

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



HENRICO COUNTY,
VIRGINIA
2023-2024



COUNTY OF HENRICO

VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 2024**

**Prepared By
The Director of Finance**

**HENRICO COUNTY, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2024**

Table of Contents

<u>INTRODUCTORY SECTION (UNAUDITED)</u>	<u>PAGE</u>
Letter of Transmittal	i – xii
Certificate of Achievement for Excellence in Financial Reporting	xiv
Directory of Officials	xv
Organization Chart	xvi
 <u>FINANCIAL SECTION</u>	
<u>EXHIBITS</u>	
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis (Unaudited)	3 – 13
 <u>Government-Wide Financial Statements:</u>	
Statement of Net Position	14
Statement of Activities	15 – 16
 <u>Governmental Funds' Financial Statements:</u>	
Balance Sheet	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
 <u>Proprietary Funds' Financial Statements:</u>	
Statement of Net Position	19
Statement of Revenues, Expenses and Changes in Net Position	20
Statement of Cash Flows	21
 <u>Fiduciary Funds' Financial Statements:</u>	
Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position	23
 <u>Component Units' Financial Statements:</u>	
Statement of Net Position	24
Statement of Activities	25
Notes to Financial Statements	26 – 126
 <u>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)</u>	
Budgetary Comparison Exhibits:	
Exhibit of Revenues - Budget and Actual - Governmental Funds	128 – 130
Exhibit of Expenditures - Budget and Actual - Governmental Funds	131 – 134
Schedules of Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios:	
Governmental Activities and Business-Type Activities	135 – 136
School Board Non-Professional Group	137
JRJDC	138
Schedule of Contributions	139
Schedule of School's Proportionate Share of the Net Pension Liability	140
Schedule of School's Contributions – Teachers' Pension Plan	141
Schedule of Contributions – JRJDC	142
Notes to Required Supplementary Pension Information	143

**HENRICO COUNTY, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2024**

Table of Contents

Schedule of Changes in the Net Healthcare OPEB Liability and Related Ratios	21	144
Schedule of Contributions - Healthcare OPEB Trust Fund	22	145
Schedule of Investment Returns - Healthcare OPEB Trust Fund	23	146
Schedule of Changes in the Net Healthcare OPEB Liability and Related Ratios:		
Governmental Activities and Business-Type Activities	24	147
Component Units	25	148
Schedule of Contributions – Healthcare OPEB Trust Fund	26	149
Schedule of Changes in the Total Line of Duty OPEB Liability and Related Ratios	27	150
Schedule of Contributions for the Line of Duty OPEB Plan	28	151
Schedule of Schools’ Proportionate Share of the Net OPEB Liability:		
Teachers Health Insurance Credit OPEB Plan	29	152
Schedule of School’s Contributions – Teachers’ Health Insurance Credit OPEB Plan	30	153
Schedule of Proportionate Share of the Net OPEB Liability:		
Group Life Insurance OPEB Plan	31	154
Schedule of Contributions – Group Life Insurance OPEB Plan	32	155
Schedule of School’s Proportionate Share of the Net OPEB Liability:		
Teachers Group Life Insurance Credit OPEB Plan	33	156
Schedule of School Contributions – Teachers’ Group Life Insurance OPEB Plan	34	157
Schedule of School’s Proportionate Share of the Net OPEB Liability:		
Non-Professional Group Life OPEB Plan	35	158
Schedule of School’s Contributions – Non-Professional Group Life OPEB Plan	36	159
Schedule of Proportionate Share of the Net OPEB Liability:		
JRJDC’s Group Life OPEB Plan	37	160
Schedule of Contributions – JRJDC’s Group Life OPEB Plan	38	161
Notes to Required Supplementary OPEB Information		162 – 164

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

Debt Service Fund - Budgetary Comparison Schedules:

SCHEDULES

Schedule of Revenues - Budget and Actual	1	167
Schedule of Expenditures - Budget and Actual	2	168

Internal Service Funds’ Financial Statements:

Combining Statements of Net Position	3	170
Combining Statements of Revenues, Expenses and Changes in Net Position	4	171
Combining Statements of Cash Flows	5	172

Custodial Funds’ Financial Statements:

Combining Statements of Assets and Liabilities	6	174
Combining Statements of Changes in Assets and Liabilities	7	175

Discretely Presented Component Unit - School Board:

Combining Balance Sheet	8	177
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	9	178
Schedule of Revenues - Budget and Actual	10	179 – 180
Schedule of Expenditures - Budget and Actual	11	181

HENRICO COUNTY, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2024

Table of Contents

STATISTICAL SECTION (UNAUDITED)

TABLES

Net Position by Component	I	183
Schedule of Changes in Net Position	II	184-185
Fund Balances - Governmental Funds	III	186
Changes in Fund Balances - Governmental Funds	IV	187
Assessed Value and Actual Value of Taxable Property	V	188
Direct Tax Rates.....	VI	189
Principal Property Tax Payers.....	VII	190
Property Tax Levies and Collections	VIII	191
Ratios of Outstanding Debt by Type	IX	192
Pledged Revenue Coverage.....	X	193
Demographic and Economic Statistics	XI	194
Top Twenty Principal Employers.....	XII	195
Government Employees by Department	XIII	196
Operating Indicators by Function.....	XIV	197 – 198
Capital Asset Statistics by Function.....	XV	199

INTRODUCTORY SECTION

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO



John A. Vithoulkas
County Manager

December 3, 2024

The Honorable Board of Supervisors
County of Henrico, Virginia

Honorable Members of the Board:

We are pleased to present the County of Henrico's (the County) Annual Comprehensive Financial Report (Report), as of and for the fiscal year ended June 30, 2024. This report is intended to provide informative and relevant financial data for the residents of the County, the Board of Supervisors (Board), investors, creditors, and any other interested readers. We believe it includes all financial statements and disclosures necessary for the reader to obtain a thorough understanding of the County's financial activities. The reader should pay particular attention to Management's Discussion and Analysis, a narrative overview and analysis of the financial statements included in this Report. Any individual with comments or questions concerning this report is encouraged to contact the County's Department of Finance at (804) 501-5200 or finance.info@henrico.gov. This report may also be found online at the County's website www.henrico.gov/finance/Public-data/.

The financial statements included in this report conform to the accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). The County's management is responsible for the establishment and maintenance of accounting and other internal controls to accomplish three purposes: ensuring compliance with applicable laws and County policies, safeguarding assets, and properly recording reliable financial information for the preparation of the County's financial statements and related notes thereto in accordance with GAAP. Because their cost should not outweigh their benefits, the County's comprehensive framework of internal controls is designed to provide reasonable assurance that financial statements will be free from material misstatement rather than absolute assurance. County management is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein and, to the best of management's knowledge, the financial information presented in this report is complete and accurate in all material respects.

Cherry Bekaert LLP, a certified public accounting firm, audited the County's financial statements and certain other information within this report as documented in the enclosed Report of Independent Auditor. The independent auditors planned and performed the audit to obtain reasonable assurance about whether the financial statements of the County are free from material misstatement. Cherry Bekaert LLP has expressed an unmodified opinion stating that, based on the audit evidence obtained, the County's basic financial statements, as of and for the fiscal year ended June 30, 2024, are fairly presented, in all material respects, in conformity with GAAP. The Report

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of Independent Auditor on the County's financial statements is presented as the first component of the Financial Section of this report. The independent audit of the financial statements of the County is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing such engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the government's compliance with federal requirements that could have a direct and material effect on each of its major federal programs and on internal controls over compliance in accordance with 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). This Uniform Guidance information is available in a separately issued report, which is available upon request from the County's Department of Finance.

