<u>\$ 3,208,904</u>	<u>\$ 3,208,904</u>	<u>\$ 2,607,897</u>	<u>\$ (601,007)</u>
EXPENDITURES				
Capital projects	\$ 2,597,541	\$ 2,744,180	\$ 2,334,486	\$ 409,694
Total expenditures	<u>\$ 2,597,541</u>	<u>\$ 2,744,180</u>	<u>\$ 2,334,486</u>	<u>\$ 409,694</u>
Net change in fund balances	\$ 611,363	\$ 464,724	\$ 273,411	\$ (191,313)
Fund balances - beginning	(508,794)	(508,794)	236,322	745,116
Fund balances - ending	<u>\$ 102,569</u>	<u>\$ (44,070)</u>	<u>\$ 509,733</u>	<u>\$ 553,803</u>

COUNTY OF KING WILLIAM, VIRGINIA

Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds		
	Special Welfare	VJCCCA	Project Lifesaver
ASSETS			
Cash and cash equivalents	\$ 10,465	\$ 94,819	\$ 6,534
Due from other governmental units	-	15,793	-
Total assets	\$ <u>10,465</u>	\$ <u>110,612</u>	\$ <u>6,534</u>
LIABILITIES			
Accounts payable	\$ -	\$ 9,366	\$ -
Due to other governmental units	9,585	-	-
Total liabilities	\$ <u>9,585</u>	\$ <u>9,366</u>	\$ <u>-</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	\$ <u>880</u>	\$ <u>101,246</u>	\$ <u>6,534</u>
Total net position	\$ <u>880</u>	\$ <u>101,246</u>	\$ <u>6,534</u>

Exhibit 35

<u>D.A.R.E.</u>	<u>Sheriff's Office</u>	<u>Fire and EMS</u>	<u>Total</u>
\$ 7,458	\$ 306	\$ 14,518	\$ 134,100
-	-	-	15,793
<u>\$ 7,458</u>	<u>\$ 306</u>	<u>\$ 14,518</u>	<u>\$ 149,893</u>
\$ -	\$ -	\$ -	\$ 9,366
-	-	-	9,585
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,951</u>
\$ 7,458	\$ 306	\$ 14,518	\$ 130,942
<u>\$ 7,458</u>	<u>\$ 306</u>	<u>\$ 14,518</u>	<u>\$ 130,942</u>

COUNTY OF KING WILLIAM, VIRGINIA

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

	Custodial Funds		
	Special Welfare	VJCCCA	Project Lifesaver
ADDITIONS			
Contributions	\$ -	\$ 18,850	\$ 800
Electronic monitoring fees	-	87,773	-
Local shares	-	48,400	-
State grants	-	65,014	-
Federal grants	-	15,785	-
Total additions	\$ -	\$ 235,822	\$ 800
DEDUCTIONS			
Recipient payments	\$ 9,586	\$ -	\$ -
Salaries and wages	-	162,476	-
Fringe benefits	-	43,898	-
Purchased services	-	8,219	-
Miscellaneous	-	50,602	1,132
Total deductions	\$ 9,586	\$ 265,195	\$ 1,132
Net increase (decrease) in fiduciary net position	\$ (9,586)	\$ (29,373)	\$ (332)
Net position, beginning	10,466	130,619	6,866
Net position, ending	\$ 880	\$ 101,246	\$ 6,534

Exhibit 36

<u>D.A.R.E.</u>	<u>Sheriff's Office</u>	<u>Fire and EMS</u>	<u>Total</u>
\$ 2,000	\$ -	\$ 7,655	\$ 29,305
-	-	-	87,773
-	-	-	48,400
-	-	-	65,014
-	-	-	15,785
<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 7,655</u>	<u>\$ 246,277</u>
\$ -	\$ -	\$ -	\$ 9,586
-	-	-	162,476
-	-	-	43,898
-	-	-	8,219
1,748	-	226	53,708
<u>\$ 1,748</u>	<u>\$ -</u>	<u>\$ 226</u>	<u>\$ 277,887</u>
\$ 252	\$ -	\$ 7,429	\$ (31,610)
7,206	306	7,089	162,552
<u>\$ 7,458</u>	<u>\$ 306</u>	<u>\$ 14,518</u>	<u>\$ 130,942</u>

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*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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Combining Balance Sheet

Discretely Presented Component Unit - School Board

June 30, 2024

	School Operating Fund	School Cafeteria Fund	School Textbook Fund	School Activity Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,752,579	\$ 560,110	\$ 451,622	\$ 278,098	\$ 11,042,409
Receivables (net of allowance for uncollectibles):					
Accounts receivable	33,715	-	-	-	33,715
Due from primary government	742,825	-	-	-	742,825
Due from other governmental units	603,093	5,357	263,373	-	871,823
Total assets	<u>\$ 11,132,212</u>	<u>\$ 565,467</u>	<u>\$ 714,995</u>	<u>\$ 278,098</u>	<u>\$ 12,690,772</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ 158,719	\$ -	\$ -	\$ -	\$ 158,719
Accrued liabilities	1,229,720	23,025	-	-	1,252,745
Total liabilities	<u>\$ 1,388,439</u>	<u>\$ 23,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,411,464</u>
FUND BALANCES					
Committed	\$ 782,811	\$ -	\$ -	\$ -	\$ 782,811
Assigned	8,960,962	542,442	714,995	278,098	10,496,497
Total fund balances	<u>\$ 9,743,773</u>	<u>\$ 542,442</u>	<u>\$ 714,995</u>	<u>\$ 278,098</u>	<u>\$ 11,279,308</u>
Total liabilities and fund balances	<u>\$ 11,132,212</u>	<u>\$ 565,467</u>	<u>\$ 714,995</u>	<u>\$ 278,098</u>	<u>\$ 12,690,772</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above \$ 11,279,308

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 48,681,550	
Accumulated depreciation	<u>(22,128,794)</u>	26,552,756

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Net pension asset		948,620
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Deferred outflows of resources are not available to pay for current-period expenditures, and, therefore, are not reported in the funds.

Pension related items	\$ 3,780,386	
OPEB related items	<u>603,736</u>	4,384,122

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

944,384

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	\$ (481,059)	
Net OPEB liability	(3,379,733)	
Net pension liability	<u>(12,918,018)</u>	(16,778,810)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$ (2,852,685)	
OPEB related items	<u>(713,198)</u>	(3,565,883)

Net position of governmental activities		<u>\$ 23,764,497</u>
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2024

	School Operating Fund	School Cafeteria Fund	School Textbook Fund	School Activity Funds	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ 470,673	\$ 20,865	\$ -	\$ -	\$ 491,538
Charges for services	106,114	497,656	-	-	603,770
Miscellaneous	146,213	22,823	-	514,565	683,601
Recovered costs	33,715	-	-	-	33,715
Intergovernmental:					
Local government	16,422,193	-	-	-	16,422,193
Commonwealth	15,490,828	20,344	187,846	-	15,699,018
Federal	1,603,458	838,011	254,935	-	2,696,404
Total revenues	<u>\$ 34,273,194</u>	<u>\$ 1,399,699</u>	<u>\$ 442,781</u>	<u>\$ 514,565</u>	<u>\$ 36,630,239</u>
EXPENDITURES					
Current:					
Education	\$ -	\$ 1,374,147	\$ 298,372	\$ 490,442	\$ 2,162,961
Instruction	19,167,165	-	-	-	19,167,165
Administration, Attendance, Health	1,935,258	-	-	-	1,935,258
Pupil Transportation	2,284,390	-	-	-	2,284,390
Operations and Maintenance	2,232,470	-	-	-	2,232,470
Technology	1,003,871	-	-	-	1,003,871
Reimbursements to primary government	3,588,534	-	-	-	3,588,534
Total expenditures	<u>\$ 30,211,688</u>	<u>\$ 1,374,147</u>	<u>\$ 298,372</u>	<u>\$ 490,442</u>	<u>\$ 32,374,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,061,506</u>	<u>\$ 25,552</u>	<u>\$ 144,409</u>	<u>\$ 24,123</u>	<u>\$ 4,255,590</u>
Net change in fund balances	\$ 4,061,506	\$ 25,552	\$ 144,409	\$ 24,123	\$ 4,255,590
Fund balances - beginning	5,682,267	516,890	570,586	253,975	7,023,718
Fund balances - ending	<u>\$ 9,743,773</u>	<u>\$ 542,442</u>	<u>\$ 714,995</u>	<u>\$ 278,098</u>	<u>\$ 11,279,308</u>

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

Net change in fund balances - total governmental funds - per above \$ 4,255,590

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 2,331,001	
Changes in jointly owned assets	2,124,129	
Depreciation expense	<u>(1,569,095)</u>	2,886,035

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds 188,465

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

The following is a summary of items supporting this adjustment:

Change in compensated absences	\$ (224,365)	
Pension expense	1,386,004	
OPEB expense	<u>148,344</u>	1,309,983

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (932,312)

Change in net position of governmental activities \$ 7,707,761

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 464,100	\$ 464,100	\$ 470,673	\$ 6,573
Charges for services	161,000	161,000	106,114	(54,886)
Miscellaneous	100,500	100,500	146,213	45,713
Recovered costs	24,000	24,000	33,715	9,715
Intergovernmental:				
Local government	16,630,512	16,630,512	16,422,193	(208,319)
Commonwealth	15,915,485	15,915,485	15,490,828	(424,657)
Federal	1,404,878	1,404,878	1,603,458	198,580
Total revenues	\$ 34,700,475	\$ 34,700,475	\$ 34,273,194	\$ (427,281)
EXPENDITURES				
Current:				
Instruction	\$ 23,723,856	\$ 23,723,856	\$ 19,167,165	\$ 4,556,691
Administration, Attendance, Health	2,146,109	2,146,109	1,935,258	210,851
Pupil Transportation	2,654,459	2,654,459	2,284,390	370,069
Operations and Maintenance	2,510,625	2,510,625	2,232,470	278,155
Technology	1,426,007	1,426,007	1,003,871	422,136
Reimbursements to primary government	2,239,419	2,239,419	3,588,534	(1,349,115)
Total expenditures	\$ 34,700,475	\$ 34,700,475	\$ 30,211,688	\$ 4,488,787
Excess (deficiency) of revenues over (under) expenditures				
	\$ -	\$ -	\$ 4,061,506	\$ 4,061,506
Net change in fund balances	\$ -	\$ -	\$ 4,061,506	\$ 4,061,506
Fund balances - beginning	-	-	5,682,267	5,682,267
Fund balances - ending	\$ -	\$ -	\$ 9,743,773	\$ 9,743,773

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Cafeteria Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 23,000	\$ 23,000	\$ 20,865	\$ (2,135)
Charges for services	515,000	515,000	497,656	(17,344)
Miscellaneous	8,500	86,500	22,823	(63,677)
Intergovernmental:				
Commonwealth	11,000	11,000	20,344	9,344
Federal	570,000	697,147	838,011	140,864
Total revenues	<u>\$ 1,127,500</u>	<u>\$ 1,332,647</u>	<u>\$ 1,399,699</u>	<u>\$ 67,052</u>
EXPENDITURES				
Current:				
Education	\$ 1,225,520	\$ 1,430,667	\$ 1,374,147	\$ 56,520
Total expenditures	<u>\$ 1,225,520</u>	<u>\$ 1,430,667</u>	<u>\$ 1,374,147</u>	<u>\$ 56,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (98,020)</u>	<u>\$ (98,020)</u>	<u>\$ 25,552</u>	<u>\$ 123,572</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 98,020	\$ 98,020	\$ -	\$ (98,020)
Total other financing sources (uses)	<u>\$ 98,020</u>	<u>\$ 98,020</u>	<u>\$ -</u>	<u>\$ (98,020)</u>
Net change in fund balances	\$ -	\$ -	\$ 25,552	\$ 25,552
Fund balances - beginning	-	-	516,890	516,890
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 542,442</u>	<u>\$ 542,442</u>

School Textbook Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
193,664	193,664	187,846	(5,818)
-	-	254,935	254,935
\$ <u>193,664</u>	\$ <u>193,664</u>	\$ <u>442,781</u>	\$ <u>249,117</u>
\$ <u>784,098</u>	\$ <u>784,098</u>	\$ <u>298,372</u>	\$ <u>485,726</u>
\$ <u>784,098</u>	\$ <u>784,098</u>	\$ <u>298,372</u>	\$ <u>485,726</u>
\$ <u>(590,434)</u>	\$ <u>(590,434)</u>	\$ <u>144,409</u>	\$ <u>734,843</u>
\$ <u>590,434</u>	\$ <u>590,434</u>	\$ <u>-</u>	\$ <u>(590,434)</u>
\$ <u>590,434</u>	\$ <u>590,434</u>	\$ <u>-</u>	\$ <u>(590,434)</u>
\$ -	\$ -	\$ 144,409	\$ 144,409
-	-	570,586	570,586
\$ <u>\$ -</u>	\$ <u>\$ -</u>	\$ <u>\$ 714,995</u>	\$ <u>\$ 714,995</u>

