

AGENDA ITEM REQUEST

(TO BE SUBMITTED NO LATER THAN 12 DAYS PRIOR TO THE MEETING)

Meeting Date

January 9, 2017

Regular Agenda

Consent Agenda

MOTION: "Mr. Chairman, I
move to (not required for
Consent Agenda items)

N/A

SUBJECT

Presentation of FY16 PAFR (Popular Annual Financial Report)

ISSUE

The FY16 PAFR will be presented to the Board of Supervisors by Shannon Walton, Accountant - Financial Services Department.

RECOMMENDATION

N/A

FISCAL
IMPLICATIONS

N/A

POLICY
IMPLICATIONS

N/A

LEGISLATIVE
HISTORY

N/A

DISCUSSION

N/A

Attachments

PAFR

Time Needed

Person Appearing

Shannon Walton, Accountant

Request prepared by:

Wanda Watkins, Deputy Board Clerk

Telephone: 966-9687

Copy provided to:

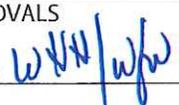
For Clerk's Use:

Proper notice? _____

Disposition: _____

REVIEWS/APPROVALS

Admin 

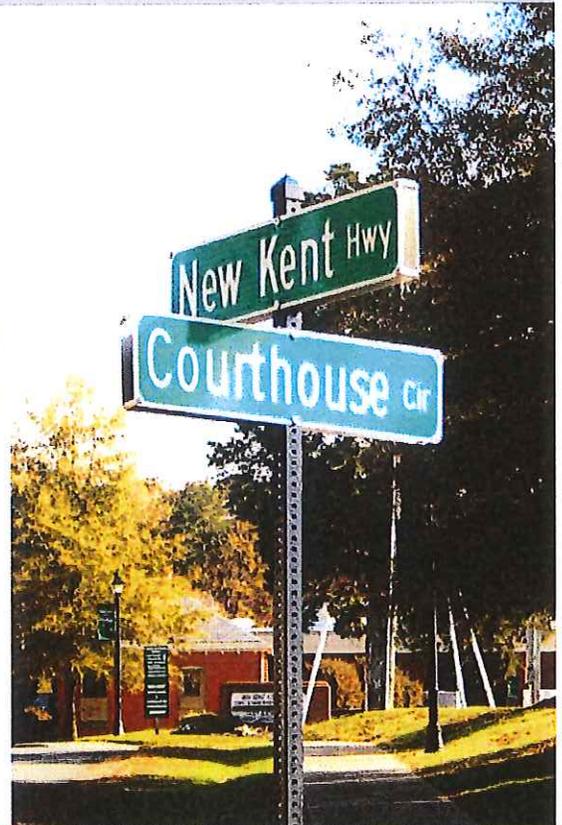
Attorney 

Print Form



New Kent County, Virginia Popular Annual Financial Report

For the Fiscal Year Ended
June 30, 2016



New Kent County



Citizens of New Kent County,

We are pleased to present to you New Kent County's third Popular Annual Financial Report (PAFR), prepared by the Department of Financial Services. We hope to provide you with a better understanding of our County government, local economic factors and financial position through this easily understandable explanation of our annual financial statement.

A PAFR is an unaudited summary report of the financial activities and position of the County with the purpose of providing the citizens of New Kent County a better understanding of the financial position of the County. The PAFR was prepared using the audited financial statements included in the June 30, 2016 Comprehensive Annual Financial Report (CAFR) which was prepared in accordance with Generally Accepted Accounting Principals of the United States of America (GAAP), audited by Robinson, Farmer, Cox and Associates and was given an unmodified opinion. An unmodified opinion means that the financial statements were fair and true in all material aspects. Because the PAFR

only includes certain funds and does not include transfers to and from other funds, the following financial statements do not comply with GAAP and generally accepted reporting requirements for government entities. Additional details on information referred to in this report can be found in the fiscal year 2016 CAFR on New Kent County's website (www.co.new-kent.va.us).

Questions or comments concerning any of the information provided in the PAFR should be addressed to the Director of Financial Services, County of New Kent, P.O. Box 150, New Kent, VA 23124 or via email at mfaltemus@newkent-va.us.

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Sincerely,

Mary F. Altemus

Mary F. Altemus
Director of Financial Services
New Kent County

NEW KENT COUNTY

A community based on its citizens, heritage, rural character and quality of life.



The County of New Kent was created by an act of the House of Burgesses on November 20, 1654. The settlers were of English descent and the County was named for Kent of England. Land grants to the early settlers along the rivers led to large plantations and manor houses, fostering a way of life long associated with our colonial era. The European history of New Kent began with the visit of Captain John Smith in 1607. At that time, it encompassed portions of today's surrounding counties of Hanover, King William, King and Queen, James City, Charles City and Henrico. The area was frequented by the Chickahominy Indians and the tribe is still well established in the County today. Located between the high growth areas of Hampton Roads and Richmond, the County has undergone significant development over the past several years, but still maintains its rural character.