Profile of the Government

The County is located in central Virginia and surrounds the City of Richmond on the north side of the James River and constitutes approximately one third of the population of the immediate Richmond area. The County's location in the middle of the eastern seaboard is within 750 miles of two-thirds of the nation's population and is ideal for commerce due to the presence of Interstates 95, 64, and 295, Route 895, major rail lines, and the James River, an international shipping channel. It is also home to Richmond International Airport, the primary airport for the Richmond Metropolitan Area. Henrico County is also convenient to nearby oceanic ports in the Tidewater region of Virginia. Based on recent county population estimates, over 347,000 Henrico County residents live in a well-planned community of 244 square miles that consists of highly developed urban and suburban areas, as well as undeveloped agricultural and forest land.

Captain Christopher Newport and company (consisting of Captain John Smith, George Percy and others) ventured from Jamestown in 1607 to the foot of the James River in Henrico. Four years after this discovery and exploration, Sir Thomas Dale, Deputy Governor of Virginia, founded Henrico and named it for Prince Henry Frederick, eldest son of King James I. Within four months, it was a bustling community as John Rolfe successfully cultivated a Spanish-type of tobacco similar to that produced in Varinas, Spain, giving birth to America's tobacco industry. In 1614, Rolfe married Princess Pocahontas, daughter of the Great Indian King Powhatan. Her profile now appears on the Henrico County seal as a symbol of Henrico's place in our nation's history. In 1634, Henrico became one of the original eight shires in the Virginia Colony. In 1934, Henrico County voters approved the County Manager form of government with a five member elected Board of Supervisors who serve four-year terms, and each represents one of five magisterial districts. The Board elects a Chair annually and also hires the County Manager who serves at their pleasure. The duties of the County Manager include implementing the approved ordinances and policies of the Board, appointing the County's Department Directors, and managing the day-to-day operations of the County government, while also serving as the Director of Public Safety. The County government is responsible for providing a wide array of public services including public safety (police, fire and emergency medical response, as well as building code enforcement), a full-service water and sewer system, the maintenance of County roads (with funding from the Virginia

Department of Transportation), and an array of recreational and cultural services. The County government also provides most of the funding for a nationally recognized public school system, though the schools are operated by a legally distinct entity and a separately elected School Board.

The financial reporting entity includes all the funds of the County, as the Primary Government, as well as two discretely presented component units - the County of Henrico School Board (School Board) and the James River Juvenile Detention Commission (JRJDC), which are both included in the reporting entity because of the County's financial accountability for these organizations. These component units are reported in separate columns in the County's basic financial statements. Additional information concerning these legally separate organizations can be found in the notes to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. The County Manager presents his proposed budget request to the Board in early March of each year. That body then undertakes an intensive review of the budget through a series of public meetings, referred to as the "Legislative Budget Reviews." The Board then holds a public hearing on the proposed budget in April prior to adopting the final budget. Budgetary restrictions are established at the governmental function level (e.g., Division of Police), with effective administrative controls maintained through detailed line-item budgets. It is County policy that the County Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total budgeted amounts and/or appropriations of any fund must be approved by the Board. This report provides budget to actual comparisons for governmental funds where an appropriated annual budget has been legally adopted. These comparisons are presented in the Required and Other Supplementary Information Sections of this Report.

Economic Overview

Henrico County offers a business-friendly environment with competitive tax rates and a cost of living below the national average. The County's triple-AAA bond rating, diverse economic base, efficient zoning, and centralized location within the Richmond metropolitan area contribute to the County's continued development and business expansion. Henrico County's local economy is characterized by diversity with a healthy representation of businesses from numerous industries including information technology, retail, manufacturing, financial, insurance, health and life services, and more. The civilian workforce in the County is substantial and diverse and represents approximately one-fourth of the Richmond metropolitan statistical area (MSA).

Local and regional economic indicators indicate a diverse, healthy, and stable economy. With a long history of prudent financial management - and the distinction of being one of only 55 triple AAA rated counties in the nation, Henrico County continues to exemplify excellence in local government finance and administration. While there is always uncertainty regarding future economic conditions, Henrico County has implemented measures for maximum resiliency in difficult economic conditions, and County leadership expects to sustain an environment conducive to stability and positive economic growth.

Henrico County residents live and work in a low-tax, high-quality community with one of the premier public school systems in the nation. The Board has established a culture which recognizes innovation, effective planning and financial prudence when allocating public resources, reduces tax burdens when economically feasible, and implements low impact revenue enhancements when necessary. With an emphasis on quality customer service, sound financial management, and sustainable economic development, Henrico County has been and will continue to be a community of choice.

Achievements such as this would not be possible without a strong infrastructure to support existing County businesses. Henrico County continues with a resilient local economy as evidenced by nearly 200,000 jobs that rank the County 3rd in Virginia. Henrico is home to over 25,000 businesses and seven Fortune 1000 headquarters including Altria, Arko Corporation, ASGN, Brink's, Genworth Financial, Markel Corporation, and Owens & Minor. The County's diverse labor pool, low tax structure, low cost of operations, and strategic location collectively are just some of the components that make Henrico a desirable community for business location and expansion.

Henrico County's vibrant and diverse economy continues to drive employment statistics that compare favorably relative to national and state averages. Unemployment rates for both Virginia and Henrico have remained relatively steady over the past year. The County's unemployment rate stands at 3.5 percent (August 2024, not seasonally adjusted), which is equivalent to the State's rate of 3.5 percent, and notably lower than that of the U.S. (4.4 percent).

Following two years of double digit appreciation in real property values, home prices have somewhat stabilized at the state and national level. Henrico residential home prices remain high, despite elevated interest rates, due to high demand. Commercial values are mostly stable, with some softening in larger office spaces due to lower occupancy rates. The County's real estate tax base continued to appreciate overall as the total taxable assessed value of real property topped \$59.2 billion in January 2024, representing an increase of about \$3.1 billion, or 5.5% in total growth during the calendar year. Of that 5.5% increase, 1.0% was the result of new construction, while existing residential and commercial property values grew by 4.5% percent more than the prior year.

Demand for housing continued to exceed supply in Henrico, particularly for more affordable homes, in 2023 and into 2024. The median sales price for single family residences increased

The Honorable Board of Supervisors
December 3, 2024

\$49,500, or 12.7 percent between June 2023 and June 2024. The median sales price for a single-family home in Henrico in June 2024 was \$439,500 and the average number days on the market for single family homes increased to 16 from the previous year's average of 12. Despite the increased cost of housing due to mortgage rates, the limited inventory and ongoing demand have kept prices higher in the County. Additionally, while the total number of construction permits issued for the fiscal year ended June 30, 2024 decreased by 2.3 percent from the previous fiscal year, the total value of construction permits issued increased by an astounding 45 percent. The increase in value is largely driven by the current and pending construction of several data centers in the County. Construction permits include permits for the construction of single family, residential and commercial dwellings.