Combining Statement of Fiduciary Net Position

Fiduciary Funds - Discretely Presented Component Unit School Board

June 30, 2024

	Custodial Funds		
	Regional Adult Education Program	Regional Alternative Education Program	Total
ASSETS			
Cash and cash equivalents	\$ 97,190	\$ 716,305	\$ 813,495
Accounts receivable	57,707	-	57,707
Total assets	<u>\$ 154,897</u>	<u>\$ 716,305</u>	<u>\$ 871,202</u>
LIABILITIES			
Accounts payable	\$ 125	\$ 1,580	\$ 1,705
Accrued liabilities	12,213	11,493	23,706
Total liabilities	<u>\$ 12,338</u>	<u>\$ 13,073</u>	<u>\$ 25,411</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	\$ 142,559	\$ 703,232	\$ 845,791
Total net position	<u>\$ 142,559</u>	<u>\$ 703,232</u>	<u>\$ 845,791</u>

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds - Discretely Presented Component Unit School Board
 For the Year Ended June 30, 2024

	Custodial Funds		Total
	Regional Adult Education Program	Regional Alternative Education Program	
ADDITIONS			
Revenue from the Commonwealth	\$ 104,166	\$ 657,291	\$ 761,457
Revenue from the Federal Government	175,236	-	175,236
Payments from another County	34,320	-	34,320
Miscellaneous	76	1,100	1,176
Total additions	<u>\$ 313,798</u>	<u>\$ 658,391</u>	<u>\$ 972,189</u>
DEDUCTIONS			
Salaries and wages	\$ 196,853	\$ 385,543	\$ 582,396
Fringe benefits	35,298	100,779	136,077
Purchased services	32,996	97,745	130,741
Miscellaneous	22,959	72,653	95,612
Total deductions	<u>\$ 288,106</u>	<u>\$ 656,720</u>	<u>\$ 944,826</u>
Net increase (decrease) in fiduciary net position	\$ 25,692	\$ 1,671	\$ 27,363
Net position, beginning	<u>116,867</u>	<u>701,561</u>	<u>818,428</u>
Net position, ending	<u>\$ 142,559</u>	<u>\$ 703,232</u>	<u>\$ 845,791</u>

Statement of Net Position

Internal Service Fund - Discretely Presented Component Unit - School Board

June 30, 2024

	Self- Insurance Fund
ASSETS	
Cash and cash equivalents	\$ 1,166,440
Total assets	\$ 1,166,440
LIABILITIES	
Insurance and benefit claims payable	\$ 222,056
Total liabilities	\$ 222,056
NET POSITION	
Unrestricted	\$ 944,384
Total net position	\$ 944,384

Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	Self- Insurance Fund
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 552,065
Total operating revenues	\$ 552,065
OPERATING EXPENSES	
Administrative charges	\$ 5
Insurance claims and expenses	1,514,241
Total operating expenses	\$ 1,514,246
Operating income (loss)	\$ (962,181)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	\$ 29,869
Total nonoperating revenues (expenses)	\$ 29,869
Change in Net position	\$ (932,312)
Total net position - beginning	1,876,696
Total net position - ending	\$ 944,384

Statement of Cash Flows

Internal Service Fund - Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2024

	Self- Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 552,065
Claims and benefits paid	(1,514,241)
Payments to suppliers for goods and services	(5)
Net cash provided by (used for) operating activities	<u>\$ (962,181)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investment securities	\$ 29,869
Net cash provided (used) by investing activities	<u>\$ 29,869</u>
Net increase (decrease) in cash and cash equivalents	\$ (932,312)
Cash and cash equivalents - beginning	2,098,752
Cash and cash equivalents - ending	<u><u>\$ 1,166,440</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (962,181)
Net cash provided by (used for) operating activities	<u><u>\$ (962,181)</u></u>

SUPPORTING SCHEDULES

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Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 13,834,353	\$ 13,834,353	\$ 13,772,124	\$ (62,229)
Real and personal public service corporation taxes	422,074	422,074	403,147	(18,927)
Personal property taxes	6,373,180	6,373,180	5,726,823	(646,357)
Mobile home taxes	-	-	9,341	9,341
Machinery and tools taxes	2,247,873	2,247,873	2,282,902	35,029
Penalties	475,000	475,000	269,430	(205,570)
Interest	-	-	414,762	414,762
Total general property taxes	\$ 23,352,480	\$ 23,352,480	\$ 22,878,529	\$ (473,951)
Other local taxes:				
Local sales and use taxes	\$ 2,108,740	\$ 2,108,740	\$ 2,230,784	\$ 122,044
Consumers' utility taxes	260,000	260,000	258,239	(1,761)
Electric consumption taxes	50,000	50,000	64,092	14,092
Natural gas consumption taxes	-	-	993	993
Business license taxes	460,000	460,000	557,351	97,351
Bank stock taxes	160,000	160,000	194,870	34,870
Taxes on recordation and wills	325,000	325,000	289,321	(35,679)
Motor vehicle licenses	450,000	450,000	495,571	45,571
Restaurant food taxes	480,000	480,000	596,874	116,874
Total other local taxes	\$ 4,293,740	\$ 4,293,740	\$ 4,688,095	\$ 394,355
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,500	\$ 5,500	\$ 5,298	\$ (202)
Land use application fees	30,000	30,000	19,197	(10,803)
Transfer fees	1,000	1,000	697	(303)
Permits and other licenses	434,700	434,700	347,483	(87,217)
Total permits, privilege fees, and regulatory licenses	\$ 471,200	\$ 471,200	\$ 372,675	\$ (98,525)
Fines and forfeitures:				
Court fines and forfeitures	\$ 55,000	\$ 55,000	\$ 133,629	\$ 78,629
Total fines and forfeitures	\$ 55,000	\$ 55,000	\$ 133,629	\$ 78,629
Revenue from use of money and property:				
Revenue from use of money	\$ 360,000	\$ 360,000	\$ 498,380	\$ 138,380
Revenue from use of property	77,709	77,709	80,435	2,726
Total revenue from use of money and property	\$ 437,709	\$ 437,709	\$ 578,815	\$ 141,106