New Kent County offers an open and relaxed atmosphere with the services and opportunities of an urban community. Richmond, Williamsburg, Norfolk and Washington D.C. are within close proximity. Citizens have access to multiple labor markets with a broad range of skills, a variety of educational institutions and access to major interstates for easy commuting to all areas of the East Coast and points west. The County offers a beautiful setting for living and working in an uncongested environment.



New Kent County Public Schools operates four schools: New Kent Elementary, George W. Watkins Elementary, New Kent Middle School and New Kent High School. All four schools are fully accredited by the Virginia Department of Education. The County is home to the Bridging Communities Regional Career & Technical Center. Bridging Communities provides high school students from New Kent County and surrounding communities with technical education skills and training. A number of major colleges and universities are within a 90-mile radius of the County.



The County is home to four premier golf courses, a large number of festivals and three wineries. Bordering the County are the Chickahominy, Pamunkey and York rivers.

YOUR BOARD OF SUPERVISORS

Provide the Citizens of New Kent County the highest quality government services in a customer - focused, competent, professional, ethical, efficient and fiscally-responsible manner.



District 1 - Tunstall and Southern Branch

Mr. Thomas W. Evelyn
twevelyn@newkent-va.us



District 2 - Quinton and Kentwood

Mr. C. Thomas Tiller, Jr.
cttiller@newkent-va.us



District 3 - Watkins and Cumberland

Ms. Patricia A. Paige
papaige@newkent-va.us



District 4 - Mountcastle and Providence Forge

Mr. Ronald P. Stiers 2016 Chairman
ronstiers@newkent-va.us



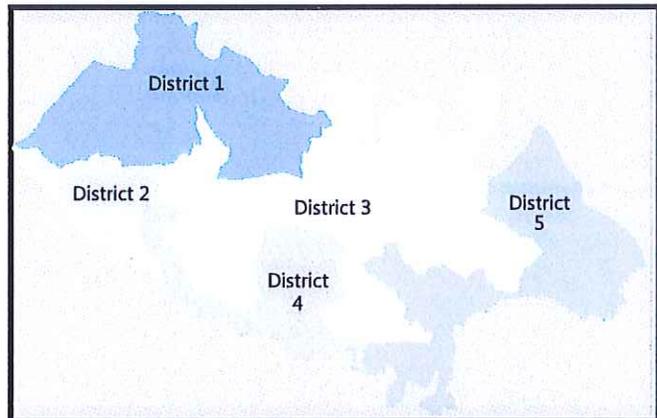
District 5 - Eltham and Chickahominy River

Mr. W.R. "Ray" Davis, Jr. 2016 Vice Chairman
wrdavis@newkent-va.us



New Kent County is governed by a five-member Board of Supervisors, whose members serve concurrent four-year terms. Members are elected by district. The Board members shown to the left governed the County as of June 30, 2016. Mr. James Burrell, District 3, retired from the New Kent County Board of

Supervisors as of December 31, 2015. At the November 3, 2015 election Ms. Patricia A. Paige was elected as the new District 3 supervisor for the January 1, 2016 - December 31, 2019 term. All other Board members upheld their current positions. With some exceptions, the Board holds its regular business meetings at 6 p.m. on the second Monday of each month.



Core Values

Citizens - We value the opinions and perspectives of our citizens.

Quality of Life - We are committed to balanced growth that protects the environment, preserves our rural integrity, yet increases the tax base.

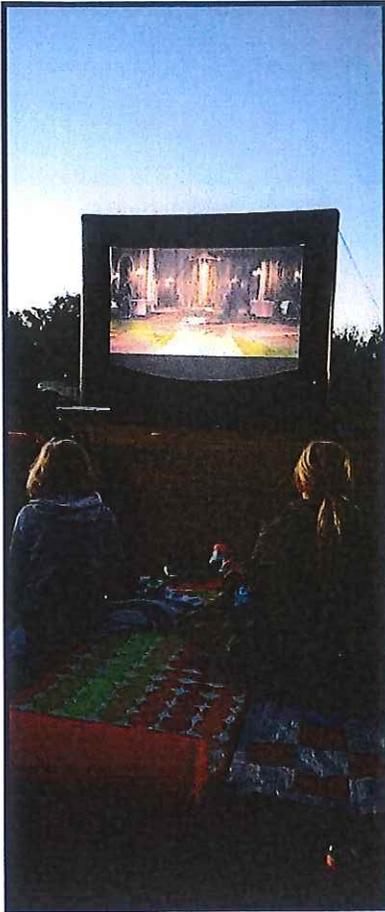
Employees - County employees are the touchpoint between the citizens and their government. We respect our employees' dedication, encourage their initiative and will support their service to the public.

Continuous Improvement - We embrace change, creativity and new initiatives that enhance our services.

Leadership and Professionalism - We strive to fulfill our responsibilities in a positive, professional, ethical and respectful manner, always committed to putting the good of the County first.