Other revenue sources experienced robust growth in fiscal year 2023-2024. Henrico County remains one of the Commonwealth's leaders in retail sales, ranking fourth in total annual taxable sales, behind only the Counties of Loudoun and Fairfax and City of Virginia Beach. However, Henrico ranks first in total taxable sales per capita when compared to the ten largest comparably rated localities in the Commonwealth. The most recent annual data from the Virginia Department of Taxation shows that Henrico County's annual taxable sales for calendar year 2023 were \$7.3 billion, \$0.3 billion higher than 2022. While localities throughout the region and state were also up, Henrico's noteworthy increase shows relative strength and is another indication that the County remains a destination for shoppers locally, regionally and from throughout the Commonwealth. Retail hubs in the County include Regency Square, Short Pump Town Center, White Oak Village, and Short Pump Station.

The County has an eight percent transient occupancy tax and a 2 percent tourism improvement district fee on overnight lodging. During FY24, the transient occupancy tax brought in \$17.4 million, a 6.0 percent increase from FY23. While transient occupancy taxes suffered steep declines in FY20 and FY21 as a result of the Coronavirus pandemic, spending on overnight accommodations has rebounded and now exceeds pre-pandemic levels by 24%. The tourism improvement district was implemented in FY24 for the purpose of funding regional tourism capital initiatives and generated \$3.4 million in the first year. With the opening of the County's new Sports and Entertainment Center in October 2023 and two co-located hotels under construction, the County expects revenue from transient occupancy taxes to continue to increase. State-wide, direct visitor spending is up 9.8 percent. Henrico is seeing direct benefit from recent tourism investments, with year-over-year direct visitor spending increasing by 9.2 percent. The County remains an attractive visitor destination, and tourism, especially sports tourism, will continue to be an area of economic focus.

In 2013, voters in Henrico County approved a referendum allowing a 4.0 percent tax on prepared food and beverages, commonly known as a "meals tax". Revenue generated by the meals tax is dedicated exclusively to the operational and capital project needs of Henrico's public schools. At the time, it was anticipated that the meals tax would generate approximately \$18.0 million in revenue. However, in the last five-year period from FY20 to FY24, the County has received an average of \$33.6 million annually from the meals tax to support Henrico County Public Schools.

The Honorable Board of Supervisors
December 3, 2024

Economic growth in Henrico would not be possible were it not for the favorable business environment that Henrico County has cultivated throughout the years. Since 1978, the Board has decreased the real estate tax rate seven times, including the most recent reduction for tax year 2022, reducing real estate tax rate from \$0.87 to \$0.85 per \$100 of assessed value. When a reduced tax rate wasn't enough to combat rapidly increasing home prices, the Board approved the first-of-its-kind 2 cent per \$100 assessed value tax credit payable directly to taxpayers in 2022, and then repeated the credit in fall 2023. In addition to these decreases, Henrico boasts the lowest residential tax burden among Virginia's ten largest localities.

In the past five years, Henrico has reduced tax rates on aircraft, machinery and tools, data center equipment and biotechnology and research equipment. These measures make Henrico an attractive business environment and give Henrico the lowest effective tax rates in these industries among central Virginia localities. In addition, Henrico increased the Business Professional Occupancy License tax exemption from \$100,000 in 2018 to \$500,000 in 2021, and has approved an exemption level of \$1,000,000 for 2025. This exemption provides tax relief to every County business by allowing the first \$1,000,000 of gross receipts to be exempted from taxation. Despite reductions in rates, total revenue from these sources has continued to increase, as low tax rates foster increased economic activity. The low tax burden combined with a record of prudent fiscal management and excellent services creates an enticing, pro-business environment in Henrico County.

Financial Guidelines

The following guidelines represent principles and practices that guide the County and help to strengthen the County's financial stability. These are not the County's only financial guidelines, but are the practices that most significantly impact Henrico's current and future financial position. For a complete listing of the County's Financial Guidelines, please see the County's Approved Budget at <https://henrico.gov/finance/public-data/>.

General Guidelines:

The County maintains AAA/Aaa/AAA General Obligation Bond ratings with Standard & Poor's, Moody's Investor Service and Fitch IBCA, respectively. These highest possible bond ratings have two impacts on County residents. First, the County's financial management has been examined by three separate agencies that routinely analyze local government finances, and these organizations have determined Henrico worthy of the highest financial recognition available. Secondly, the County's high credit rating affords the ability to obtain the most competitive and lowest available interest rates when financing long-term capital improvement projects.

The County will utilize technological advances as a means of increasing employee productivity and reducing the need for new positions.

The County will allocate new dollars (after meeting fixed commitments such as debt service

requirements and benefits changes) to the areas of education and public safety first.

The County will strategically utilize economic development as a means of maintaining the low tax rate environment our residents and businesses enjoy. In addition, the County will balance the need for real estate tax relief for our residents with the long-term operational needs of the County.

Capital Improvement Program Guidelines:

Annually, the County will develop a Five-Year Capital Improvement Program (CIP), inclusive of the capital needs of the Henrico County Public Schools. The Board will approve a CIP after legal advertising and public hearing requirements have been met. (Note: The CIP is now a ten-year document.)

The County's CIP will utilize debt financing as a funding source only after it has been determined that the County can afford to service this debt and associated operating costs in subsequent years. The County will attempt to maximize the use of pay-as-you-go financing for capital projects.

The County will ensure that all operating costs arising from approved capital projects are accounted for in the operating budget, through the compilation of an annual crosswalk analysis that captures all such costs.

The County will maintain its physical assets at a level adequate to protect the County's capital investment and minimize future maintenance and replacement costs. The operating budget will provide for the adequate maintenance of these facilities and infrastructure.

Debt Guidelines:

A long-term debt affordability analysis will be completed on an annual basis as a means of ensuring that the County does not exceed its ability to service current and future debt requirements. This analysis will verify that the County is maintaining the following prescribed ratios and will be performed in conjunction with the County's Capital Improvement Program Process. The maximum guidelines that are utilized are as follows:

- Debt Service as a Percentage of General Fund Expenditures: 7.75%
- Net Bonded Debt as a Percentage of Assessed Value: 1.49%

The County will adopt annual water and sewer rates that will generate sufficient revenues to meet the legal requirements of related bond covenants. These rates will also allow for adequate capital replacement in the water and sewer systems.

Revenue Guidelines:

Multi-year revenue and expenditure forecasts for all County funds will be included as a part of the

adopted budget.

The County will attempt to maintain a stable but diversified revenue base as a means of protecting it from fluctuations in the economy.

The County will continue to maintain a 70% residential – 30% commercial real estate tax base. Maintaining a healthy residential/commercial ratio will help the County maintain current tax rates while continuing to enhance service delivery efforts – particularly in the areas of education and public safety. While revenues are monitored continually, a report is compiled quarterly that depicts current year trends, receipts, and explains any unanticipated revenues variances.

Fund Balance Guidelines:

The County has, over time, maintained a healthy unassigned fund balance – as compared to similar sized Virginia localities. The Board established the current 15% baseline of unassigned fund balance to expenditures in 2012. The County continues to evaluate this ratio during the annual budget process and will not use its unassigned fund balance to subsidize current operations.