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for law enforcement and traffic control	\$ 2,500	\$ 2,500	\$ 457	\$ (2,043)
Charges for courthouse costs	5,000	5,000	3,435	(1,565)
Charges for courthouse security	45,000	45,000	1,711	(43,289)
Charges for Commonwealth's Attorney	2,200	2,200	1,252	(948)
Animal shelter fees	44,550	44,550	6,861	(37,689)
Children's services act fees	1,000	1,000	2,287	1,287
Charges for EMS	505,000	505,000	438,967	(66,033)
Charges for parks and recreation	276,795	276,795	386,469	109,674
Total charges for services	<u>\$ 882,045</u>	<u>\$ 882,045</u>	<u>\$ 841,439</u>	<u>\$ (40,606)</u>
Miscellaneous:				
Miscellaneous	\$ 45,923	\$ 55,923	\$ 208,672	\$ 152,749
Total miscellaneous	<u>\$ 45,923</u>	<u>\$ 55,923</u>	<u>\$ 208,672</u>	<u>\$ 152,749</u>
Recovered costs:				
Juvenile and domestic relations court costs	\$ 2,840	\$ 2,840	\$ 2,840	\$ -
Victim witness recovered costs	12,097	12,097	12,097	-
Dispatch services to West Point	40,000	40,000	40,000	-
Animal shelter	471,696	471,696	208,455	(263,241)
Total recovered costs	<u>\$ 526,633</u>	<u>\$ 526,633</u>	<u>\$ 263,392</u>	<u>\$ (263,241)</u>
Total revenue from local sources	<u>\$ 30,064,730</u>	<u>\$ 30,074,730</u>	<u>\$ 29,965,246</u>	<u>\$ (109,484)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 16,000	\$ 16,000	\$ 19,438	\$ 3,438
Mobile home titling tax	5,000	5,000	6,976	1,976
Motor vehicle rental tax	5,000	5,000	10,128	5,128
Communication tax	245,000	245,000	233,713	(11,287)
Personal property tax relief funds	1,203,773	1,203,773	1,204,131	358
Miscellaneous	-	-	34,888	34,888
Total noncategorical aid	<u>\$ 1,474,773</u>	<u>\$ 1,474,773</u>	<u>\$ 1,509,274</u>	<u>\$ 34,501</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 267,180	\$ 267,180	\$ 272,176	\$ 4,996
Sheriff	984,172	984,172	1,010,808	26,636
Commissioner of revenue	132,596	132,596	134,698	2,102
Treasurer	94,525	94,525	115,986	21,461
Registrar/electoral board	77,327	77,327	86,758	9,431
Clerk of the Circuit Court	259,690	259,690	266,645	6,955
Total shared expenses	<u>\$ 1,815,490</u>	<u>\$ 1,815,490</u>	<u>\$ 1,887,071</u>	<u>\$ 71,581</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 418,028	\$ 418,028	\$ 272,072	\$ (145,956)
Children's services act	1,223,563	1,223,563	1,022,299	(201,264)
Litter prevention grant	12,000	12,000	16,317	4,317
Victim witness	97,940	97,940	31,323	(66,617)
E911 wireless grant	60,000	60,000	121,309	61,309
Library grant	-	-	4,500	4,500
Fire programs	-	42,000	64,817	22,817
Asset forfeiture	6,000	6,000	8,343	2,343
State sales tax	3,999,588	3,999,588	3,821,978	(177,610)
Other state grants	164,629	244,354	148,441	(95,913)
Total other categorical aid	<u>\$ 5,981,748</u>	<u>\$ 6,103,473</u>	<u>\$ 5,511,399</u>	<u>\$ (592,074)</u>
Total categorical aid	<u>\$ 7,797,238</u>	<u>\$ 7,918,963</u>	<u>\$ 7,398,470</u>	<u>\$ (520,493)</u>
Total revenue from the Commonwealth	<u>\$ 9,272,011</u>	<u>\$ 9,393,736</u>	<u>\$ 8,907,744</u>	<u>\$ (485,992)</u>
Revenue from the federal government:				
Categorical aid:				
American Rescue Plan Act	\$ -	\$ -	\$ 78,652	\$ 78,652
LEMPG grant	-	17,500	7,499	(10,001)
Public assistance and welfare administration	975,400	975,400	614,185	(361,215)
Violence Against Women Formula grant	40,000	40,000	40,000	-
Victim witness grant	24,194	24,914	64,455	39,541
Other federal grants	11,500	11,500	4,521	(6,979)
Total categorical aid	<u>\$ 1,051,094</u>	<u>\$ 1,069,314</u>	<u>\$ 809,312</u>	<u>\$ (260,002)</u>
Total revenue from the federal government	<u>\$ 1,051,094</u>	<u>\$ 1,069,314</u>	<u>\$ 809,312</u>	<u>\$ (260,002)</u>
Total General Fund	<u>\$ 40,387,835</u>	<u>\$ 40,537,780</u>	<u>\$ 39,682,302</u>	<u>\$ (855,478)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 46,223	\$ 46,223	\$ 39,477	\$ (6,746)
Total revenue from use of money and property	\$ 46,223	\$ 46,223	\$ 39,477	\$ (6,746)
Total revenue from local sources	\$ 46,223	\$ 46,223	\$ 39,477	\$ (6,746)
Intergovernmental:				
Revenue from local governments:				
Contribution from School Board	\$ 2,239,419	\$ 2,239,419	\$ 2,239,428	\$ 9
Total revenue from local governments:	\$ 2,239,419	\$ 2,239,419	\$ 2,239,428	\$ 9
Total Debt Service Fund	\$ 2,285,642	\$ 2,285,642	\$ 2,278,905	\$ (6,737)
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ 564,164	\$ (171,563)	\$ (735,727)
Total revenue from use of money and property	\$ -	\$ 564,164	\$ (171,563)	\$ (735,727)
Miscellaneous:				
Cash proffers	\$ 200,000	\$ 200,000	\$ 126,958	\$ (73,042)
Total miscellaneous	\$ 200,000	\$ 200,000	\$ 126,958	\$ (73,042)
Recovered costs:				
King & Queen share of regional animal shelter	\$ 121,541	\$ 121,541	\$ -	\$ (121,541)
Total revenue from local sources	\$ 321,541	\$ 885,705	\$ (44,605)	\$ (930,310)
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
VATI grant	\$ 1,577,320	\$ 1,577,320	\$ 1,577,320	\$ -
Total categorical aid	\$ 1,577,320	\$ 1,577,320	\$ 1,577,320	\$ -
Total revenue from the federal government	\$ 1,577,320	\$ 1,577,320	\$ 1,577,320	\$ -
Total Capital Projects Fund	\$ 1,898,861	\$ 2,463,025	\$ 1,532,715	\$ (930,310)
School Capital Projects Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 21,627	\$ 21,627
Total miscellaneous revenue	\$ -	\$ -	\$ 21,627	\$ 21,627
Intergovernmental:				
Revenue from local governments:				
Contribution from School Board	\$ 1,714,323	\$ 1,714,323	\$ 1,349,106	\$ (365,217)
Total revenue from local governments	\$ 1,714,323	\$ 1,714,323	\$ 1,349,106	\$ (365,217)
Categorical aid:				
VPSA technology grant	\$ 328,711	\$ 328,711	\$ 269,129	\$ (59,582)
VPSA security equipment grant	250,000	250,000	99,615	(150,385)
School construction grant	669,724	669,724	633,556	(36,168)
Total categorical aid	\$ 1,248,435	\$ 1,248,435	\$ 1,002,300	\$ (246,135)
Total revenue from the Commonwealth	\$ 1,248,435	\$ 1,248,435	\$ 1,002,300	\$ (246,135)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenue from the federal government:				
Categorical aid:				
ESSER	\$ 246,146	\$ 246,146	\$ 234,864	\$ (11,282)
Total categorical aid	<u>246,146</u>	<u>246,146</u>	<u>234,864</u>	<u>(11,282)</u>
Total revenue from the federal government	<u>\$ 246,146</u>	<u>\$ 246,146</u>	<u>\$ 234,864</u>	<u>\$ (11,282)</u>
Total School Capital Projects Fund	<u>\$ 3,208,904</u>	<u>\$ 3,208,904</u>	<u>\$ 2,607,897</u>	<u>\$ (622,634)</u>
Special Revenue Funds:				
ARPA Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 31,506	\$ 31,506
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,506</u>	<u>\$ 31,506</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,506</u>	<u>\$ 31,506</u>
Revenue from the federal government:				
Noncategorical aid:				
American Rescue Plan Act	\$ -	\$ 2,285,331	\$ 915,768	\$ (1,369,563)
Total noncategorical aid	<u>\$ -</u>	<u>\$ 2,285,331</u>	<u>\$ 915,768</u>	<u>\$ (1,369,563)</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 2,285,331</u>	<u>\$ 915,768</u>	<u>\$ (1,369,563)</u>
Total ARPA Fund	<u>\$ -</u>	<u>\$ 2,285,331</u>	<u>\$ 947,274</u>	<u>\$ (1,338,057)</u>
Total Primary Government	<u>\$ 47,781,242</u>	<u>\$ 50,780,682</u>	<u>\$ 47,049,093</u>	<u>\$ (3,753,216)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 464,100	\$ 464,100	\$ 467,348	\$ 3,248
Revenue from the use of property	-	-	3,325	3,325
Total revenue from use of money and property	\$ 464,100	\$ 464,100	\$ 470,673	\$ 6,573
Charges for services:				
Tuition and payments from other divisions	\$ 161,000	\$ 161,000	\$ 106,114	\$ (54,886)
Miscellaneous:				
Other miscellaneous	\$ 100,500	\$ 100,500	\$ 146,213	\$ 45,713
Recovered costs:				
E-Rate	\$ 24,000	\$ 24,000	\$ 33,715	\$ 9,715
Total recovered costs	\$ 24,000	\$ 24,000	\$ 33,715	\$ 9,715
Total revenue from local sources	\$ 749,600	\$ 749,600	\$ 756,715	\$ 7,115
Intergovernmental:				
Revenue from local governments:				
Contribution from County of King William, Virginia	\$ 16,630,512	\$ 16,630,512	\$ 16,422,193	\$ (208,319)
Total revenue from local governments	\$ 16,630,512	\$ 16,630,512	\$ 16,422,193	\$ (208,319)
Revenue from the Commonwealth:				
Categorical aid:				
Basic school aid	\$ 8,243,254	\$ 8,243,254	\$ 8,243,254	\$ -
Remedial summer education	44,563	44,563	44,563	-
Remedial education	178,793	178,793	178,793	-
Special education	957,819	957,819	957,819	-
Gifted and talented	78,045	78,045	78,045	-
English as a second language	23,226	23,226	33,784	10,558
Vocational standards of quality payments	242,647	242,647	242,647	-
Social security fringe benefits	465,429	465,429	465,429	-
Retirement fringe benefits	1,372,999	1,372,999	1,085,528	(287,471)
Group life insurance fringe benefits	32,637	32,637	32,637	-
State lottery payments	586,103	586,103	574,578	(11,525)
Early reading intervention	75,174	75,174	54,437	(20,737)
Project graduation	4,178	4,178	4,178	-
Homebound education	5,665	5,665	4,419	(1,246)
Vocational educational equipment	8,497	8,497	0	(8,497)
At risk payments	294,008	294,008	294,008	-
Indian Children	64,987	64,987	64,987	-
Algebra Readiness	21,037	21,037	21,031	(6)
Compensation supplement	1,358,208	1,358,208	1,233,746	(124,462)
Supplemental in lieu of sales tax	434,441	434,441	434,441	-
Hold harmless	488,773	488,773	488,773	-
Virginia preschool initiative	227,770	227,770	202,366	(25,404)
All-in	707,232	707,232	707,232	-
Foster care	-	-	27	27
Other state funds	-	-	44,106	44,106
Total categorical aid	\$ 15,915,485	\$ 15,915,485	\$ 15,490,828	\$ (424,657)
Total revenue from the Commonwealth	\$ 15,915,485	\$ 15,915,485	\$ 15,490,828	\$ (424,657)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title VII	\$ 7,000	\$ 7,000	\$ 10,220	\$ 3,220
Title II-A (Teacher Quality)	53,557	53,557	82,411	28,854
Title I	298,029	298,029	249,499	(48,530)
Payments from the Air Force	70,000	70,000	69,708	(292)
Idea 619, special education pre-school	16,827	16,827	17,177	350
Idea 611, flow through	510,619	510,619	551,369	40,750
Vocational education	68,036	68,036	44,474	(23,562)
ESSER	357,354	357,354	519,888	162,534
Title IV-A	20,656	20,656	20,622	(34)
Title III	2,800	2,800	3,127	327
Pubic health	-	-	34,963	34,963
Total categorical aid	\$ 1,404,878	\$ 1,404,878	\$ 1,603,458	\$ 198,580
Total revenue from the federal government	\$ 1,404,878	\$ 1,404,878	\$ 1,603,458	\$ 198,580
Total School Operating Fund	\$ 34,700,475	\$ 34,700,475	\$ 34,273,194	\$ (427,281)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 23,000	\$ 23,000	\$ 20,865	\$ (2,135)
Total revenue from use of money and property	\$ 23,000	\$ 23,000	\$ 20,865	\$ (2,135)
Charges for services:				
Cafeteria sales	\$ 515,000	\$ 515,000	\$ 470,131	\$ (44,869)
Other charges for services	-	-	27,525	27,525
Total charges for services	\$ 515,000	\$ 515,000	\$ 497,656	\$ (17,344)
Miscellaneous:				
VPI, SPED	\$ 1,500	\$ 1,500	\$ 428	\$ (1,072)
Rebates	5,000	5,000	17,858	12,858
Other miscellaneous	2,000	80,000	4,537	(75,463)
Total miscellaneous	\$ 8,500	\$ 86,500	\$ 22,823	\$ (63,677)
Total revenue from local sources	\$ 546,500	\$ 624,500	\$ 541,344	\$ (83,156)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Reimbursement Indian children	\$ 2,500	\$ 2,500	\$ 3,685	\$ 1,185
School food program	8,500	8,500	16,659	8,159
Total categorical aid	\$ 11,000	\$ 11,000	\$ 20,344	\$ 9,344
Total revenue from the Commonwealth	\$ 11,000	\$ 11,000	\$ 20,344	\$ 9,344

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board: (Continued)				
School Cafeteria Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
School food program	\$ 500,000	\$ 627,147	\$ 766,245	\$ 139,098
USDA commodities	70,000	70,000	71,766	1,766
Total categorical aid	<u>\$ 570,000</u>	<u>\$ 697,147</u>	<u>\$ 838,011</u>	<u>\$ 140,864</u>
Total revenue from the federal government	<u>\$ 570,000</u>	<u>\$ 697,147</u>	<u>\$ 838,011</u>	<u>\$ 140,864</u>
Total School Cafeteria Fund	<u>\$ 1,127,500</u>	<u>\$ 1,332,647</u>	<u>\$ 1,399,699</u>	<u>\$ 67,052</u>
School Textbook Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Textbook payments	\$ 193,664	\$ 193,664	\$ 187,846	\$ (5,818)
Total categorical aid	<u>\$ 193,664</u>	<u>\$ 193,664</u>	<u>\$ 187,846</u>	<u>\$ (5,818)</u>
Total revenue from the Commonwealth	<u>\$ 193,664</u>	<u>\$ 193,664</u>	<u>\$ 187,846</u>	<u>\$ (5,818)</u>
Revenue from the federal government:				
Categorical aid:				
ESSER	\$ -	\$ -	\$ 254,935	\$ 254,935
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,935</u>	<u>\$ 254,935</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,935</u>	<u>\$ 254,935</u>
Total School Textbook Fund	<u>\$ 193,664</u>	<u>\$ 193,664</u>	<u>\$ 442,781</u>	<u>\$ 249,117</u>
School Activity Funds:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 514,565	\$ 514,565
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,565</u>	<u>\$ 514,565</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,565</u>	<u>\$ 514,565</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,565</u>	<u>\$ 514,565</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 36,021,639</u>	<u>\$ 36,226,786</u>	<u>\$ 36,630,239</u>	<u>\$ 403,453</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 92,824	\$ 92,824	\$ 95,305	\$ (2,481)
General and financial administration:				
County administrator	\$ 550,555	\$ 550,555	\$ 544,405	\$ 6,150
County attorney	153,000	153,000	271,383	(118,383)
Commissioner of revenue	415,171	415,171	408,007	7,164
County assessor	-	-	134	(134)
Treasurer	263,870	263,870	248,669	15,201
Department of information technology	331,745	331,745	373,248	(41,503)
Other general and financial administration	670,195	680,196	798,584	(118,388)
Total general and financial administration	\$ 2,384,536	\$ 2,394,537	\$ 2,644,430	\$ (249,893)
Board of elections:				
Electoral board and officials	\$ 306,995	\$ 306,995	\$ 296,278	\$ 10,717
Total board of elections	\$ 306,995	\$ 306,995	\$ 296,278	\$ 10,717
Total general government administration	\$ 2,784,355	\$ 2,794,356	\$ 3,036,013	\$ (241,657)
Judicial administration:				
Courts:				
Circuit court	\$ 27,953	\$ 27,953	\$ 15,693	\$ 12,260
General district court	6,100	6,100	4,161	1,939
Juvenile and domestic relations district court	5,680	5,680	2,436	3,244
Clerk of the circuit court	382,692	382,692	404,074	(21,382)
Victim and witness assistance	-	-	108,628	(108,628)
Total courts	\$ 422,425	\$ 422,425	\$ 534,992	\$ (112,567)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 447,018	\$ 448,018	\$ 412,785	\$ 35,233
Total Commonwealth's attorney	\$ 447,018	\$ 448,018	\$ 412,785	\$ 35,233
Total judicial administration	\$ 869,443	\$ 870,443	\$ 947,777	\$ (77,334)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,920,019	\$ 2,920,019	\$ 3,122,303	\$ (202,284)
Emergency operations center	847,029	847,029	888,839	(41,810)
Other protection services	387,467	411,317	211,087	200,230
Total law enforcement and traffic control	\$ 4,154,515	\$ 4,178,365	\$ 4,222,229	\$ (43,864)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire and rescue squads	\$ 502,755	\$ 564,357	\$ 588,254	\$ (23,897)
Mutual aid partners	13,782	13,782	12,582	1,200
Emergency services	1,829,282	1,871,157	1,663,232	207,925
Total fire and rescue services	<u>\$ 2,345,819</u>	<u>\$ 2,449,296</u>	<u>\$ 2,264,068</u>	<u>\$ 185,228</u>
Correction and detention:				
Regional security center	\$ 1,252,244	\$ 1,252,244	\$ 1,250,474	\$ 1,770
Probation and pretrial	19,200	19,200	19,200	-
Juvenile probation and detention	42,841	42,841	50,800	(7,959)
Total correction and detention	<u>\$ 1,314,285</u>	<u>\$ 1,314,285</u>	<u>\$ 1,320,474</u>	<u>\$ (6,189)</u>
Inspections:				
Building	\$ 289,950	\$ 289,950	\$ 296,383	\$ (6,433)
Total inspections	<u>\$ 289,950</u>	<u>\$ 289,950</u>	<u>\$ 296,383</u>	<u>\$ (6,433)</u>
Other protection:				
Animal control and shelter	\$ 181,025	\$ 652,721	\$ 581,533	\$ 71,188
Medical examiner	300	300	180	120
Court services	7,425	7,425	5,575	1,850
Total other protection	<u>\$ 188,750</u>	<u>\$ 660,446</u>	<u>\$ 587,288</u>	<u>\$ 73,158</u>
Total public safety	<u>\$ 8,293,319</u>	<u>\$ 8,892,342</u>	<u>\$ 8,690,442</u>	<u>\$ 201,900</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 1,250,890	\$ 1,250,890	\$ 1,295,722	\$ (44,832)
Litter prevention	12,000	12,000	12,509	(509)
Total sanitation and waste removal	<u>\$ 1,262,890</u>	<u>\$ 1,262,890</u>	<u>\$ 1,308,231</u>	<u>\$ (45,341)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 911,161	\$ 911,161	\$ 895,236	\$ 15,925
Total maintenance of general buildings and grounds	<u>\$ 911,161</u>	<u>\$ 911,161</u>	<u>\$ 895,236</u>	<u>\$ 15,925</u>
Total public works	<u>\$ 2,174,051</u>	<u>\$ 2,174,051</u>	<u>\$ 2,203,467</u>	<u>\$ (29,416)</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 167,336	\$ 167,336	\$ 214,329	\$ (46,993)
Total health	<u>\$ 167,336</u>	<u>\$ 167,336</u>	<u>\$ 214,329</u>	<u>\$ (46,993)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Mental health and mental retardation:				
Community services board	\$ 71,007	\$ 71,007	\$ 71,007	\$ -
Total mental health and mental retardation	\$ 71,007	\$ 71,007	\$ 71,007	\$ -
Welfare and social services:				
Welfare administration	\$ 324,014	\$ 324,014	\$ 888,224	\$ (564,210)
Public assistance	44,053	44,053	63,526	(19,473)
Purchased services	-	-	15,980	(15,980)
Children's Services Act	1,223,563	1,223,563	1,517,649	(294,086)
Total welfare and social services	\$ 1,591,630	\$ 1,591,630	\$ 2,485,379	\$ (893,749)
Total health and welfare	\$ 1,829,973	\$ 1,829,973	\$ 2,770,715	\$ (940,742)
Education:				
Other instructional costs:				
Contribution to community colleges	\$ 9,072	\$ 9,072	\$ 9,072	\$ -
Contribution to County School Board	16,630,512	16,630,512	16,422,193	208,319
Total education	\$ 16,639,584	\$ 16,639,584	\$ 16,431,265	\$ 208,319
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation centers and playgrounds	\$ 291,795	\$ 276,295	\$ 17,873	\$ 258,422
Park operations	305,676	305,676	528,840	(223,164)
Total parks and recreation	\$ 597,471	\$ 581,971	\$ 546,713	\$ 35,258
Cultural enrichment:				
Art galleries	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Total cultural enrichment	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Library:				
Contribution to regional library	\$ 602,907	\$ 602,907	\$ 669,074	\$ (66,167)
Total library	\$ 602,907	\$ 602,907	\$ 669,074	\$ (66,167)
Total parks, recreation, and cultural	\$ 1,212,378	\$ 1,196,878	\$ 1,227,787	\$ (30,909)
Community development:				
Planning and community development:				
Planning	\$ 431,133	\$ 431,133	\$ 353,240	\$ 77,893
MPPC support	37,370	37,370	37,370	-
Contribution to soil and water conservation district	5,000	5,000	5,000	-
Agricultural and home economics	41,936	41,936	31,895	10,041
Economic development	154,684	154,684	35,796	118,888
Contribution to airport	30,000	30,000	30,000	-
Total planning and community development	\$ 700,123	\$ 700,123	\$ 493,301	\$ 206,822
Total community development	\$ 700,123	\$ 700,123	\$ 493,301	\$ 206,822