QUICK COUNTY FACTS ABOUT FISCAL YEAR 2016

About New Kent



Size

Population	20,660
Square miles	212
Persons per square mile	96.54

Parks and Recreation

Number of parks maintained	8
Park acreage owned by the County	330
Trails (miles)	6
Number of visitors	32,550

Library

Libraries	1
Material circulated	46,803
Library patrons	22,039

Education

Elementary schools	2
Middle schools	1
High schools	1
School buses	54
School enrollment	3,033
2016 graduates	200



Refuse Collection

Number of refuse sites	4
Refuse collected (tons)	5,836
Recyclables collected	
Metal (tons)	254
ONP (tons)	-
OCC (tons)	100
Propane tanks (units)	56
Batteries (units)	367
Used oil (gallons)	10,995
Antifreeze (gallons)	228
Oil filters (gallons)	1,100
Category 1 (gallons)	1,650

Fire Department

Companies	1
Stations	4
Emergency responses	2,714
Fires extinguished	83
Inspections	50

Sheriff's Department

Patrol units	19
Total calls dispatched	40,097
Calls dispatched for traffic	10,624
Calls dispatched for rescue	2,879
Criminal warrants served	1,125
Civil warrants and traffic notices	4,714

County Employees -

Full time equivalents

General government	30.7
Judicial administration	10.1
Public safety	91.3
Public works	17.5
Health & welfare	18.7
Community development	13.2
Parks & Recreation	8.1

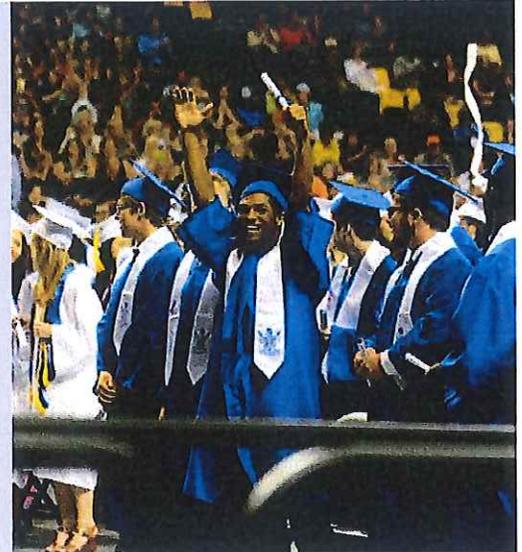
Total County Government 189.5

FISCAL YEAR 2016

Highlights from the Year

New Kent County Public Schools

- NKCPSS was 1 of 53 school divisions out of 132 in Virginia with all schools **fully accredited**.
- NKCPSS completed year 2 of a commitment to 21st century learning with a 1:1 **Chromebook Technology Initiative** at the Middle School and High School level and a 1:3 ratio at the Elementary School level.
- NKCPSS outperformed the State in every **SOL** reporting category: Reading - 3 points, Math - 5 points, Writing - 3 points, History - 3 points & Science - 2 points.
- 166 students earned one or more **industry credential**.
- 135 students were enrolled in **Advanced Placement (AP)** courses taking 202 AP exams.



New Kent County Sheriff's Office

- Began the **Chickahominy Area TRIAD**
- Two deputies received **MADD awards**
- 1st place winners of the **State Chiefs Challenge for Traffic Safety**
- Held the annual **9-11 Memorial Ceremony**
- Participated in **National Night Out**
- Participated in the **Providence Forge Christmas Parade**
- Trained students at the **Bridging Communities Criminal Justice Program**
- Participated in the **Torch Run for Special Olympics**
- Participated in numerous **community crime prevention/child ID/child safety seat** events.
- Participated in the **Drug Take Back Program**.



The second annual **New Kent Community Tree Lighting** and Jingle Bell Jog was held.



Twenty-eight citizens graduated from **New Kent University**, a ten week program designed for citizens to learn about their local government. For more information about New Kent University contact Krista Eutsey at kmeutsey@newkent-va.us.com.

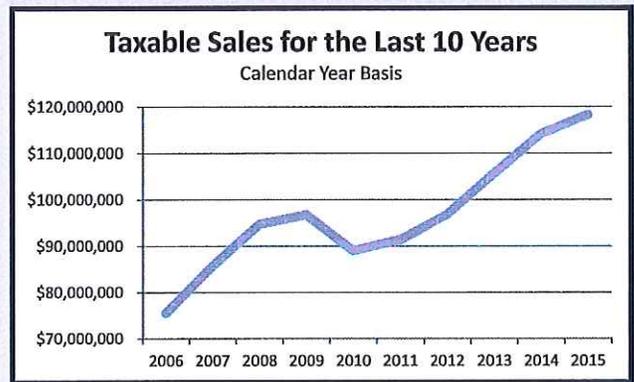
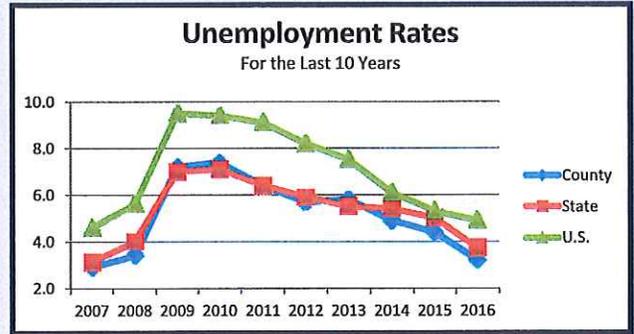