As a percentage of actual General Fund expenditures, the County’s unassigned fund balance has been:

FY19:	15.0%
FY20:	15.0%
FY21:	15.0%
FY22:	15.0%
FY23:	15.0%
FY24:	15.0%

Unassigned fund balance exceeding the required 15% is designated for capital and other one-time projects.

Major Initiatives and Accomplishments

Henrico County has continued its commitment to delivering a quality and quantity of services that meet or exceed citizens’ expectations. Henrico continually expands its infrastructure to meet the growing needs of the County and, in prudently issuing debt to do so, has saved millions of dollars in debt service costs. County leaders have historically taken advantage of periods of low construction prices and low interest rates, augmented by the County’s triple-AAA bond rating.

Henrico County has earned reaffirmations of its AAA ratings from all three bond rating agencies for the past 22 years, maintaining its position as one of the best financially managed localities in the nation. Furthermore, Henrico County has maintained these AAA reaffirmations by all three rating agencies despite downgrades of the United States government by two of the three rating agencies. In addition, Henrico’s water and sewer revenue bonds earned a triple AAA rating from

The Honorable Board of Supervisors
December 3, 2024

all 3 rating agencies, reaffirmed as recently as August 2022, making the County one of only 15 water/sewer utility issuers nationwide to achieve and maintain this highest-possible rating.

Henrico's ongoing commitment to financial stewardship has resulted in the overwhelming approval of bond referendum questions by Henrico voters, most recently in 2016 and 2022. Adams Elementary School, the final 2016 referendum school project, is expected to be completed in the fall of 2026. Taylor Farm Park, another 2016 bond project, was completed and opened in the summer of 2024. The final approved fire station, Bungalow City Station #23, is nearing completion and will be staffed in early 2025.

In 2022, Henrico County voters approved a \$511.4 million bond referendum. The referendum included funding for schools, public safety, recreation and parks, and stormwater drainage. School projects include the construction, rebuilding, and renovation of eight educational buildings across the County and make up two-thirds, or \$340.5 million, of the referendum total. Nine public safety construction, rebuilding, and renovation projects total \$83.85 million. Recreation projects comprise \$37 million for the construction, addition, and improvement of three Henrico parks. Finally, \$50 million is dedicated to drainage improvement projects across all five magisterial districts. The first bonds under this referendum were issued in April 2024 and will fund the construction of an Environmental Education Living Building at Wilton Farm, the replacement of Jackson Davis and Longan Elementary Schools, the rebuilding of Quioccasin Middle School, and the Three Chopt Area Park and related road improvements. The relocation and construction of Firehouse #6 and partial funding for Phase II of Tuckahoe Creek Park are also included in this debt issuance.

Several other County projects have been funded through other financing. These include Henrico County's Virgil R. Hazelett Reservoir at Cobbs Creek and the Public Safety Emergency Communications projects. The reservoir, located in nearby Cumberland County, began filling during the summer of 2024 and is anticipated to take approximately 12 months to fill, weather permitting. This 1,100-acre reservoir secures the County's water needs for at least the next 50 years and was financed through a series of water and sewer revenue bonds. The Public Safety Emergency Communications project is replacing an outdated and non-supported emergency communications system with a state-of-the-art, regional communications network. Henrico County, the Cities of Richmond and Colonial Heights, the Counties of Chesterfield and Hanover, and the Capital Regional Airport Commission awarded individual contracts for this project. The public safety system in each locality will be part of a larger regional network that provides a fully integrated land mobile radio system for all emergency incidents and functions in the County in and the region.

Private investment in Henrico continued at a rapid pace through fiscal year 2023-24, with multiple economic development announcements in the County. Berkley Insurance, Sentara Health, DPR Construction, and Owens & Minor are a few of the businesses announcing location or expansion in Henrico County during the fiscal year. Technology and data center company QTS plans expansion within Henrico, recognizing the County's global communications connectivity which

The Honorable Board of Supervisors
December 3, 2024

provides some of the fastest data speeds available. This connectivity is the result of ready access to four subsea cables, twenty network providers, over forty internet exchanges, approximately 3,000 networks, and over 500 data centers around the world. All in all, Henrico's Economic Development Authority reported nearly \$768 million in investment in Henrico during the fiscal year, with over 1.5 million square feet and almost 400 new jobs.

In addition to offering a cutting-edge business environment, Henrico is a premiere sports tourism destination. The County created the Henrico Sports and Entertainment Authority in 2022 and constructed a 185,000 square foot indoor Sports and Events Center (HSEC) which opened in late 2023. The HSEC can be configured for 12 basketball or 24 volleyball courts, in addition to offering a 3,500 seat arena. Since opening, the HSEC has hosted the A-10 Women's Basketball Championship, the National Wheelchair Basketball Association National Championship, NCAA basketball games, numerous and diverse indoor sports tournaments, concerts, high school graduations, and other community events.

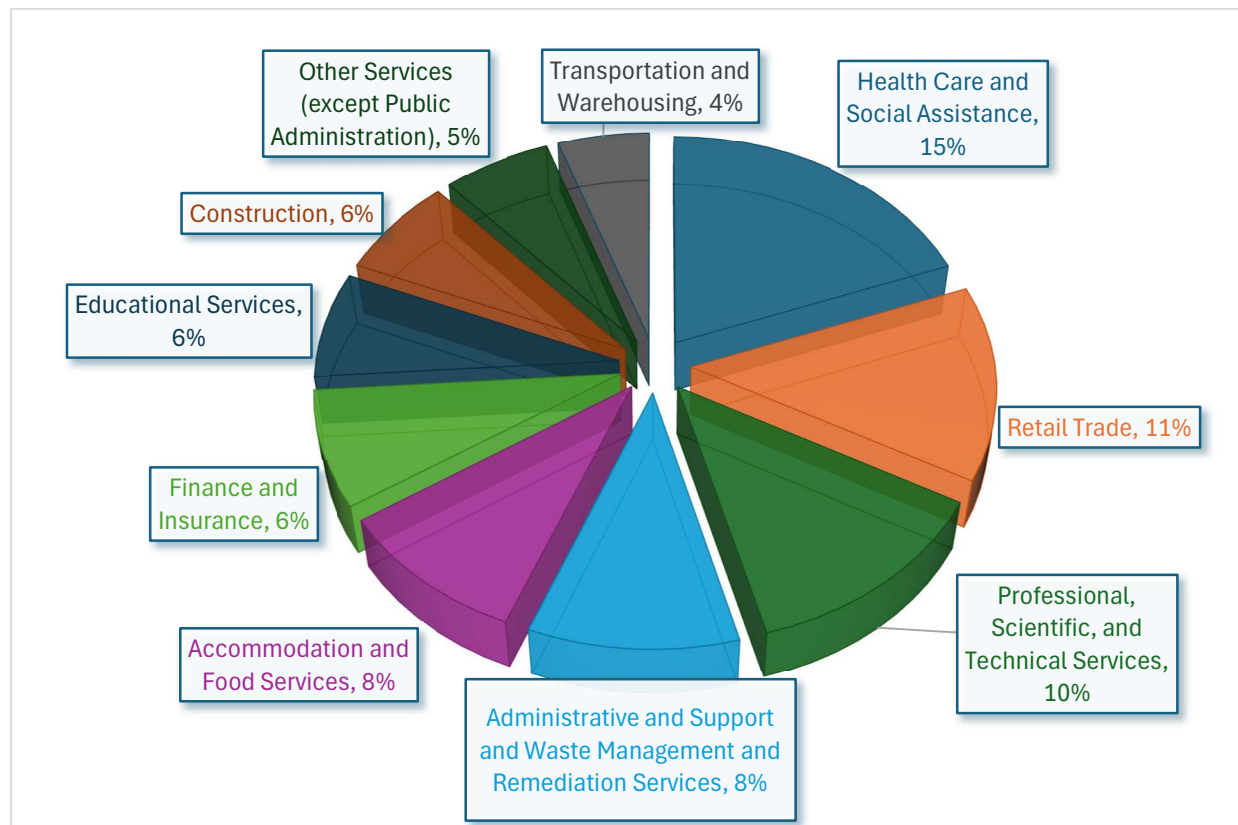
The Sports and Entertainment Authority is working on a four-diamond baseball complex at Glover Park that will complement two additional baseball diamonds being built by the county's Recreation and Parks Department. The Authority is also assisting the Henrico Economic Development Authority on its acquisition of the Crossings Golf Course in August 2024. Public-private partnerships are underway to transform both facilities into world-class sports venues over the next two years and provide additional sports tourism locations to Henrico County. The proximity of hotels, stores, and restaurants in the surrounding area have contributed to recent increases in lodging, sales, and meals tax revenues as a result of sports tourism.