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Nondepartmental:				
Other nondepartmental	\$ 1,250,000	\$ 1,250,000	\$ 1,444,940	\$ (194,940)
Contingency	65,000	65,000	53,270	11,730
Town portion of local and state taxes	1,595,708	1,595,708	1,389,959	205,749
Total nondepartmental	<u>\$ 2,910,708</u>	<u>\$ 2,910,708</u>	<u>\$ 2,888,169</u>	<u>\$ 22,539</u>
Total General Fund	<u>\$ 37,413,934</u>	<u>\$ 38,008,458</u>	<u>\$ 38,688,936</u>	<u>\$ (680,478)</u>
Debt Service Fund:				
Debt service:				
Principal retirement	\$ 2,925,244	\$ 2,925,244	\$ 2,920,726	\$ 4,518
Interest and other fiscal charges	1,160,000	1,160,000	1,161,435	(1,435)
Total Debt Service Fund	<u>\$ 4,085,244</u>	<u>\$ 4,085,244</u>	<u>\$ 4,082,161</u>	<u>\$ 3,083</u>
Capital Projects Funds:				
Capital Projects Fund:				
Capital projects expenditures:				
County capital assets	\$ 512,096	\$ 512,096	\$ 168,460	\$ 343,636
Equipment and vehicles	120,000	120,000	497,318	(377,318)
Infrastructure construction	105,000	105,000	244,776	(139,776)
Library branch - Town of West Point	-	-	105,952	(105,952)
Broadband initiative	-	2,400,000	2,376,187	23,813
Transfer station	174,000	174,000	63,912	110,088
Emergency communications	135,000	135,000	68,048	66,952
Data processing	161,000	161,000	156,179	4,821
School building construction	-	2,406,450	2,062,251	344,199
Recreational improvements	6,525,000	6,525,000	71,364	6,453,636
Board room	125,000	125,000	10,962	114,038
Other capital projects	4,458,082	4,458,082	478,711	3,979,371
Total capital projects expenditures	<u>\$ 12,315,178</u>	<u>\$ 17,121,628</u>	<u>\$ 6,304,120</u>	<u>\$ 10,817,508</u>
Total County Capital Improvements Fund	<u>\$ 12,315,178</u>	<u>\$ 17,121,628</u>	<u>\$ 6,304,120</u>	<u>\$ 10,817,508</u>
Total Capital Projects Fund	<u>\$ 12,315,178</u>	<u>\$ 17,121,628</u>	<u>\$ 6,304,120</u>	<u>\$ 10,817,508</u>
School Capital Projects Fund:				
Capital projects expenditures:				
Equipment and vehicles	\$ 1,185,469	\$ 1,185,469	\$ 820,434	\$ 365,035
School capital assets	633,361	780,000	1,033,768	(253,768)
Data processing	778,711	778,711	480,284	298,427
Total capital projects expenditures	<u>\$ 2,597,541</u>	<u>\$ 2,744,180</u>	<u>\$ 2,334,486</u>	<u>\$ 409,694</u>
Total School Capital Projects Fund	<u>\$ 2,597,541</u>	<u>\$ 2,744,180</u>	<u>\$ 2,334,486</u>	<u>\$ 409,694</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Fund:				
ARPA Fund:				
Judicial administration:				
Commonwealth's attorney:				
Commonwealth's attorney	\$ -	\$ 50,000	\$ 47,343	\$ 2,657
Total Commonwealth's attorney	\$ -	\$ 50,000	\$ 47,343	\$ 2,657
Total judicial administration	\$ -	\$ 50,000	\$ 47,343	\$ 2,657
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ -	\$ 300	\$ 270	\$ 30
Total law enforcement and traffic control	\$ -	\$ 300	\$ 270	\$ 30
Fire and rescue services:				
Emergency services	\$ -	\$ 50,000	\$ 52,271	\$ (2,271)
Total fire and rescue services	\$ -	\$ 50,000	\$ 52,271	\$ (2,271)
Total public safety	\$ -	\$ 50,300	\$ 52,541	\$ (2,241)
Total ARPA Fund	\$ -	\$ 100,300	\$ 99,884	\$ 416
Total Primary Government	\$ 56,411,897	\$ 62,059,810	\$ 51,509,587	\$ 10,550,223

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Instruction:				
Elementary and secondary schools	\$ 23,723,856	\$ 23,723,856	\$ 19,167,165	\$ 4,556,691
Total instruction costs	\$ 23,723,856	\$ 23,723,856	\$ 19,167,165	\$ 4,556,691
Administration, Attendance and Health:				
School board	\$ 191,350	\$ 191,350	\$ 124,207	\$ 67,143
Other administration	1,954,759	1,954,759	1,811,051	143,708
Total administration, attendance and health	\$ 2,146,109	\$ 2,146,109	\$ 1,935,258	\$ 210,851
Pupil transportation:				
Pupil transportation	\$ 2,654,459	\$ 2,654,459	\$ 2,284,390	\$ 370,069
Total pupil transportation	\$ 2,654,459	\$ 2,654,459	\$ 2,284,390	\$ 370,069
Operating and maintenance costs:				
Operation and maintenance	\$ 2,510,625	\$ 2,510,625	\$ 2,232,470	\$ 278,155
Total operating and maintenance costs	\$ 2,510,625	\$ 2,510,625	\$ 2,232,470	\$ 278,155
Other costs:				
Technology	\$ 1,426,007	\$ 1,426,007	\$ 1,003,871	\$ 422,136
Total technology	\$ 1,426,007	\$ 1,426,007	\$ 1,003,871	\$ 422,136
Reimbursement to primary government:				
Contribution to primary government	\$ 2,239,419	\$ 2,239,419	\$ 3,588,534	\$ (1,349,115)
Total reimbursement to primary government	\$ 2,239,419	\$ 2,239,419	\$ 3,588,534	\$ (1,349,115)
Total School Operating Fund	\$ 34,700,475	\$ 34,700,475	\$ 30,211,688	\$ 4,488,787

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2024

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit-School Board: (Continued)				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,155,520	\$ 1,360,667	\$ 1,302,381	\$ 58,286
USDA commodities	70,000	70,000	71,766	(1,766)
Total education	<u>\$ 1,225,520</u>	<u>\$ 1,430,667</u>	<u>\$ 1,374,147</u>	<u>\$ 56,520</u>
Total School Cafeteria Fund	<u>\$ 1,225,520</u>	<u>\$ 1,430,667</u>	<u>\$ 1,374,147</u>	<u>\$ 56,520</u>
School Textbook Fund:				
Education:				
Purchase of textbooks and supplies	\$ 784,098	\$ 784,098	\$ 298,372	\$ 485,726
Total education	<u>\$ 784,098</u>	<u>\$ 784,098</u>	<u>\$ 298,372</u>	<u>\$ 485,726</u>
Total School Textbook Fund	<u>\$ 784,098</u>	<u>\$ 784,098</u>	<u>\$ 298,372</u>	<u>\$ 485,726</u>
School Activity Funds:				
Education:				
Instruction:				
School Activity Funds	\$ -	\$ -	\$ 490,442	\$ (490,442)
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 490,442</u>	<u>\$ (490,442)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 36,710,093</u>	<u>\$ 36,915,240</u>	<u>\$ 32,374,649</u>	<u>\$ 4,540,591</u>

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STATISTICAL SECTION

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Statistical Section

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Tables

Financial Trends

These tables contain trend information to help the reader understand how the County's financial performance and wellbeing have changed over time. 1-4

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These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes. 5-8

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Demographic and Economic Information

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. 12

Operating Information

These tables contain information about the County's operations 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. 13-16

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

COUNTY OF KING WILLIAM, VIRGINIA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Governmental activities				
Net investment in capital assets	\$ 5,037,784	\$ 3,166,483	\$ (815,467)	\$ 7,477,158
Restricted	2,369,060	2,698,286	2,322,578	377,177
Unrestricted	13,475,128	14,054,429	15,083,875	13,101,761
Total governmental activities net position	<u>\$ 20,881,972</u>	<u>\$ 19,919,198</u>	<u>\$ 16,590,986</u>	<u>\$ 20,956,096</u>
Business-Type activities				
Net investment in capital assets	\$ 983,757	\$ 934,672	\$ (815,467)	\$ 7,477,158
Restricted	992	-	2,322,578	377,177
Unrestricted	2,483,543	2,741,984	15,083,875	13,101,761
Total business-type activities net position	<u>\$ 3,468,292</u>	<u>\$ 3,676,656</u>	<u>\$ 16,590,986</u>	<u>\$ 20,956,096</u>
Primary government				
Net investment in capital assets	\$ 6,021,541	\$ 4,101,155	\$ (815,467)	\$ 7,477,158
Restricted	2,370,052	2,698,286	2,322,578	377,177
Unrestricted	15,958,671	16,796,413	15,083,875	13,101,761
Total primary government net position	<u>\$ 24,350,264</u>	<u>\$ 23,595,854</u>	<u>\$ 16,590,986</u>	<u>\$ 20,956,096</u>

Table 1

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 9,485,457	\$ 11,351,123	\$ 3,471,545	\$ 6,377,053	\$ 6,102,702	\$ 5,966,632
514,998	5,177,731	1,208,247	1,329,008	848,217	989,614
10,954,751	(6,247,894)	11,327,540	11,133,394	8,946,754	6,514,370
<u>\$ 20,955,206</u>	<u>\$ 10,280,960</u>	<u>\$ 16,007,332</u>	<u>\$ 18,839,455</u>	<u>\$ 15,897,673</u>	<u>\$ 13,470,616</u>
\$ 9,485,457	\$ 11,351,123	\$ 3,471,545	\$ 6,377,053	\$ 6,102,702	\$ 5,966,632
514,998	5,177,731	1,208,247	1,329,008	848,217	989,614
10,954,751	(6,247,894)	11,327,540	11,133,394	8,946,754	6,514,370
<u>\$ 20,955,206</u>	<u>\$ 10,280,960</u>	<u>\$ 16,007,332</u>	<u>\$ 18,839,455</u>	<u>\$ 15,897,673</u>	<u>\$ 13,470,616</u>
\$ 9,485,457	\$ 11,351,123	\$ 3,471,545	\$ 6,377,053	\$ 6,102,702	\$ 5,966,632
514,998	5,177,731	1,208,247	1,329,008	848,217	989,614
10,954,751	(6,247,894)	11,327,540	11,133,394	8,946,754	6,514,370
<u>\$ 20,955,206</u>	<u>\$ 10,280,960</u>	<u>\$ 16,007,332</u>	<u>\$ 18,839,455</u>	<u>\$ 15,897,673</u>	<u>\$ 13,470,616</u>