THE LOCAL ECONOMY

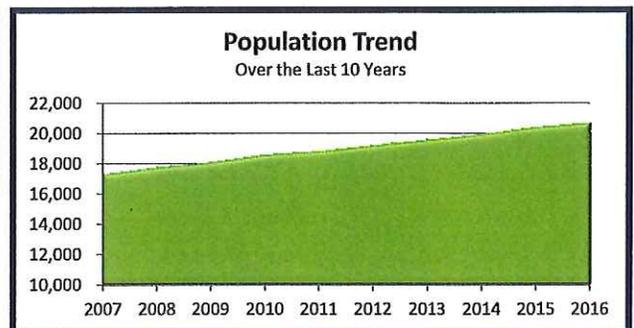
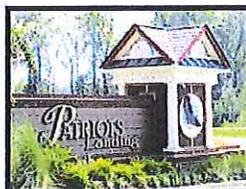
A Great Place to Grow

New Kent has maintained a positive and steady growth in population, business investments and economic activity:

- **4th highest median household income** and **2nd lowest poverty rate** of the fourteen jurisdictions in the Richmond/Petersburg, VA Metropolitan Statistical Area
- **Unemployment rate of 3.2%** compared to the State of Virginia 4.0%
- **207 single family home permits** and **14 commercial permits** issued in FY 2016
- Approximately **180 new homes proposed to be constructed in 2017**
- **Taxable sales have increased 56%** over the past 10 years
- Broad range of **employment opportunities** including:
 - Government (federal, state and local)
 - Construction
 - Health care & social assistance
 - Retail trade
 - Accommodation
 - Food services
 - Manufacturing
- County projects in process for the **continuation of economic growth:**
 - Kentland Planned Unit Development
 - New Kent Vineyards
 - Weir Creek Commerce Park
 - Rock Creek Villas
 - Patriots Landing Planned Unit Development
 - Maidstone



1	•New Kent County School Board
2	•Curtis Contracting Inc.
3	•AHS Cumberland Hospital
4	•County of New Kent
5	•Food Lion
6	•County of Henrico
7	•Bruce Howard Contracting Inc.
8	•McDonald's
9	•Denton Concrete Paving Co.
10	•Comfort Keepers 160



BUDGET

Fiscal Year 2015-2016 Adopted Budget

The Budget process is one of the most important administrative processes the County faces each year. The Budget is the center of all transactions that take place during the fiscal year. It includes information on expected revenues and planned expenditures for each of the County's major funds. The Budget Management Team, consisting of the County Administrator, Director and Assistant Director of Financial Services and a County department head, develops a budget that emphasizes the top priorities of the Board of Supervisors.

There are many factors that influence the budget including funding from the Commonwealth, General Assembly mandates, tax rates, County fees, budget objectives, changes in services, personnel, local economy and schools.

The Budget Process

November - Annual kick-off meeting conducted by the County Administrator.

January - Department budget requests are due back to Financial Services.

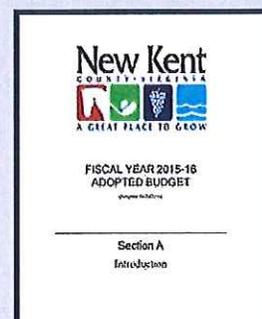
March - A draft budget is submitted to the Board of Supervisors for consideration.

April - A proposed budget is issued.

May - A public hearing is held to inform residents and to obtain citizen input. The final budget is adopted.

Major Impacts on the Fiscal Year 2016 Budget

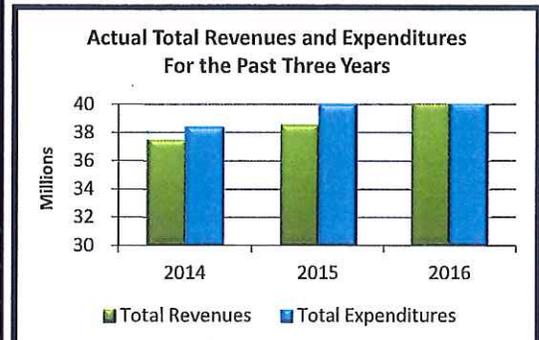
- **School Board Funding** - Fiscal year 2016 increase of \$300,000 to the annual operating transfer.
- **Personnel Adjustments** - New positions: Two full time Firefighters, Recreation Program Assistant, Clerk of the Circuit Court Deputy Clerk, Community Development full time Administrative Assistant, Social Services Benefit Specialist II, General Services part time Utility Mechanic, Civil Process Deputy. Position upgrades: Fire Chief, Deputy Treasurer, Human Resources Benefit Specialist, Environmental Planner.
- **Employee Health Compensation** - \$690 Cost of Living increase for full-time employees, \$10,000 increase for all directors to compensate for changes in health care benefits.
- **Real Estate** - Fiscal year 2016 is not a reassessment year. Real Estate tax collections were budgeted to increase by \$241,321 which represents new construction in the County since the last reassessment.