Future Challenges

While Henrico is well-positioned to withstand economic downturns, the national economy remains the main challenge to the County's economic condition. Over the past two calendar years, the inverted yield curve, high inflation, and high interest rates have kept the threat of a national recession on the horizon. Labor market stability, low unemployment, and wage increases staved off a recession for much of that time frame, but these economic trends have started softening as the Federal Reserve has lowered interest rates.

Henrico's diverse economy, robust workforce, balanced tax base, and ample fund balances are all factors that can insulate the County's financial standing from severe impacts of a national downturn. The County's business-friendly environment supports a well-diversified economy through low taxes, high-quality services, and a well-trained workforce. Management has been intentional with the conservative forecasting of local and state revenue sources, leading to consistent increases in the amount of total fund balance.

HENRICO'S LABOR FORCE BY TOP 10 INDUSTRIES (REPRESENTS 79% OF TOTAL JOBS)



Nationally, home prices have leveled off and home sales volumes began to cool as mortgage rates increased, however, this trend was less evident in Henrico County, as demand continued to outpace supply and home prices remained elevated. Housing affordability in the County has continued to be negatively impacted by national, regional, and local trends, to the point where affordable housing has become one of the County's top policy priorities. During FY2024, the County implemented the Henrico Home Purchase Assistance Program (HPAP) that provides down payment assistance to lower income employees who are first-time homeowners and purchasing a house in Henrico. In July 2024, the County announced the creation of an Affordable Housing Trust Fund, which will be funded through \$60 million in anticipated revenue from data center development in the County, to help bolster the supply of affordable housing in Henrico County over the next five years. This first of its kind program will accept project proposals through a third party administrator to fund the development of ongoing affordable housing in the County.

The Honorable Board of Supervisors
December 3, 2024

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* (Certificate) to the County for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the forty-third consecutive year that the County has received this prestigious award. In order to be awarded a Certificate, a government must publish an easily readable, efficiently organized, and GAAP compliant ACFR, while also satisfying applicable legal requirements.


A Certificate is valid for a period of one year only. We believe the Annual Comprehensive Financial Report contained herein continues to meet the Certificate's requirements for financial reporting excellence.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Henrico County Department of Finance. We would like to express our particular appreciation to all members of the Accounting Division who directly contributed to its preparation. We would also like to thank the Board of Supervisors for their interest, guidance and support in their oversight of the financial operations of the County in a responsible and prudent manner.

Respectfully submitted,



John A. Withoulkas
County Manager

Sheila S. Minor, CPA
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Henrico
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

COUNTY OF HENRICO, VIRGINIA
Directory of Officials
June 30, 2024

BOARD OF SUPERVISORS

Tyrone E. Nelson, Chair	.....	Varina District
Daniel J. Schmitt, Vice Chair	.....	Brookland District
Roscoe D. Cooper III	.....	Fairfield District
Misty D. Roundtree	.....	Three Chopt District
Jody K. Rogish	.....	Tuckahoe District

EXECUTIVE STAFF

John A. Vithoulkas	.....	County Manager
Cari Tretina	.....	Chief of Staff
W. Brandon Hinton	.....	Deputy County Manger for Administration
Steven J. Yob	.....	Deputy County Manager for Community Operations
Monica L. Smith-Callahan	.....	Deputy County Manager for Community Affairs
Michael Y. Feinmel	.....	Deputy County Manager for Public Safety
Sheila S. Minor	.....	Director of Finance
Andrew R. Newby	.....	County Attorney
Yvette D. George	.....	Director of Human Resources