COUNTY OF KING WILLIAM, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2024	2023	2022
Expenses			
Governmental activities:			
General government administration	\$ 1,699,235	\$ 1,498,560	\$ 2,459,277
Judicial administration	1,161,992	1,171,306	1,025,131
Public safety	9,072,122	9,625,320	7,905,194
Public works	4,722,983	2,536,675	5,400,078
Health and welfare	2,734,576	2,177,819	2,351,783
Education	21,889,843	16,478,269	15,602,239
Parks, recreation, culture	1,392,407	1,113,920	875,474
Planning and community development	3,377,776	2,173,966	2,378,819
Interest on long-term debt	1,100,893	1,045,569	727,384
Total governmental activities expenses	<u>47,151,827</u>	<u>37,821,404</u>	<u>38,725,379</u>
Business-type activities:			
Water	\$ 1,109,591	\$ 1,075,784	\$ -
Total business-type activities expenses	<u>\$ 1,109,591</u>	<u>\$ 1,075,784</u>	<u>\$ -</u>
Total primary government expenses	<u>\$ 48,261,418</u>	<u>\$ 38,897,188</u>	<u>\$ 38,725,379</u>
Program Revenues			
Governmental activities:			
Charges for services			
General government administration	\$ -	\$ -	\$ -
Judicial administration	134,881	126,950	105,016
Public safety	456,729	319,267	350,959
Public works	-	-	1,678,823
Health and welfare	2,287	1,104	2,894
Education	-	-	-
Parks, recreation, culture	386,469	338,939	236,914
Planning and community development	447,812	463,160	449,312
Operating grants and contributions			
General government administration	490,404	584,686	416,823
Judicial administration	570,144	538,002	484,907
Public safety	1,412,200	1,517,463	1,203,183
Public works	-	-	-
Health and welfare	1,908,556	1,497,413	1,527,956
Education	5,061,915	6,313,161	4,152,053
Parks, recreation, culture	-	-	-
Planning and community development	1,581,820	4,500	4,500
Capital grants and contributions			
Public safety	-	-	-
Public works	-	-	-
Education	-	-	-
Total governmental activities program revenues	<u>\$ 12,453,217</u>	<u>\$ 11,704,645</u>	<u>\$ 10,613,340</u>
Business-type activities:			
Charges for services	\$ 477,901	\$ 401,201	\$ -
Capital grants and contributions	1,210,200	458,200	-
Total business-type activities program revenues	<u>\$ 1,688,101</u>	<u>\$ 859,401</u>	<u>\$ -</u>
Total primary government program revenues	<u>\$ 14,141,318</u>	<u>\$ 12,564,046</u>	<u>\$ 10,613,340</u>
Net (Expense)/Revenue:			
Governmental activities	\$ (34,698,610)	\$ (26,116,759)	\$ (28,112,039)
Business-type activities	<u>578,510</u>	<u>(216,383)</u>	<u>-</u>
Total primary government net expense	<u>\$ (34,120,100)</u>	<u>\$ (26,333,142)</u>	<u>\$ (28,112,039)</u>

Table 2
Page 1 of 2

2021	2020	2019	2018	2017	2016	2015
\$ 3,080,055	\$ 2,506,255	\$ 2,104,830	\$ 1,860,624	\$ 1,659,886	\$ 1,710,633	\$ 1,891,619
986,586	956,785	873,220	883,699	791,733	760,857	825,326
10,089,348	6,708,634	6,362,331	5,664,409	5,747,012	4,870,998	5,814,590
2,439,220	2,181,125	2,799,756	2,047,249	1,905,315	1,896,034	934,531
2,351,903	2,517,415	2,784,955	2,257,419	3,272,265	1,984,796	1,853,888
15,753,981	16,672,920	18,861,910	16,943,630	11,791,832	12,074,082	12,327,218
863,040	860,145	844,000	765,324	712,945	702,854	693,945
2,551,887	2,509,907	426,016	325,374	351,232	401,302	401,274
943,981	818,403	905,111	1,405,763	750,283	842,101	926,078
<u>39,060,001</u>	<u>35,731,589</u>	<u>35,962,129</u>	<u>32,153,491</u>	<u>26,982,503</u>	<u>25,243,657</u>	<u>25,668,469</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 39,060,001</u>	<u>\$ 35,731,589</u>	<u>\$ 35,962,129</u>	<u>\$ 32,153,491</u>	<u>\$ 26,982,503</u>	<u>\$ 25,243,657</u>	<u>\$ 25,668,469</u>
\$ -	\$ -	\$ 332,792	\$ 267,695	\$ 982,484	\$ -	\$ -
97,128	63,622	25,309	33,511	30,577	35,530	24,449
284,025	167,933	599,811	512,594	446,129	439,066	473,347
1,278,265	950,022	461,125	619,409	485,781	495,386	439,764
7,644	21,614	1,071	4,113	18,604	18,346	41,720
-	-	-	-	-	-	32,579
57,582	172,938	218,695	182,245	142,611	112,524	111,301
569,197	411,255	315,527	361,337	319,556	286,331	226,438
472,176	333,151	211,956	211,690	207,187	223,701	198,003
416,730	418,576	436,342	449,974	431,854	396,613	373,388
1,120,997	932,779	1,336,543	933,350	1,072,746	872,307	1,013,237
-	-	121,779	7,817	8,016	8,321	8,229
1,530,680	1,561,094	1,619,292	1,459,358	1,236,981	1,156,323	1,050,752
3,516,247	3,172,612	-	1,959,374	2,181,480	2,272,601	2,309,062
-	-	-	-	4,500	5,000	13,913
4,500	4,500	-	-	-	-	20,650
-	-	1,249,580	-	-	-	-
-	-	33,168	180,000	210,000	90,000	624,212
-	-	195,005	-	-	-	-
<u>\$ 9,355,171</u>	<u>\$ 8,210,096</u>	<u>\$ 7,157,995</u>	<u>\$ 7,182,467</u>	<u>\$ 7,778,506</u>	<u>\$ 6,412,049</u>	<u>\$ 6,961,044</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 9,355,171</u>	<u>\$ 8,210,096</u>	<u>\$ 7,157,995</u>	<u>\$ 7,182,467</u>	<u>\$ 7,778,506</u>	<u>\$ 6,412,049</u>	<u>\$ 6,961,044</u>
\$ (29,704,830)	\$ (27,521,493)	\$ (28,804,134)	\$ (24,971,024)	\$ (19,203,997)	\$ (18,831,608)	\$ (18,707,425)
-	-	-	-	-	-	-
<u>\$ (29,704,830)</u>	<u>\$ (27,521,493)</u>	<u>\$ (28,804,134)</u>	<u>\$ (24,971,024)</u>	<u>\$ (19,203,997)</u>	<u>\$ (18,831,608)</u>	<u>\$ (18,707,425)</u>

COUNTY OF KING WILLIAM, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2024	2023	2022
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
General property taxes	\$ 22,762,353	\$ 23,139,139	\$ 20,624,621
Grants and contributions not restricted to specific programs	2,425,042	2,005,779	2,528,417
Local sales and use tax	2,230,784	2,153,324	1,928,546
Consumer utility tax	258,239	298,005	278,450
Business license taxes	557,351	521,640	483,919
Restaurant food taxes	596,874	564,276	532,181
Taxes on recordation and wills	289,321	331,777	433,576
Other local taxes	755,526	732,236	693,867
Revenues from use of money and property	397,800	671,902	185,635
Miscellaneous	484,371	591,661	518,114
Payment from King William County School Board	3,588,534	2,254,258	545,124
Transfers	1,315,189	60,000	-
Total governmental activities	\$ 35,661,384	\$ 33,323,997	\$ 28,752,450
Business-type activities:			
Revenues from use of money and property	\$ 491,840	\$ 52,272	\$ -
Miscellaneous	36,475	21,741	-
Transfers	(1,315,189)	(60,000)	-
Total business-type activities	\$ (786,874)	\$ 14,013	\$ -
Change in Net Position:			
Governmental activities	\$ 962,774	\$ 7,207,238	\$ 2,635,691
Business-type activities	(208,364)	(202,370)	(216,383)
Total primary government	\$ 754,410	\$ 7,004,868	\$ 2,419,308

	2021	2020	2019	2018	2017	2016	2015
\$	19,620,895	\$ 18,700,770	\$ 17,946,512	\$ 17,806,401	\$ 17,540,299	\$ 16,887,147	\$ 16,779,917
	4,514,568	2,043,734	1,596,248	1,633,590	1,605,118	1,632,439	1,581,199
	1,752,679	1,582,699	1,084,402	952,243	932,215	950,003	918,000
	266,682	263,549	255,977	220,617	231,786	218,970	235,700
	474,845	420,384	501,619	500,403	437,265	416,827	423,697
	442,389	426,402	438,264	421,829	395,593	371,470	377,113
	394,664	290,488	226,000	219,987	218,718	198,605	148,828
	657,214	616,859	520,012	501,672	435,663	415,039	371,725
	168,210	251,183	462,598	157,047	116,286	105,986	93,295
	528,299	256,177	46,130	22,030	68,859	62,179	24,674
	-	2,272,154	-	-	-	-	-
	-	-	-	-	-	-	-
\$	<u>28,820,445</u>	<u>\$ 27,124,399</u>	<u>\$ 23,077,762</u>	<u>\$ 22,435,819</u>	<u>\$ 21,981,802</u>	<u>\$ 21,258,665</u>	<u>\$ 20,954,148</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	708,406	\$ (2,580,431)	\$ (4,443,731)	\$ (6,368,315)	\$ (2,989,222)	\$ 2,054,668	\$ 2,122,540
	-	-	-	-	-	-	-
\$	<u>708,406</u>	<u>\$ (2,580,431)</u>	<u>\$ (4,443,731)</u>	<u>\$ (6,368,315)</u>	<u>\$ (2,989,222)</u>	<u>\$ 2,054,668</u>	<u>\$ 2,122,540</u>

COUNTY OF KING WILLIAM, VIRGINIA

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2024	2023	2022	2021
General Fund				
Nonspendable	\$ 106,653	\$ 38,553	\$ 87,835	\$ 33,247
Restricted	2,333,328	2,562,640	950,548	377,177
Committed	914,574	712,167	3,444,986	3,327,218
Assigned	-	-	-	-
Unassigned	7,225,180	8,259,639	9,625,880	7,118,032
Total General Fund	<u>\$ 10,579,735</u>	<u>\$ 11,572,999</u>	<u>\$ 14,109,249</u>	<u>\$ 10,855,674</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 137,712	\$ 160,422	\$ -
Restricted				
Debt Service	-	-	-	-
General capital projects	1,457,037	3,407,509	7,165,628	2,066,038
School capital projects	-	-	-	-
Committed	3,711,349	3,922,300	3,742,492	3,136,259
Unassigned	-	(147,094)	(100,788)	(3,807)
Total all other governmental funds	<u>\$ 5,168,386</u>	<u>\$ 7,320,427</u>	<u>\$ 10,967,754</u>	<u>\$ 5,198,490</u>

Table 3

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 195,851	\$ 60,067	\$ 46,985	\$ -	\$ -	\$ -
514,998	610,618	464,405	206,684	206,684	-
1,311,679	772,658	1,864,345	1,478,408	1,478,408	1,344,344
-	117,812	49,707	45,000	45,000	1,023
6,364,785	6,119,501	10,853,502	10,123,786	10,123,786	8,645,161
<u>\$ 8,387,313</u>	<u>\$ 7,680,656</u>	<u>\$ 13,278,944</u>	<u>\$ 11,853,878</u>	<u>\$ 11,853,878</u>	<u>\$ 9,990,528</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	117,397	13,164	116,642	124,343	122,528
4,517,800	3,391,026	730,678	1,005,682	432,942	506,420
-	1,058,690	8,626,938	-	290,932	360,303
3,083,452	-	-	-	-	-
-	-	-	(58,299)	-	-
<u>\$ 7,601,252</u>	<u>\$ 4,567,113</u>	<u>\$ 9,370,780</u>	<u>\$ 1,064,025</u>	<u>\$ 848,217</u>	<u>\$ 989,251</u>