FINANCIAL STATEMENT

The Statement of Revenues and Expenditures for the fiscal year ended June 30, 2016

Statement of Revenues and Expenditures			
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Revenues:			
General property taxes	\$ 24,678,308	\$ 25,641,948	\$ 26,453,183
Other local taxes	3,869,620	4,069,547	4,244,523
Permits, fees, and licenses	395,155	561,042	542,595
Fines and forfeitures	289,644	244,896	216,030
Use of money and property	463,276	464,747	739,633
Charges for services	510,338	514,691	480,991
Miscellaneous	604,934	354,380	688,974
Recovered costs	265,097	617,157	475,656
Commonwealth of Virginia	5,153,216	5,127,647	5,085,307
Federal Government	1,223,416	938,487	1,267,019
Total revenues	\$ 37,453,004	\$ 38,534,542	\$ 40,193,911
Expenditures:			
General government administration	\$ 3,291,289	\$ 3,366,101	\$ 3,332,137
Judicial administration	1,445,417	1,413,082	1,457,164
Public safety	7,459,094	7,796,549	7,301,905
Public works	1,385,542	1,420,868	1,440,180
Health and welfare	1,476,264	1,559,317	1,655,780
Education	12,789,955	12,527,071	12,905,854
Parks, recreation, and cultural	697,661	691,829	724,004
Community development	711,650	777,280	889,349
Capital Projects	3,466,942	4,213,595	5,211,479
Debt Service	5,667,576	6,251,730	5,215,035
Total expenditures	\$ 38,391,390	\$ 40,017,422	\$ 40,132,887
Excess revenues over expenditures	\$ (938,386)	\$ (1,482,880)	\$ 61,024



The Statement of Revenues and Expenditures is a detailed summary of the County's fiscal year operations. This statement is derived from Exhibit 5 of the CAFR for fiscal years 2014, 2015 and 2016 and combines the general fund, capital improvement fund and the debt service fund. The general fund includes general and judicial administration, public safety, public works, health and welfare, the County's share of education, parks and recreation and community development. The capital improvement fund includes expenditures related to facilities, equipment or services that are valued at \$25,000 or greater with a lifespan of at least five years. The debt service fund includes financial resources committed to the payment of outstanding debt incurred by the County. The airport fund, school construction fund and other governmental funds are not included in the above Statement of Revenues and Expenditures.

Because this report is a condensed version of the CAFR, which is prepared on a GAAP basis, this statement is considered to be non-GAAP. Transfers to and from other funds have been eliminated to prevent double accounting.

Total revenue increased \$1,659,369 from FY2015 - FY2016. Total expenditures were fairly unchanged with an increase of \$115,465 from FY2015 - FY2016. Further review of the FY 2016 revenues and expenditures can be found on the following two pages.

REVENUES

Where the Money Comes From

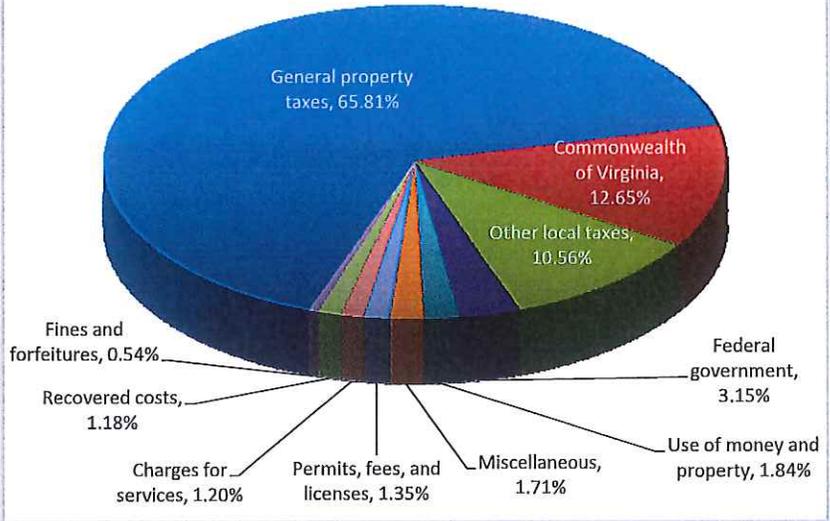
New Kent County's fiscal year revenues totaled \$40,193,911. Refer to page 9 for a dollar amount breakdown of revenues.