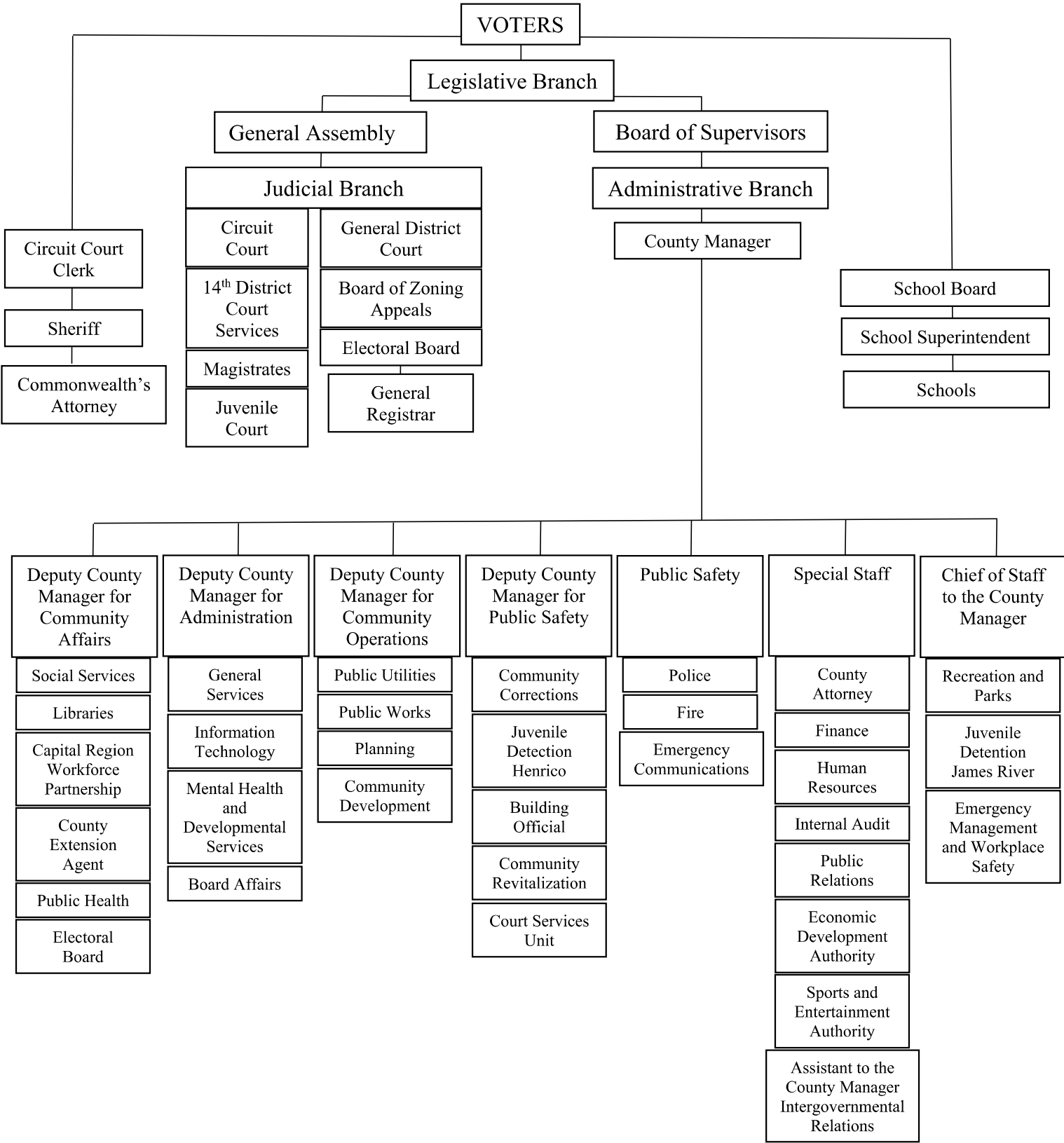
SCHOOL BOARD

Alicia S. Atkins, Chair	.....	Varina District
Marcie F. Shea, Vice Chair	.....	Tuckahoe District
Kristi B. Kinsella	.....	Brookland District
Ryan E. Young	.....	Fairfield District
Madison T. Irving	.....	Three Chopt District

SCHOOLS - DIVISION LEADERSHIP TEAM

Dr. Amy E. Cashwell	.....	Superintendent of Schools
Holly M. Coy	.....	Chief of Staff
John B. Wack	.....	Chief Financial Officer
Dr. Lesley Hughes	.....	Chief Learning Officer
Lenny G. Pritchard	.....	Chief of Operations
Dr. Ingrid Granberry Grant	.....	Chief of School Leadership
Eileen M. Cox	.....	Chief of Communications
Adrienne Cole Johnson	.....	Chief of Family and Community Engagement
Tiffany Lewis	.....	Chief Equity, Diversity and Opportunity Officer
Francine G. Bouldin	.....	Chief Human Resources Officer

Henrico County Profile



Report of Independent Auditor

To the Honorable Members of the Board of Supervisors
County of Henrico, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Henrico, Virginia (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 (the "Specifications"). Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, and the Specifications 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, *Governmental Auditing Standards*, and the Specifications, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Supplemental Information Schedules

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Other Supplemental Information Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplemental Information Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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



Richmond, Virginia
December 2, 2024

**HENRICO COUNTY, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)**

The following discussion and analysis of the Henrico County, Virginia's (County) financial performance provides an overview of the County's financial activities, as of and for fiscal year ended June 30, 2024 (FY 2024). Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements and related notes thereto, which follow this section.

FINANCIAL HIGHLIGHTS FOR FY 2024

On a government-wide basis for governmental activities, the County had expenses net of program revenues of \$914.5 million. General revenues of \$1,040.9 million exceeded expenses, net of program revenues, by \$126.2 million (Exhibit 2).

The County's total net position, excluding component units, on the government-wide basis totaled \$3,451.5 million at June 30, 2024 (Exhibit 1).

The General Fund, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures by \$22.3 million (Exhibit 4) after making transfers out of \$211.0 million, which include transfers to the Capital Projects Fund for \$100.7 million, Special Revenue Fund for \$32.7 million and Debt Service Fund for \$77.6 million. In addition, the General Fund contributed \$313.8 million to the County's component units (Exhibit 2).

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The County's Annual Comprehensive Financial Report (ACFR) is comprised of three sections: Introductory, Financial, and Statistical. The Financial Section is comprised of four components: 1) the report of the independent auditor, 2) the unaudited management's discussion and analysis (MD&A), 3) the basic financial statements, and 4) notes to the basic financial statements. This ACFR also contains required supplementary information, other than MD&A, and unaudited other supplementary information in addition to the basic financial statements themselves.

The primary focus of the basic governmental financial statements is on both the County as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. The fund financial statements focus on the individual components of the County government, reporting the County's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund statements) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the County's financial accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. One of the most important questions asked about the County's finances is, "Is the County as a whole in better financial condition or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which are the government-wide financial statements, report information about the County as a whole and about its activities in a way that helps answer this question. These financial statements include all assets and deferred outflows of resources, and liabilities and deferred inflows of resources using the accrual basis of accounting,

which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two financial statements report the County's net position and the changes in net position. One can think of the County's net position – the difference between the total of assets and deferred outflows of resources, less the total of liabilities and deferred inflows of resources – as one way to measure the County's financial position. Over time, increases or decreases in the County's net position is one indicator of whether its financial position is improving or deteriorating. Other nonfinancial factors should also be considered, such as, changes in the County's property tax base and the physical condition of the County's infrastructure, to assess the overall financial position of the County.

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

Governmental Activities – Most of the County's basic services are reported here: Police, Fire, Public Works, Recreation and Parks, and general administration. Property taxes, other local taxes, and state and federal grants finance most of these activities.

Business-type Activities – The County's operation, maintenance and construction of the County-owned water and wastewater (sewer) utility is reported here as the County charges a fee to customers to cover all or most of the cost of the services these operations provide.

Discretely Presented Component Units – The County includes two separate legal entities in its report – the County of Henrico School Board (School Board) and the James River Juvenile Detention Commission (JRJDC). Although legally separate, these "component units" are important because the County is financially accountable for them and provides operating and capital funding.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more information about the County's most significant funds, not the County as a whole.

The County has three types of funds:

Governmental Funds – The County's basic services are included in four major governmental funds. The General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund financial information is presented separately in the governmental funds' Balance Sheet and within the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balance.

The governmental funds' financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year and provide a detailed short-term view that helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance the County's programs. Since this information does not encompass the additional long-term focus of the government-wide financial statements, additional information is provided at the bottom of the governmental funds financial statements that explains the relationship (or reconciles the differences) between the two types of statements (Exhibits 3 and 4).

Proprietary Funds – Services for which the County charges customers a fee are generally reported in proprietary funds, which like the government-wide financial statements, provide both long-term and short-term financial information.

In fact, the County’s Enterprise Fund (one type of proprietary fund) is the same as the business-type activities included in the government-wide financial statements, but the fund financial statements provide more detail and additional information, such as cash flows. The County’s Enterprise Fund accounts for the operation of the County’s water and sewer utility.

The County uses Internal Service Funds (the other kind of proprietary fund) to report activities that provide supplies and services for the County’s other programs and activities. The Internal Service Funds account for the County’s Central Automotive Maintenance operations, the Technology Replacement Fund and the self-insured Healthcare Fund. Resources for these Funds come from interdepartmental charges.