COUNTY OF KING WILLIAM, VIRGINIA

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2024	2023	2022	2021
REVENUES				
General property taxes	\$ 22,878,529	\$ 22,054,682	\$ 21,089,327	\$ 19,758,695
Other local taxes	4,688,095	4,601,258	8,502,592	7,504,720
Permits, privilege fees, and regulatory licenses	372,675	393,295	454,813	573,849
Fines and forfeitures	133,629	125,385	102,495	95,978
Revenue from the use of money and property	478,235	747,121	185,635	168,210
Charges for services	841,439	655,521	2,266,610	1,624,014
Miscellaneous	357,257	427,105	518,114	528,299
Recovered costs	263,392	231,283	232,759	233,580
Intergovernmental revenues:				
Local	3,588,534	2,254,258	545,124	-
Commonwealth	9,910,044	9,567,479	4,363,848	4,597,704
Federal	3,537,264	2,893,525	1,801,938	3,461,947
Total revenues	\$ 47,049,093	\$ 43,950,912	\$ 40,063,255	\$ 38,546,996
EXPENDITURES				
Current:				
General government administration	\$ 3,036,013	\$ 2,675,679	\$ 2,436,982	\$ 2,652,449
Judicial administration	995,120	1,090,244	909,061	875,896
Public safety	8,742,983	7,942,467	7,377,445	7,264,398
Public works	2,203,467	2,126,122	2,437,116	2,260,295
Health and welfare	2,770,715	2,204,530	2,412,246	2,341,606
Education	16,431,265	15,271,487	13,485,513	13,219,546
Parks, recreation, and cultural	1,227,787	1,055,412	851,720	816,458
Community development	493,301	486,775	547,042	494,174
Nondepartmental	2,888,169	1,725,168	1,840,086	2,049,731
Capital projects	8,638,606	9,094,201	3,554,145	3,447,836
Debt service:				
Principal retirement	2,920,726	2,563,760	2,194,958	1,963,758
Interest and other fiscal charges	1,161,435	1,127,302	777,385	1,023,524
Bond issuance costs	-	-	-	-
Total expenditures	\$ 51,509,587	\$ 47,363,147	\$ 38,823,699	\$ 38,409,671
Excess (deficiency) of revenues over (under) expenditures	\$ (4,460,494)	\$ (3,412,235)	\$ 1,239,556	\$ 137,325
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 5,502,245	\$ 3,934,253	\$ 3,388,296	\$ 3,266,967
Transfers out	(4,187,056)	(3,874,253)	(3,388,296)	(3,266,967)
Issuance of refunding bonds	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on issuance of debt	-	-	544,509	-
Issuance of debt	-	-	7,238,774	-
Total other financing sources (uses)	\$ 1,315,189	\$ 60,000	\$ 7,783,283	\$ -
Net change in fund balances	\$ (3,145,305)	\$ (3,352,235)	\$ 9,022,839	\$ 137,325
Debt Service as a percentage of noncapital expenditures				
	8.96%	8.92%	8.11%	9.15%

Table 4

	2020	2019	2018	2017	2016	2015
\$	18,641,418	\$ 17,897,750	\$ 17,735,870	\$ 17,429,956	\$ 17,063,632	\$ 16,738,071
	6,746,284	3,026,274	2,816,751	2,651,240	2,570,914	2,475,063
	415,954	654,090	635,939	1,309,151	292,138	265,096
	62,505	81,656	91,020	88,376	85,568	78,708
	251,183	462,598	157,047	116,286	105,986	93,295
	1,308,925	1,039,414	1,050,484	779,078	761,335	724,506
	256,177	46,130	22,030	68,859	66,013	24,674
	207,459	293,079	203,461	249,137	248,142	281,288
	2,272,154	195,005	1,959,374	2,181,480	2,272,601	2,309,062
	4,212,107	4,511,977	4,035,752	3,792,887	3,700,880	3,708,525
	1,108,436	696,274	660,027	773,515	593,824	550,846
\$	<u>35,482,602</u>	<u>\$ 28,904,247</u>	<u>\$ 29,367,755</u>	<u>\$ 29,439,965</u>	<u>\$ 27,761,033</u>	<u>\$ 27,249,134</u>
\$	1,953,557	\$ 1,715,668	\$ 1,561,477	\$ 1,464,231	\$ 1,423,122	\$ 1,581,231
	798,225	737,218	744,623	626,460	587,496	673,888
	5,932,966	5,758,055	5,341,959	5,468,473	4,586,918	4,709,621
	2,029,926	2,025,533	1,882,886	1,745,109	1,731,929	1,576,985
	2,454,526	2,773,911	2,244,689	2,133,666	1,977,818	1,899,605
	13,931,840	9,142,876	10,497,291	10,598,065	10,451,449	10,541,174
	830,072	806,933	741,104	676,304	657,695	649,921
	590,346	435,974	341,670	377,799	387,168	393,600
	1,903,705	68,581	34,456	-	-	-
	3,413,763	9,530,324	5,779,943	1,146,202	486,170	1,875,450
	1,511,681	5,087,410	2,147,414	2,295,205	2,351,613	2,147,921
	908,999	1,223,719	842,915	829,293	920,280	1,012,396
	-	-	430,915	-	-	-
\$	<u>36,259,606</u>	<u>\$ 39,306,202</u>	<u>\$ 32,591,342</u>	<u>\$ 27,360,807</u>	<u>\$ 25,561,658</u>	<u>\$ 27,061,792</u>
\$	(777,004)	\$ (10,401,955)	\$ (3,223,587)	\$ 2,079,158	\$ 2,199,375	\$ 187,342
\$	2,451,726	\$ 10,754,547	\$ 4,688,044	\$ 1,937,694	\$ 1,318,807	\$ 2,299,649
	(2,451,726)	(10,754,547)	(4,688,044)	(1,937,694)	(1,318,807)	(2,299,649)
	-	-	2,790,000	-	-	-
	-	-	453,814	-	-	-
	-	-	(3,319,596)	-	-	-
	-	-	1,106,190	-	-	-
	4,517,800	-	11,925,000	-	-	-
\$	<u>4,517,800</u>	<u>\$ -</u>	<u>\$ 12,955,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	<u>3,740,796</u>	<u>\$ (10,401,955)</u>	<u>\$ 9,731,821</u>	<u>\$ 2,079,158</u>	<u>\$ 2,199,375</u>	<u>\$ 187,342</u>
	<u>7.94%</u>	<u>16.33%</u>	<u>9.44%</u>	<u>11.58%</u>	<u>13.64%</u>	<u>13.70%</u>

Tax Revenues by Source - Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	General Property	Direct Local Sales and Use	Consumer Utility	Business Licenses	Motor Vehicle License Taxes	Taxes on Recordation and Wills	Other Local	Total
2024	\$ 22,194,337	\$ 2,230,784	\$ 258,239	\$ 557,351	\$ 495,571	\$ 289,321	\$ 856,829	\$ 26,882,432
2023	22,054,682	2,153,324	298,005	521,640	457,722	331,777	838,790	26,655,940
2022	21,089,327	1,928,546	278,450	483,919	456,336	433,576	769,712	25,439,866
2021	19,758,695	1,752,679	266,682	474,845	455,701	394,664	643,902	23,747,168
2020	18,641,417	1,582,699	263,549	420,384	432,214	290,488	578,462	22,209,213
2019	17,897,750	1,084,402	255,977	501,619	438,264	226,000	520,012	20,924,024
2018	17,735,870	952,243	220,617	500,403	421,829	219,987	501,672	20,552,621
2017	17,429,956	932,215	231,786	437,265	395,593	218,718	435,663	20,081,196
2016	17,063,632	950,003	218,970	416,827	371,470	198,605	415,039	19,634,546
2015	16,738,071	918,000	235,700	423,697	377,113	148,828	371,725	19,213,134

Assessed and Estimated Value of Taxable Property
Last Ten Fiscal Years

Calendar Year Ended		Real Estate (1)		Personal Property		Machinery and Tools		Public Service (2)		Total
2023	\$	2,616,393,503	\$	205,331,927	\$	192,472,939	\$	81,302,923	\$	3,095,501,292
2022		1,705,179,606		225,581,756		188,477,517		50,246,544		2,169,485,423
2021		1,786,960,076		201,680,508		180,748,104		58,643,303		2,228,031,991
2020		1,746,163,674		349,978,600		175,593,893		55,996,143		2,327,732,310
2019		1,723,260,996		160,100,372		159,621,361		55,357,266		2,098,339,995
2018		1,697,651,830		147,601,610		147,460,995		56,144,681		2,048,859,116
2017		1,671,037,639		140,092,933		141,846,004		58,288,293		2,011,264,869
2016		1,644,073,297		132,063,242		134,139,236		57,267,883		1,967,543,658
2015		1,640,296,131		121,293,448		120,601,181		54,136,191		1,936,326,951
2014		1,703,941,330		114,769,874		118,147,729		46,295,443		1,983,154,376

Source: Commissioner of Revenue

Notes:

- (1) Real estate is assessed at 100% of fair market value.
- (2) Assessed values are established by the State Corporation Commission.

Direct Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Real Estate (1,2)		Personal Property (1,2)	Vehicle (1)	Machinery and Tools (1)
	1st Half	2nd Half			
2024	\$ 0.375/0.46	\$ 0.27/0.31	\$ 1.65/2.00	\$ 1.65/2.00	\$ 2.25/1.00
2023	0.375/0.46	0.27/0.31	1.65/2.00	1.65/2.00	2.25/1.00
2022	0.38/0.48	0.375/0.46	1.65/2.00	1.195/1.455	2.25/1.00
2021	0.38/0.48	0.38/0.48	1.65/2.00		2.25/1.00
2020	0.38/0.48	0.38/0.48	1.65/2.00		2.25/1.00
2019	0.39/0.49	0.38/0.48	1.65/2.00		2.25/1.00
2018	0.40/0.50	0.39/0.49	1.65/2.00		2.25/1.00
2017	0.41/0.51	0.40/0.50	1.65/2.00		2.25/1.00
2016	0.43/0.51	0.41/0.51	1.65/2.00		2.25/1.00
2015	0.38/0.44	0.43/0.51	1.65/2.00		2.25/1.00

Notes:

- (1) For each type of tax, the two rates include that which is charged for the County as a whole (Districts 1-5), as well as the rate to support King William County Public Schools (Districts 2-5).
*This is due to The Split Levy Legislation that was put into affect on July 1, 2014
- (2) Also applies to Public Service

Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Type of Business	FY 2024				FY 2015			
		Taxable Assessed		Percentage of Total County Taxable Assessed		Taxable Assessed		Percentage of Total County Taxable Assessed	
		Value	Rank	Value		Value	Rank	Value	
RockTenn Container Plant LLC	Paper Mill	\$ 100,446,942	1	3.84%		\$ 44,977,900	1	2.74%	
Nestle Purina Pet Care	Cat Litter Manufacturing Plant	55,586,300	2	2.12%		14,043,300	2	0.86%	
Guy David Chenault	Land Owner/ Farmer	10,328,100	3	0.39%					
4195/4197 TH LLC	Shopping Centers	9,482,400	4	0.36%					
King William Place LLC	Apartments	7,925,300	5	0.30%					
Bailey Living Trust	Land Owner/ Developer	7,556,173	6	0.29%		7,685,700	3	0.47%	
Old Town LLC	Land Owner	5,974,600	7	0.23%		6,165,400	4	0.38%	
John N. Mills & Sons	Land Owner/ Farmer	5,795,400	8	0.22%		4,060,100	8	0.25%	
Siegel Family LP	Land Owner/ Farmer	5,694,300	9	0.22%		3,703,500	9	0.23%	
Darrell Kellum Inc	Developer	5,481,700	10	0.21%					
Central Garage II LLC	Developer					4,862,600	5	0.30%	
West Point Square LLC	Developer					4,317,300	6	0.26%	
Romancoke LLC	Land-Owner					4,100,300	7	0.25%	
Riverside Healthcare	Healthcare					3,510,600	10	0.21%	
		<u>\$ 214,271,215</u>		<u>8.19%</u>		<u>\$ 97,426,700</u>		<u>5.95%</u>	

Source: King William County Commissioner of Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Tax Year	Adjustments including PPTRA	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections Amount ⁽¹⁾	Total Collections to Date	
				Amount ⁽¹⁾	Percentage of Adjusted Levy		Amount ⁽¹⁾	Percentage of Adjusted Levy
2024	\$ 23,124,730	\$ (1,204,205)	\$ 21,920,525	\$ 21,684,804	98.92%	\$ 509,533	\$ 22,194,337	101.25%
2023	23,196,081	(1,204,205)	21,991,876	15,151,191	68.89%	1,249,783	16,400,974	74.58%
2022	22,190,193	(1,204,655)	20,985,538	19,379,052	92.34%	1,173,115	20,552,167	97.93%
2021	23,061,920	(1,203,773)	21,858,147	17,743,945	81.18%	278,541	18,022,486	82.45%
2020	20,164,828	(1,366,943)	18,797,885	17,309,966	92.08%	787,864	18,097,830	96.28%
2019	19,101,911	(1,321,213)	17,780,698	16,898,113	95.04%	812,623	17,710,736	99.61%
2018	19,086,229	(1,441,885)	17,644,344	16,507,440	93.56%	1,142,962	17,650,402	100.03%
2017	19,138,245	(1,403,672)	17,734,573	16,655,769	93.92%	1,076,647	17,732,416	99.99%
2016	18,335,019	(1,354,538)	16,980,481	16,117,985	94.92%	818,952	16,936,937	99.74%
2015	18,252,522	(1,458,111)	16,794,411	15,835,342	94.29%	708,713	16,544,055	98.51%

Source: King William County Commissioner of Revenue and Treasurer

Notes:

(1) Exclusive penalties and interest

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities					Business-Type Activities			
Fiscal Year	General Obligation Bonds	State Literary Funds Loans	Leases and Notes Payable	Revenue Bonds	Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita(a)
2024	\$ 17,198,955	\$ -	\$ 5,502,192	\$ 8,128,900	\$ 9,805,495	\$ 40,635,542	*	\$ 2,135.34
2023	18,236,162	-	6,242,093	9,385,700	9,240,000	43,103,955	*	2,380.51
2022	19,227,563	-	6,962,709	10,323,400	-	36,513,672	*	2,232.71
2021	13,517,883	-	6,255,521	11,237,900	-	31,011,304	3.54%	1,906.16
2020	14,455,597	-	1,485,000	12,114,900	-	28,055,497	3.37%	1,717.72
2019	15,595,805	-	1,715,000	8,049,100	-	25,359,905	3.19%	1,525.22
2018	19,657,142	250,000	1,940,000	8,491,100	-	30,338,242	5.47%	1,793.46
2017	7,510,051	500,000	2,270,000	9,458,245	-	19,738,296	2.54%	1,152.06
2016	8,668,297	934,032	2,590,000	10,064,077	-	22,256,406	2.81%	1,224.83
2015	9,820,887	1,368,232	2,905,000	10,572,828	-	24,666,947	3.20%	1,368.41

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
See demographic statistic on Table 12.