The largest source of revenue, 65.81%, was from **General Property Taxes**. This includes a \$811,235 (3.07%) increase from fiscal year 2015. See the chart below for a breakdown of this increase.

The second largest source of revenue, 12.65%, was received from the **Commonwealth of Virginia**. This amount includes personal property tax relief funds (\$2,217,883), communications sales tax (\$576,854), shared expenses (\$1,555,688) and public assistance and welfare administration (\$286,879).

Other Local Taxes, the third largest source of revenue, 10.56%, includes local sales and use taxes (\$1,437,225), business license taxes (\$734,400), vehicle registration tax (\$541,401) and meals tax (\$776,011).

Fiscal Year 2016 Revenues



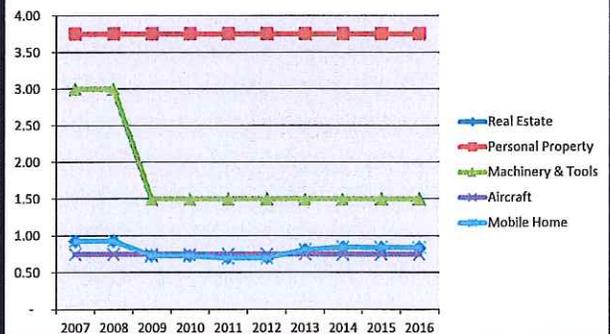
General Property Taxes:	FY 2015	FY 2016	Increase/ Decrease	%
Real property taxes	\$ 19,796,321	\$ 20,212,783	\$ 416,462	2%
Real & personal public service corporation taxes	1,023,733	1,083,139	59,406	6%
Personal property taxes	4,384,298	4,658,199	273,901	6%
Mobile home taxes	35,288	45,025	9,737	28%
Machinery and tools taxes	8,864	7,704	(1,160)	-13%
Penalties	201,505	227,970	26,465	13%
Interest	191,939	218,363	26,424	14%
Total General Property Taxes:	\$ 25,641,948	\$ 26,453,183	\$ 811,235	



Comparison of 2016 New Kent County Tax Rates to its Surrounding Counties

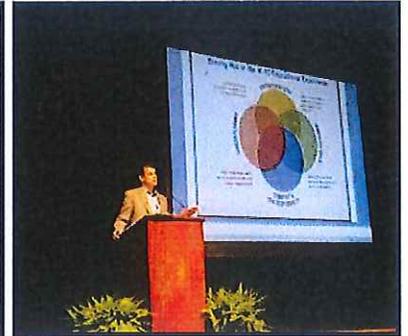


New Kent County Tax Rate Trends for the Last 10 Years



EXPENDITURES

Where the Money Goes



The pie chart below shows the total expenditures by category for fiscal year 2016. The total amount of expenditures was \$40,132,887. Refer to page 9 for a dollar amount breakdown of expenditures.

General Government Administration (8.30%)

Board of Supervisors, County Administration, County Attorney, Human Resources, Commissioner of the Revenue, Treasurer, Financial Services, Information Technology, Registrar, Board of Equalization and Electoral Board.

Judicial Administration (3.63%)

Circuit Court Judge, General District Court, Magistrate, Juvenile & Domestic Court, Clerk of the Circuit Court, Sheriff Courts, Victim Witness Assistance and Commonwealth's Attorney.

Public Safety (18.19%)

Sheriff, Confinement of Prisoners, Correction & Detention, Court Services, Animal Protection, E-911 Systems, Communication Systems, Ambulance & Rescue Services, Fire & Emergency Services, Forest Fire Services and Building Development.

Public Works (3.59%)

Refuse Collection and Building & Grounds.

Health & Welfare (4.13%)

Human Services (CSA), Supplement to the Health Department, Henrico Mental Health Service, Area Agency on Aging, Meals on Wheels and Agency Donations.

Education (32.16%)

Contribution to the New Kent County School Board and local Community Colleges.

Parks, Recreation and Culture (1.80%)

Parks and Recreation, Recreation Programs, Cultural Enrichment, Fine Arts, and Contribution to the Library.

Community Development (2.22%)