Fiduciary Funds – The County is the trustee, or fiduciary, for Custodial Funds. The County is responsible for ensuring that the assets reported in these Funds are used for their intended purposes. All the County’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The County excludes these activities from the County’s government-wide financial statements because the County cannot use the assets of these Funds to finance its own operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position

The following table reflects a summary of the County’s net position (in millions) at June 30, 2023, and 2024:

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2023	2024	2023	2024	2023	2024	2023	2024
Current Assets	\$1,341.9	\$1,407.6	\$275.1	\$293.7	\$1,617.0	\$1,701.3	\$220.6	\$238.9
Noncurrent Other Assets	20.1	18.8	3.8	3.5	23.9	22.3	0.2	-
Capital and Intangible Assets	1,946.2	2,083.6	1,562.3	1,605.3	3,508.5	3,688.9	302.3	386.2
Total Assets	3,308.2	3,510.0	1,841.2	1,902.5	5,149.4	5,412.5	523.1	625.1
Deferred Outflows of Resources	93.3	98.9	34.2	32.6	127.4	131.5	133.0	148.5
Total Current Liabilities	340.8	302.9	45.2	58.3	386.0	361.2	98.0	137.8
Net Pension Liability	181.3	211.3	12.7	14.4	194.0	225.7	349.6	366.5
Net OPEB Liability	52.4	35.1	1.6	0.9	54.0	36.0	78.6	56.8
Liabilities due in more than a year	617.8	725.2	431.4	410.6	1,049.2	1,135.8	15.4	23.6
Total Liabilities	1,192.3	1,274.5	490.9	484.2	1,683.2	1,758.7	541.6	584.7
Deferred Inflows of Resources	330.7	329.5	4.4	4.2	335.1	333.7	87.7	73.8
Net Position:								
Net Investment in Capital Assets	1,428.2	1,545.9	1,138.0	1,196.9	2,566.2	2,742.8	302.6	343.8
Restricted	230.3	47.4	29.7	29.7	260.0	77.1	1.7	8.8
Unrestricted (deficit)	219.9	411.5	212.4	220.1	432.3	631.6	(277.5)	(237.5)
Total Net Position	\$1,878.4	\$2,004.8	\$1,380.1	\$1,446.7	\$3,258.5	\$3,451.5	\$26.8	\$115.1

The County's net position increased by 5.9%, or \$193.0 million to \$3,451.5 million from \$3,258.5 million. Both Governmental Activities and Business-type Activities contributed to the increase in net position (Exhibit 1). The net position of the County's governmental activities increased by 6.7%, or \$126.4 million to \$2,004.8 million (Exhibit 2).

The governmental activities' Net Investment in Capital Assets increased by \$117.6 million. GAAP requires the County to report all assets financed by the issuance of general obligation bonds backed by the full faith and credit of the County. This is because the County has taxing authority to raise funds and pay the general obligation debt. This includes assets utilized by the School Board, a Component unit of the County. Such assets used by component units will be reported by the County until the debt matures. With debt retirements in fiscal year 2024, some assets that had been reported as County assets were recharacterized as School Board assets during the year.

The governmental activities restricted net position decreased by \$182.9 million due to capitalizing projects and by a decrease in funds reserved for grants. The governmental activities' unrestricted net position increased by \$191.6 million to \$411.5 million at June 30, 2024, due mainly to the increase in revenue collections and the spend down of federal grants and other restricted net position (Exhibit 1).

The net position of business-type activities increased by 4.8%, or \$66.6 million from \$1,380.1 million to \$1,446.7 million (Exhibit 2). Unrestricted net position available for the continuing operation of the water and sewer activities was \$220.1 million as of June 30, 2024 (Exhibit 1).

The net position (deficit) of the aggregate discretely presented component units improved by 329.5%, or \$88.3 million from \$26.8 million to \$115.1 million, due to an increase in Operating Grants and Contributions of \$79.7 million in fiscal year 2024. Net Investment in Capital Assets increased by \$41.5 million due to debt payments above and beyond the acquisition of new assets. Unrestricted net deficit improved by \$40.0 million to (\$237.5) million at June 30, 2024, compared to the prior year (Exhibit 1).

Schedule of Activities

The following chart summarizes the revenues and expenses (in millions) of the County's activities for the fiscal years ended June 30, 2023, and 2024:

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2023	2024	2023	2024	2023	2024	2023	2024
Revenues:								
Program Revenues:								
Charges for Services	\$48.0	\$71.0	\$141.6	\$152.1	\$189.6	\$223.1	\$10.2	\$5.7
Operating Grants and Contributions	194.7	170.3	-	-	194.7	170.3	443.6	525.2
Capital Grants and Contributions	-	-	15.0	14.6	15.0	14.6	-	-
General Revenues:								
Property Taxes	606.7	646.5	-	-	606.7	646.5	-	-
Other Taxes	228.4	237.8	-	-	228.4	237.8	-	-
Other	130.0	156.6	26.4	35.5	156.4	192.1	14.0	16.0
Payment from Primary Government	-	-	-	-	-	-	319.3	313.8
Total Revenues	\$1,207.8	\$1,282.2	\$183.0	\$202.2	\$1,390.8	\$1,484.4	\$787.1	\$860.7
Expenses:								
General Government	145.1	183.7	-	-	145.1	183.7	-	-
Judicial Administration	15.9	17.6	-	-	15.9	17.6	-	-
Public Safety	248.1	284.5	-	-	248.1	284.5	6.1	7.5
Public Works	92.0	126.9	-	-	92.0	126.9	-	-
Health and Welfare	80.8	92.4	-	-	80.8	92.4	-	-
Education	331.6	329.5	-	-	331.6	329.5	685.4	764.9
Parks, Recreation and Cultural	46.2	63.4	-	-	46.2	63.4	-	-
Community Development	35.3	44.0	-	-	35.3	44.0	-	-
Interest on Long-term Debt	13.1	13.9	-	-	13.1	13.9	-	-
Water and Sewer	-	-	124.8	135.6	124.8	135.6	-	-
Total Expenses	\$1,008.1	\$1,155.8	\$124.8	\$135.6	\$1,132.8	\$1,291.5	\$691.6	\$772.4
Change in Net Position	199.7	126.3	58.2	66.6	257.9	192.9	95.6	88.3
Net Position (deficit), beginning of year	1,678.7	1,878.5	1,321.9	1,380.1	3,000.6	3,258.5	(68.8)	26.8
Net Position end of year	\$1,878.5	\$2,004.8	\$1,380.1	\$1,446.7	\$3,258.5	\$3,451.4	\$26.8	\$115.1

REVENUES

For the fiscal year ended June 30, 2024, revenues from governmental activities totaled \$1,305.6 million, an increase of \$97.8 million from fiscal year 2023. Real estate tax revenue is the County's largest revenue source and reflects the recognition of the second half of calendar year 2023 and the first half of calendar year 2024 real property tax. The Real estate tax revenue collected during fiscal year 2024 was \$494.2 million, an increase of \$41.5 million or 9.2% from fiscal year 2023 (Exhibit 12). Property values increased approximately 4.5% in the thriving Henrico real estate market. Henrico maintained the 85 cents per \$100 of assessed value real estate tax rate in 2023 and 2024, which had been reduced from 87 cents in 2022. The

County reduced the impact of rising real estate taxable values by providing a credit of 2 cents per \$100 or about \$11.2 million of tax relief in September 2023.