*Information not available at the time of completion.

Ratio of General Obligation Bonded Debt to Assessed Value and
General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Popu- lation	General Bonded Debt Outstanding General Obligation Bonds				Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita
		Assessed Value (2)	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt		
2024	19,030	\$ 2,616,393,503	\$ 17,198,955	\$ -	17,198,955	0.66%	\$ 904
2023	18,107	2,169,485,423	18,236,162	-	18,236,162	0.84%	1007
2022	18,026	2,228,031,991	19,227,563	-	19,227,563	0.86%	1067
2021	18,171	2,327,732,310	13,517,883	-	13,517,883	0.58%	744
2020	17,133	2,098,339,995	14,455,597	-	14,455,597	0.69%	844
2019	16,916	2,048,859,116	15,595,805	-	15,595,805	0.76%	922
2018	16,627	2,011,264,869	19,657,142	-	19,657,142	0.98%	1182
2017	16,333	1,967,543,658	7,510,051	116,642	7,393,409	0.38%	453
2016	16,269	1,936,326,951	8,668,297	124,343	8,543,954	0.44%	525
2015	16,354	1,983,154,376	9,820,887	122,891	9,697,996	0.49%	593

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

(a) Population data can be found in Table 12

(b) See Table 6 for property value data

(c) Includes all long-term general obligation bonded debt, and excludes revenue bonds, State Literary Fund Loans, leases, and compensated absences.

Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Per Capita Personal Income (2)	Total Personal Income	School Enrollment (3)	Unemployment Rate (4)
2024	19,030	\$ *	\$ *	2,058	2.70%
2023	18,107	57,290	1,037,350,030	2,058	2.70%
2022	18,026	54,889	989,429,114	1,987	2.80%
2021	18,171	53,900	979,416,900	2,006	3.40%
2020	17,133	50,951	872,943,483	2,168	5.20%
2019	16,916	47,802	808,618,632	2,173	2.60%
2018	16,627	32,809	545,515,243	2,181	2.90%
2017	16,333	45,300	739,884,900	2,180	3.40%
2016	16,269	43,562	708,710,178	2,167	3.80%
2015	16,354	42,809	700,098,386	2,195	4.20%

*Information not available at the time of completion.

Sources:

- (1) Weldon Cooper Estimates for Virginia and its Counties and Cities, provisional estimate.
- (2) US Census Bureau
- (3) Superintendent's Annual Report, Virginia Department of Education
- (4) Virginia Employment Commission

Principal Employers

Current Year and Nine Years Ago

	<u>2024</u>	<u>2015</u>
<u>Employer</u>	<u>Rank</u>	<u>Rank</u>
Alliance Group - RockTenn	1	1
King William County Schools	2	2
Nestle Purina Petcare Company	3	3
County of King William	4	5
Food Lion	5	6
Town of West Point School Board	6	4
Upper Mattaponi Indian Tribe	7	
Town of West Point	8	
Augusta Lumber	9	
Burns King	10	
McDonald's	11	
Parent Child Corporation	12	
Carolina Builders Corporation	13	

Sources:

Virginia Employment Commission

Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government Administration	21.0	21.0	21.0	19.0	19.0	24.0	21.0	18.5	18.5	18.5
Judicial administration	8.0	8.0	8.0	8.0	8.0	4.0	4.0	4.0	4.0	4.0
Public safety:										
Sheriff's department	29.0	25.0	28.0	23.0	21.0	20.0	20.0	21.5	21.0	21.5
E911/Dispatch	11.0	12.0	11.0	9.0	12.0	12.0	13.0	12.0	12.0	12.0
Emergency services	11.0	11.0	12.0	11.0	8.0	8.0	2.0	1.0	1.0	1.0
Community connection	5.0	3.0	1.0	1.0	1.0	3.0	3.0	2.8	2.8	2.8
Building inspections	3.0	3.0	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0
Animal control	2.0	2.0	2.0	2.0	1.0	2.0	2.5	2.5	2.5	2.2
Animal shelter	4.0	4.0	3.0	3.0	3.0	4.0	5.0	5.0	5.0	4.0
Public works:										
General Maintenance	9.0	9.0	11.0	10.0	9.0	7.0	4.0	4.0	4.0	4.0
Water Utility	4.0	4.0	3.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
Health and welfare										
Department of social services	12.0	12.0	16.0	12.0	16.0	16.0	14.0	14.6	14.6	13.6
Culture and recreation										
Parks and recreation	3.0	4.0	3.0	3.0	2.0	3.0	3.0	5.5	5.5	5.4
Community development										
Planning	4.0	4.0	3.0	3.0	5.0	5.0	3.0	4.0	4.0	4.0
TOTAL	126.0	122.0	124.0	108.0	110.0	112.0	98.5	98.4	97.9	96.0

Source: King William Finance Department's payroll records for full-time employees

COUNTY OF KING WILLIAM, VIRGINIA

Operating Indicators by Function Last Ten Fiscal Years

	2024	2023	2022	2021
Sheriff's Department				
Physical arrests	820	696	784	560
Traffic violations	1,113	914	674	780
Fire/EMS Protection				
Responding agencies	4	4	4	4
EMS calls answered	2,072	2,263	2,134	1,771
Fire calls answered	391	811	762	819
Community Development				
Residential building permits	284	232	217	631
Residential building trades	713	809	865	-
Commercial building permits	14	30	36	42
Commercial building trades	20	23	19	-
Signage/Demolition/Leasehold Usage	20	28	25	5
Planning				
Zoning permits	322	327	413	327
Land disturbing permits	27	131	141	171
Parks, Recreation & Tourism				
Program participants	6,763	3,572	2,062	1,357
Water/Sewer				
Service Connections	851	783	673	636
Average daily consumption in gallons	1,595,297	124,151	108,266	106,678

Sources: Sheriff's Office and Administration Department of King William County

Table 15

2020	2019	2018	2017	2016	2015
720	451	704	675	780	676
634	616	699	668	626	740
4	4	5	5	5	5
2,964	1,605	1,597	1,831	1,661	1,565
880	1,307	386	327	552	472
1,012	811	1,042	859	742	492
-	-	-	-	-	-
74	65	59	55	68	23
-	-	-	-	-	-
22	9	9	16	4	8
355	245	290	265	223	159
168	113	149	151	123	76
1,742	1,900	1,869	1,430	1,500	1,450
531	466	453	449	302	263
104,316	85,569	68,009	77,663	67,830	67,430

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
General government administration										
Administration building	3	3	3	3	3	3	3	3	3	2
Public safety:										
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	-	35	29	28	25	25	28	26	28	26
Building inspections:										
Vehicles	2	2	2	1	1	1	1	1	3	1
Animal control:										
Vehicles	2	2	2	2	2	3	3	3	3	3
Emergency services:										
Number of stations	1	1	1	1	1	1	-	-	-	-
Vehicles	10	10	10	13	12	11	6	4	3	1
Public works:										
General maintenance:										
Trucks/vehicles	8	8	8	8	8	7	7	5	5	4
Landfill:										
Sites	4	4	4	4	4	4	4	4	4	4
Health and Welfare:										
Department of Social Services:										
Vehicles	6	6	4	4	3	4	4	3	3	3
Culture and recreation:										
Community Centers	2	2	2	2	2	1	1	1	1	1
Parks	2	2	2	2	2	2	2	2	2	2
Park acreage	82	82	82	82	82	82	82	82	82	82
Baseball/softball fields	3	3	3	3	3	3	3	3	3	3
T-ball fields	3	3	3	3	3	3	3	3	3	3
Soccer fields	1	1	1	1	-	-	-	-	-	-
Basketball courts	2	2	2	2	2	2	2	2	2	2
Water System:										
Miles of water mains	3,805	17.2	17.2	17.2	16	15	15	15	14	14
Number of fire hydrants	114	88	88	88	77	73	73	101	101	101
Sewer System:										
Miles of sewer mains	-	-	-	-	-	16	16	16	16	16
Component Unit - School Board										
Education:										
Number of Elementary Schools	2	2	2	2	2	2	2	2	2	2
Number of Middle Schools	1	1	1	1	1	1	1	1	1	1
Number of Secondary Schools	1	1	1	1	1	1	1	1	1	1
Number of school buses	35	43	43	48	47	45	45	45	45	48

Source: King William Finance Department

COMPLIANCE SECTION

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 King William
King William, 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 unit, each major fund, and the aggregate remaining fund information of County of King William, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise County of King William, Virginia's basic financial statements, and have issued our report thereon dated December 5, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of King William, 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 King William, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of King William, Virginia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005 to be material weaknesses.

Report on Internal Control over Financial Reporting (continued)

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002 and 2024-003 to be significant deficiencies.

Report on Compliance and Other Matters

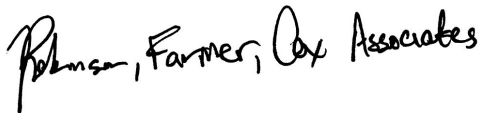
As part of obtaining reasonable assurance about whether County of King William's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2024-007.

County of King William, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on County of King William, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of King William, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Richmond, Virginia
December 5, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 King William
King William, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of King William, 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 King William, Virginia's major federal programs for the year ended June 30, 2024. County of King William, 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 King William, Virginia complied, in all material respects, with the 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 King William, 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 King William, 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 King William, 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 King William, 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 King William, 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 King William, 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 King William, 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 King William, 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 auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-006. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on County of King William, Virginia's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. County of King William, 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.