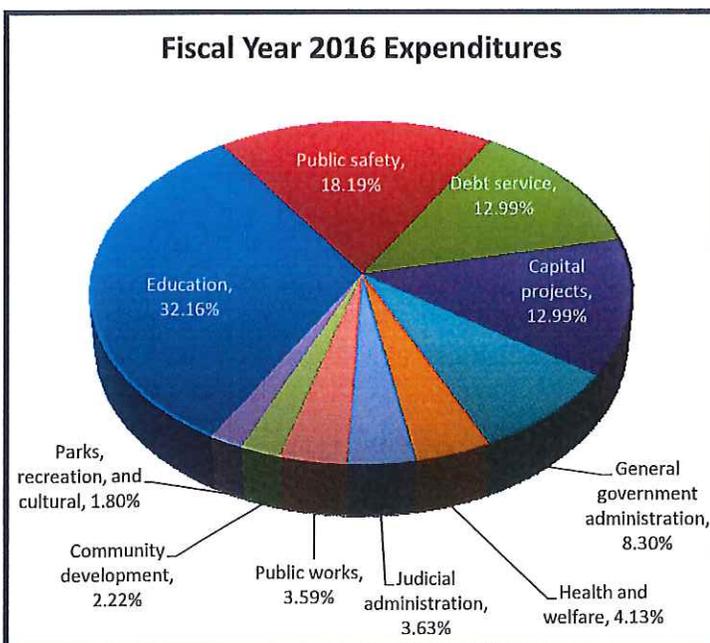
Community Development Administration, Planning, Economic Development, Planning Commission, Board of Zoning Appeals and Historic Commission.

Debt Service (12.99%)

Principal and interest payments on outstanding debt.

Capital Projects (12.99%)

Acquisition, construction or replacement of County's assets.



FUND BALANCE

What is fund balance?



Fund balance is the difference between what the County owns (assets) and what the County owes (liabilities). It is used for unexpected expenses or emergencies and benefits the County when seeking financing sources.

The total fiscal year 2016 fund balance of \$25,248,835 was classified the following ways:

Nonspendable - \$310,819

Expenditures paid in fiscal year 2016 for fiscal year 2017.

Restricted - \$34,868

Legally constrained for a specific purpose by external parties such as creditors, grantors, contributors or laws and regulations.

Committed - \$1,172,942

Constrained by the Board of Supervisors for the computer fund and the debt service fund.

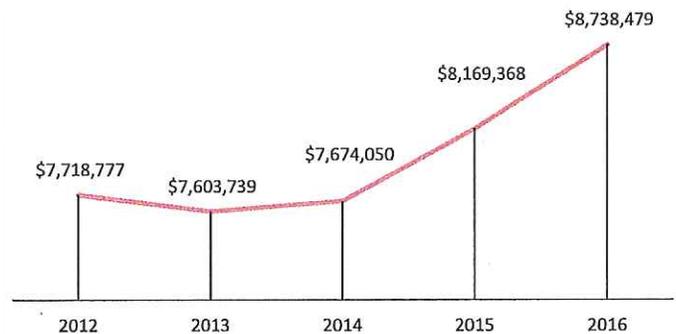
Assigned - \$14,991,927

Constrained for a specific purpose by the County Administrator.

Unassigned - \$8,738,479

Amounts not classified as nonspendable, restricted, committed or assigned and can be used for any purpose.

Unassigned Fund Balance Trends



THE FUTURE

Fiscal Year 2017-2021 Capital Improvement Plan

The **Fiscal Year 2017—2021 Capital Improvement Plan (CIP)** is a five-year, planning tool that identifies capital expenditure requirements, estimated costs, available sources of funding and estimates the likely future fiscal impact on County tax rates, debt capacity and financial policies.

The County defines a capital expenditure as facilities, equipment or services that are valued at \$25,000 or greater with an expected lifespan of at least five years. The CIP also includes a scheduled replacement plan for vehicles and computers that do not necessarily meet the \$25,000 threshold.

The Fiscal Year 2017-2021 County CIP includes 79 individual requests with a total five-year estimated cost of \$45,747,370. The County Administrator recommended a fiscal year 2017 CIP general fund budget of \$2,720,442. As shown in the chart below, the majority of this budget comes from cash reserves and grants from the federal government.

The following are upcoming capital expenditures, in no particular order, expected to take place during fiscal year 2017:

- **Fire/Rescue Department**
\$550,000 - Engine replacement
- **Information Technology**
\$200,000 - Surveillance system upgrades
- **Parks and Recreation**
\$25,000 - Turf & ground equipment
- **Schools**
\$200,000 - New Kent High School One-to-One Learning Initiative
- **Vehicle Replacement**
\$275,208 - Bus/car replacement
- **Vehicle Replacement**
\$408,850 - Building Development, Commissioner of the Revenue, Environmental, Buildings & Grounds, Parks & Recreation & Sheriff's Department
- **Computer Replacement**
\$56,700 - Multiple County Departments

Fiscal Year 2017 CIP	
Funding Source	Amount
CIP Cash Reserves	\$ 1,736,914
Federal Grants	706,500
Proffers	197,028
State Grants	80,000
Total	\$ 2,720,442

To view the entire fiscal year 2017-2021 Capital Improvement Plan, visit the County's website at www.co.new-kent.va.us.