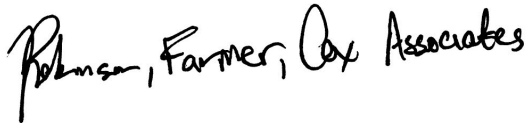
Report on Internal Control over Compliance

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 5, 2024

COUNTY OF KING WILLIAM, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Health and Human Services: Pass Through Payments:				
Virginia Department of Social Services:				
Title VI-E Prevention Program	93.472	1140123/1140124	\$ 1,669	\$ -
Guardianship Assistance	93.090	1140123/1140124	116	-
MaryLee Allen Promoting Safe and Stable Families	93.556	0950122/0950123	4,447	-
Temporary Assistance for Needy Families	93.558	0400123/0400124	87,946	-
Refugee and Entrant Assistance State/Administered Programs	93.566	0500123/0500124	422	-
Low-Income Home Energy Assistance	93.568	0600423/0600424	21,672	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760123/0760124	20,022	-
Adoption and Legal Guardianship Incentive Payments	93.603	1130122	4,790	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	80	-
Foster Care - Title IV-E	93.658	1100123/1100124	49,945	-
Adoption Assistance	93.659	1120123/1120124	10,688	-
Social Services Block Grant	93.667	1000123/1000124	84,968	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123/9150124	1,185	-
Children's Health Insurance Program	93.767	0540123/0540124	1,422	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200123/1200124	131,053	-
Elder Abuse Prevention Interventions Program	93.747	8000221/8000321	4,860	-
Virginia Department of Education:				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	1790100-40297	34,963	-
Total Department of Health and Human Services			\$ 460,248	\$ -
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Agriculture:				
COVID-19 - Pandemic EBT Administrative Costs	10.649	202323S900941	\$ 653	\$ -
Virginia Department of Education:				
School Breakfast Program (Child Nutrition Cluster)	10.553	202323N11994/ 202424N1194	207,009	-
Virginia Department of Agriculture:				
Food Distribution--School (Child Nutrition Cluster)	10.555	Not available	71,766	-
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	202221N89034/ 202323N11994/ 202424N10994/ 202424N11994	468,895	-
		Total 10.555	\$ 540,661	\$ -
Virginia Department of Agriculture:				
COVID-19 - Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	202424N11994	\$ 6,311	\$ -
		Total Child Nutrition Cluster	\$ 753,981	\$ -
Virginia Department of Education:				
Team Nutrition Grants	10.574	202221N35033	\$ 700	\$ -
Child Nutrition Discretionary Grants Limited Availability	10.579	202222N81034	82,676	-
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental				
Nutrition Assistance Program (SNAP Cluster)	10.561	0010123/0010124/ 0040123/0040124	176,154	-
Total Department of Agriculture			\$ 1,014,164	\$ -

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Justice:				
Direct payments:				
Bulletproof Vest Partnership Program	16.607	N/A	\$ 2,793	\$ -
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	23-G6047VA21	64,455	-
Violence Against Women Formula Grants	16.588	23-01444VW19	40,000	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	22JAG-LLBC	1,730	-
Total Department of Justice			\$ 108,978	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	77501-122463	\$ 7,499	\$ -
Total Department of Homeland Security			\$ 7,499	\$ -
Department of Defense:				
Direct Payments:				
ROTC	12.U00	N/A	\$ 69,708	\$ -
Department of Education:				
Direct Payments:				
Indian Education Grants to Local Educational Agencies	84.060	N/A	\$ 10,220	\$ -
Pass Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A210046/ S0101A220046	249,498	-
Special Education - Grants to States (Special Education Cluster)	84.027	H027X210107/ H027A220107/ H027A230107	551,370	-
Special Education - Preschool Grants (Special Education Cluster)	84.173	H173X210112/ H173A230112	17,177	-
Total Special Education Cluster			\$ 568,547	\$ -
Career and Technical Education - Basic Grants to States	84.048	V048A220046	\$ 44,474	\$ -
English Language Acquisition State Grants	84.365	S365A220046	3,127	-
Supporting Effective Instruction State Grants	84.367	S367A200044/ S367A210044/ S367A220044	82,411	-
Student Support and Academic Enrichment Program	84.424	S424A200048	20,622	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	S425D210008	257,085	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	752,602	-
Total Department of Education		Total 84.425	\$ 1,009,687	\$ -
			\$ 1,988,586	\$ -

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of the Treasury:				
Pass Through Payments:				
Department of Justice:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	122373	\$ 78,652	\$ -
Department of Social Services:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	91222222	12,745	-
Department of Housing and Community Development:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	VATISF2022023	1,577,320	-
Department of Accounts:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	915,768	-
		Total 21.027	\$ 2,584,485	\$ -
Total Department of the Treasury			\$ 2,584,485	\$ -
Total Expenditures of Federal Awards			\$ 6,233,668	\$ -

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF KING WILLIAM, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 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 King William, 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 requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of King William, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the County of King William, 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

The value of federal awards expended in the form of noncash assistance for food commodities is reported in the schedule.

Note 4 - 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	\$ 809,312
County Capital Projects Fund	1,577,320
School Capital Projects Fund	234,864
ARPA Fund	915,768
Total primary government	<u>\$ 3,537,264</u>

Component Unit School Board:

School Operating Fund	\$ 1,603,458
School Cafeteria Fund	838,011
School Textbook Fund	254,935
Total Component Unit School Board	<u>\$ 2,696,404</u>

Total federal expenditures per basic financial
statements

\$ 6,233,668

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 6,233,668

Note 5 - De Minimis Cost Rate

The County elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance for the Elementary and Secondary School Emergency Relief (ESSER) grant. The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance for any other grants.

Note 6 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Findings and Questioned Costs
For the 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? ✓ yes no

Significant deficiency(ies) identified? ✓ yes none reported

Noncompliance material to financial statements noted? ✓ yes no

Federal Awards

Internal control over major programs

Material weakness(es) identified? yes ✓ no

Significant deficiency(ies) identified? yes ✓ none reported

Type of auditors' report issued on compliance for major programs. unmodified

Any audit findings disclosed that are required to be reported in accordance
2 CFR section 200.516(a)? ✓ yes no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.425	COVID-19 - Education Stabilization Fund
10.553/10.555/10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes ✓ no

County of King William, Virginia
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II-Financial Statement Findings

Finding: 2024-001 (Significant Deficiency):

Journal entry procedure

Criteria:

Internal control standards, as required under GASB standards, emphasize the necessity for adequate controls to prevent and detect errors or fraud in financial reporting. A key control is the formal documentation and approval of all journal entries by authorized personnel.

Condition:

During the audit, it was observed that journal entries were prepared and recorded without a documented, formal process for review and approval. While management indicated that reviews are informally conducted, no evidence of this approval was retained.

Cause:

The lack of a formal policy or procedure for reviewing and approving journal entries contributed to inconsistent documentation practices. Management relied on informal methods that were not adequately monitored or enforced.

Effect:

The absence of formal review and approval increases the risk of errors, misstatements, or unauthorized transactions in the financial records. This could undermine the reliability of financial reporting and reduce the entity's ability to prevent and detect financial irregularities.

Recommendation:

Management should implement and enforce a formal policy for journal entry approval. All journal entries should be reviewed and approved by an individual with appropriate authority prior to posting. Documentation of the review and approval process should be retained, either in physical or electronic form. Segregation of duties should be ensured, so the preparer of the journal entry is not the same individual who reviews and approves it. Periodic monitoring should be conducted to ensure compliance with the policy. Additionally, staff responsible for journal entries should receive training on the policy to ensure consistent application across the entity.

Management's Recommendation:

The County concurs with the recommendation and is considering corrective action for FY25.

County of King William, Virginia
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II-Financial Statement Findings (Continued)

Finding: 2024-002 (Significant Deficiency):

Accounts receivable and reconciliations

Criteria:

Governmental Accounting Standards Board (GASB) principles and internal control standards require accurate and timely posting and reconciliation of accounts receivable to ensure financial reporting is complete and free from material misstatement. Accurate reconciliations help ensure the completeness of reported revenues and balances.

Condition:

During the audit, it was noted that accounts receivable were not consistently posted to the general ledger. Additionally, reconciliations between source documents and the general ledger were either not performed regularly or were incomplete. As a result, material adjustments to balances reported in the general ledger were needed.

Cause:

The entity lacks adequate policies and procedures for posting accounts receivable and performing timely reconciliations. Turnover in the finance department contributed to the oversight.

Effect:

The absence of regular posting and reconciliation of accounts receivable increases the risk of errors and misstatements in the financial statements.

Recommendation:

Management should develop and implement formal policies and procedures to ensure all accounts receivable transactions are accurately posted to the general ledger. Management should establish a schedule for monthly or quarterly reconciliations of accounts receivable, including documentation of review and approval. Training should be provided to finance staff on reconciliation processes and the importance of maintaining accurate accounts receivable records.

Management's Recommendation:

The County concurs with the recommendation and is considering corrective action for FY25.

County of King William, Virginia
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II-Financial Statement Findings (Continued)

Finding: 2024-003 (Significant Deficiency):

Transfers and reconciliations

Criteria:

Governmental Accounting Standards Board (GASB) standards require that interfund transfers be reported accurately to reflect the financial position and results of operations for each fund. Specifically, GASB Statement No. 34 mandates proper classification and disclosure of interfund activities. Misreporting interfund transfers may lead to financial statement misrepresentation and noncompliance with applicable accounting principles.

Condition:

During the audit, it was noted that interfund transfers recorded in several funds were materially misstated. The amounts reported did not align with supporting documentation, and variances were identified between originating and receiving fund records. No reconciliation processes were in place to address these discrepancies.

Cause:

The discrepancies were primarily caused by a lack of formalized procedures for reconciling interfund transfer records between originating and receiving funds, insufficient review and approval processes for transfer transactions, and turnover in the finance department.

Effect:

The misstatements in interfund transfers resulted in material adjustments needed to the financial statements.

Recommendation:

Management should develop and implement formal policies and procedures to ensure all internal transfers are accurately posted to the general ledger. Management should establish a schedule for monthly or quarterly reconciliations of internal transfers, including documentation of review and approval. Training should be provided to finance staff on reconciliation processes and the importance of accurate reporting.

Management's Recommendation:

The County concurs with the recommendation and is considering corrective action for FY25.

County of King William, Virginia
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II-Financial Statement Findings (Continued)

Finding: 2024-004 (Material Weakness):

Proprietary capital assets and depreciation

Criteria:

Proprietary funds are required to report capital assets and related depreciation in their financial statements. Capital assets should be recorded at historical cost, depreciated systematically over their useful lives, and presented accurately to ensure compliance with accounting standards.

Condition:

During the audit, it was noted that capital asset balances for the proprietary funds were misstated due to inaccurate or incomplete recording of additions. Furthermore, depreciation expense was not posted, leading to incomplete financial reporting of capital assets and understated expenses.

Cause:

The inaccuracies were caused by inadequate internal controls over the tracking and reporting of capital assets. The County lacks an established process for timely posting of depreciation expense and reconciliation of asset records to the general ledger.

Effect:

The misstatements in capital assets in the proprietary funds resulted in material adjustments needed to the financial statements.

Recommendation:

Management should establish a comprehensive capital asset management policy, including routine reconciliation of supporting documentation to the general ledger. Training should be provided to finance staff on usage of the current capital asset software.

Management's Recommendation:

The County concurs with the recommendation and is considering corrective action for FY25.

County of King William, Virginia
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II-Financial Statement Findings (Continued)

Finding: 2024-005 (Material Weakness):

Reconciliation of investments

Criteria:

GASB standards and sound internal control practices require regular and accurate reconciliation of investment accounts to ensure completeness and accuracy of financial reporting. Investments are to be reported at fair value, and reconciliations should be performed timely to verify account balances and detect discrepancies.

Condition:

During the audit, we identified that the investment accounts were not reconciled on a regular basis during the fiscal year. Discrepancies were noted between the investment supporting documentation and the general ledger, resulting in material adjustments.

Cause:

The issue arose due to County administration office receiving investment statements, but not providing these statements to the treasury or finance department. Therefore, transactions regarding these investments were not recorded in the financial statements.

Effect:

Failure to reconcile investment accounts increases the risk of undetected errors or irregularities and resulted in material adjustments needed to the financial statements.

Recommendation:

Management should ensure investment statements are received by the treasury and the finance department for accurate and timely posting to the general ledger.

Management's Recommendation:

The County concurs with the recommendation and is considering corrective action for FY25.

County of King William, Virginia
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section III-Federal Award Findings and Questioned Costs

Finding: 2024-006:

SLFRF compliance reporting

Federal Program: CFDA 21.027 - COVID-19 - Coronavirus State and Local Fiscal Recover Funds

Criteria:

As required by the U.S. Department of the Treasury, recipients of Coronavirus State and Local Fiscal Recover Funds (SLFRF) must submit periodic reports by the specified deadlines to ensure transparency and accountability in the use of funds.

Condition:

The entity failed to submit the required SLFRF Compliance Report SLT-3478 by the required deadline.

Cause:

The delay was attributed to insufficient internal controls over federal award reporting. Specifically, there was a lack of a formal process to track and meet compliance deadlines for SLFRF reporting requirements.

Effect:

SLFRF grant requirements set forth by the U.S. Department of the Treasury were not met.

Recommendation:

Management should implement robust internal controls to ensure compliance with all federal reporting requirements.

Management's Recommendation:

The County concurs with the recommendation and is considering corrective action for FY25.

County of King William, Virginia
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section IV-Commonwealth of Virginia Findings and Questioned Costs

Finding: 2024-007:

Compliance with Virginia Public Procurement Act

Criteria:

The Virginia Public Procurement Act (VPPA) establishes the legal requirements for public procurement within the Commonwealth of Virginia. It mandates that all procurements be conducted in a manner that ensures fair competition, transparency, and adherence to ethical standards. Proper documentation of procurement activities is essential to demonstrate compliance with the Act and provide audit evidence of adherence to competitive bidding, solicitation, and award procedures.

Condition:

The County did not provide sufficient audit evidence to demonstrate compliance with the VPPA for procurements during the fiscal year. Competitive bids and supporting documentation were not retained, evidence was lacking for adherence to the public notice and solicitation requirements, and evidence for performance and payment bond requirements were incomplete.

Cause:

The issue arose due to the failure to maintain records regarding procurement.

Effect:

Noncompliance with the VPPA increases the risk of improper procurement practices, including unfair competition, overpayment for goods or services, and potential legal liabilities. Additionally, the absence of documentation diminishes transparency and public trust.

Recommendation:

Management should implement and enforce robust internal controls to ensure all procurement activities are fully documented and maintained, including competitive bid processes, solicitations, and awards.

Management's Recommendation:

The County concurs with the recommendation and is considering corrective action for FY25.

COUNTY OF KING WILLIAM, VIRGINIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

There were no prior year findings

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