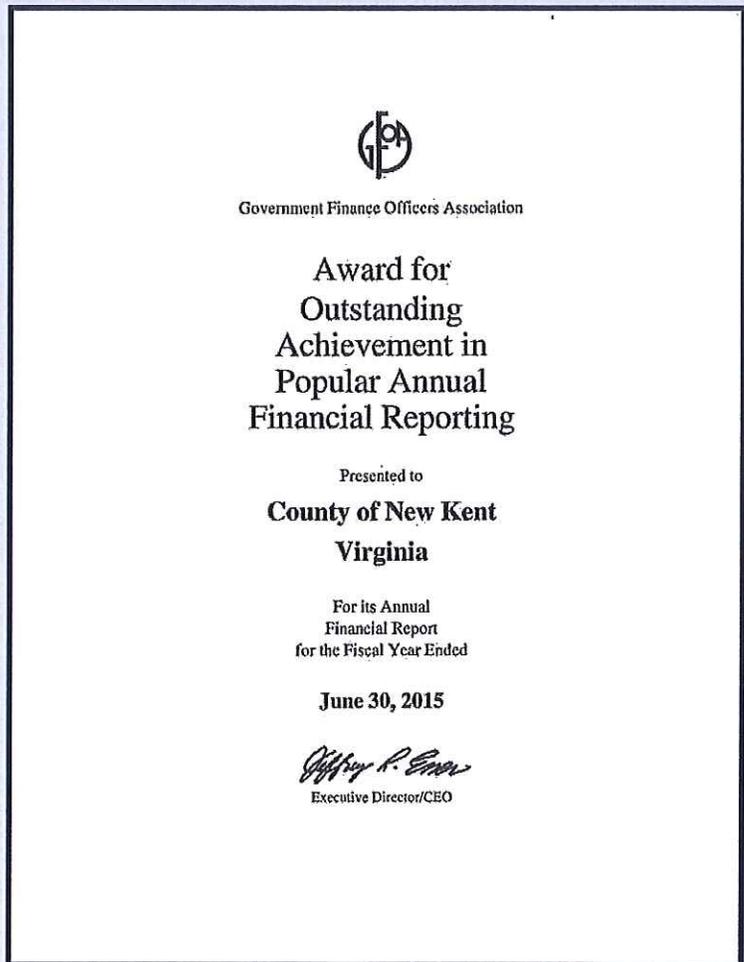
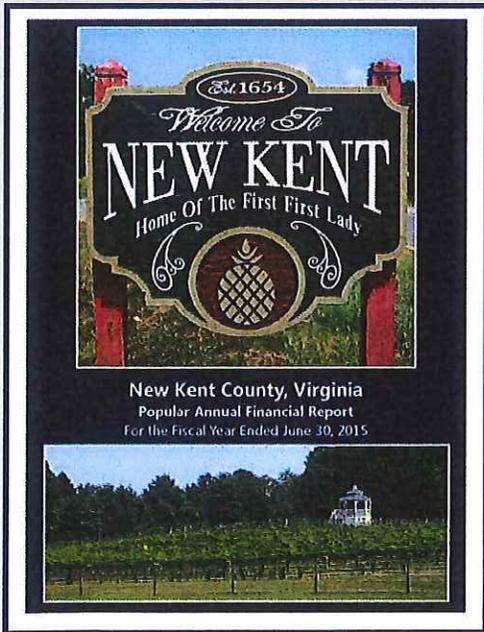
AWARDS

Popular Annual Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to New Kent County for its Popular Annual Financial Report for the fiscal year ended June 30, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year. New Kent County has received a Popular Award for the last two consecutive years (Fiscal years ended 2014-2015). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



CONTACT YOUR COUNTY

For information and updates regarding New Kent County, visit us at www.co.new-kent.va.us, like us on Facebook or follow us on Twitter.

New Kent County Administration

12007 Courthouse Circle
New Kent, Virginia 23124
804.966.9861

Sheriff's Office

Emergency

9-1-1

Non-Emergency

804.966.9500

County Website

www.co.new-kent.va.us

County Facebook

www.facebook.com/pages/New-Kent-County/279059576981

County Twitter

@nkcounty

County Administrator

Rodney Hathaway
rahathaway@newkent-va.us

County Attorney

Brendan S. Hefty
brendan@heftywiley.com

Building Official

Clarence Jackson
cgjackson@newkent-va.us

Commissioner of the Revenue

Laura Ecimovic
lmecimovic@newkent-va.us

Community Development Director

Matthew Smolnik
mjsmolnik@newkent-va.us



Director of Financial Services

Mary Altemus
mfaltemus@newkent-va.us

Fire Chief

Rick Opett
raopett@newkent-va.us

General Services Supervisor

David Bednarczyk
dbednarczyk@newkent-va.us

Human Resources Manager

Jane Bahr
humanresources@newkent-va.us

Chief Technology Director

Jonathan Stanger
jrstanger@newkent-va.us

Director of Parks and Recreation

Kimberly Turner
kcturner@newkent-va.us

Director of Public Utilities

Lawrence Dame
ladame@newkent-va.us

Sheriff

J.J. McLaughlin, Jr.
jjmclaughlinjr@newkent-va.us

Treasurer

Norma Holmes
ncholmes@newkent-va.us

General Registrar

Karen Bartlett
vote@newkent-va.us