During fiscal year 2024, the County collected \$121.9 million in personal property tax revenue from County residents and received Personal Property Tax Relief from the Commonwealth of Virginia (the Commonwealth) of \$37,001,783 for total personal property tax related receipts of \$158.9 million. Under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA), the Commonwealth's share of the local personal property tax payment for a calendar year was frozen at 70 percent for qualified vehicles. During the 2004 General Assembly, the Commonwealth's obligation for car tax relief was capped at \$950 million annually. Each jurisdiction's share of the \$950 million is based on the total 2004 reimbursement as of December 31, 2005. The County's share of \$37.0 million is paid in three installments. At June 30, 2023, the County accrued \$18.5 million for the first half of the calendar year.

The fiscal year 2024 property tax collections were down by \$4.6 million or 3.8% compared to fiscal year 2023 because the value of almost all vehicles trended lower during the year. A smaller used car inventory, and an increased demand for vehicles drove the motor vehicle valuations higher. Used vehicle wholesale prices decreased by almost 4% in 2024.

Business-type activities produced total revenues of \$202.2 million, an increase of \$19.2 million from fiscal year 2023. The County's Water and Sewer activity produced \$152.1 million in charges for services and \$14.6 million in capital grants and contributions (Exhibit 2).

EXPENSES

For the fiscal year ended June 30, 2024, expenses for governmental activities totaled \$1,155.8 million, an increase of \$147.7 million or 14.7% from fiscal year 2023 (Exhibit 2). Included in this activity are employee compensation and benefits, payments for educational expenses to the School Board, and the cost of general governmental activities such as public safety, recreation, and libraries. The largest expense increases occurred in General Government, Public Safety, Public Works and Parks, Recreation and Culture. Tax relief programs, expansion of recycling programs, and the newly formed Sports and Entertainment Authority were some of the initiatives contributing to these increases.

Education continues to be one of the County's highest priorities and commitments. Spending on Education was down \$2.1 million or (0.6%) with a direct payment by the Primary Government of \$310.0 million for School operations (Exhibit 11). The payment from the Primary Government was offset by a \$79.7 million increase in Operating Grants and Contributions.

Public Works expenses increased by \$34.9 million or 37.9%. Henrico's Public Works Department maintains over 3,500 lane miles of road, the third largest road network in Virginia. Roads, bridges, and sidewalk projects account for most of the increase.

Parks and Recreation spending increased by \$17.2 million or 37.2%. The personnel component increased 4.5% because of adjusted salaries and rising benefit costs. The department has pushed to increase special events. An emphasis on sports and entertainment is focused on promoting Henrico as a desirable destination for sports tourism and entertainment, leading to enhanced economic benefits and boosting related revenue sources.

Public Safety expenses increased by \$36.4 million or 14.7%. Public Safety added a new division of Emergency communications with a \$9.0 million budget. The Police personnel component saw an increase to help retain officers.

The expenses of business-type activities, the result of County Water and Sewer activity totaled \$135.6 million, an increase of \$10.8 million or 8.7% over fiscal year 2023 business-type activities (Exhibit 2).

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

For the fiscal year ended June 30, 2024, the governmental funds reflect a combined fund balance of \$926.4 million, an increase of \$133.2 million from fiscal year 2023 (Exhibit 4), driven by a \$121.3 million net increase in the Capital Projects fund balance. The General Fund accounts for \$450.3 million (Exhibit 4) of the total combined balance. This is an increase of \$22.3 million or 5.2% from the General Fund balance of \$427.9 million recorded at June 30, 2023. The current General Fund Balance was impacted by General Fund Revenues, which increased by \$79.5 million or 7.6% from fiscal year 2023.

The fiscal year 2024 property tax collections were down by \$4.6 million or 3.8% compared to fiscal year 2023 because the value of almost all vehicles trended lower during the year. A smaller used car inventory, and an increased demand for vehicles drove the motor vehicle valuations higher. Used vehicle wholesale prices decreased by almost 4% in 2024. Additionally, the County lowered the tax rate on vehicles in calendar year 2023 by 10 cents per \$100 to \$3.40.

In addition to General property tax increases, the County benefited from a \$19.9 million increase in Interest revenue (Revenue from use of money & property).

General Fund Expenditures grew at a slower pace with an increase of \$29.9 million or 3.5% from fiscal year 2023. The FY 2024 budget continued the healthy growth trend, and benefited from slowing inflationary pressure compared to the previous year. Other Financing Uses decreased by (\$59.8) million or 40.7% from fiscal year 2023. Finally, the following items affected the fund balance and should be noted:

- The General Fund transferred \$100.7 million to the Capital Projects Fund to finance various capital projects, \$32.7 million to the Special Revenue Fund and \$77.6 Million for debt service. The total transfers increased by \$63.9 million from the previous year.
- The General Fund contributed \$313.8 million to fund fiscal year 2024 School Board operations, a decrease of \$5.5 million or 1.7% from the fiscal year 2023 contribution. School expenses increased 16.1% over FY 2023 (Schedule 9).

Highlights of other Governmental Funds are as follows:

- The Special Revenue Fund Balance of \$69.3 million (Exhibit 4) decreased by \$5.2 million or 6.9% from fiscal year 2023. The decrease is due to expenditures of \$137.4 million exceeding revenues of \$98.0 million and other financing sources of \$34.2 million. The major function of the Special Revenue Fund is to account for State and Federal grants received by the County, Social Services programs, and solid waste operations. State and Federal grants are received on a reimbursement basis and contributed \$60.7 million in revenues. The County's Social Services operations accounted for \$25.8 million in State and Federal grant revenues (Exhibit 12) and \$35.1 million in expenditures during fiscal year 2024 (Exhibit 13).
- The Debt Service Fund Balance grew to \$2.9 million in fiscal year 2024 (Exhibit 4). The fund received transfers from the General Fund of \$77.6 million to cover the scheduled debt payments in fiscal year 2024. The actual expenditures for the Debt Service Fund were \$76.7 million.
- The Capital Projects Fund Balance of \$404.0 million (Exhibit 4) is an increase of \$114.3 million, or 39.5% in comparison to fiscal year 2023. During the fiscal year, expenditures for capital projects

were \$232.4 million, and revenues were \$64.1 million. Other financing sources include transfers from the General Fund of \$100.7 million during fiscal year 2024, bond proceeds of \$162.3 million and a bond premium of \$19.6 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Budget (in millions)			
	<u>Original</u>	<u>Revised</u>	<u>Actual</u>
Revenues:			
Taxes	\$807.5	\$807.5	\$877.6
Intergovernmental	135.2	148.5	153.1
Other	24.5	24.4	89.5
Total Revenues	<u>\$967.2</u>	<u>\$980.4</u>	<u>\$1,120.2</u>
Expenditures and Other Uses:			
Expenditures	\$853.1	\$907.7	\$890.9 *
Other Financing Sources	168.5	168.5	\$206.9
Total Expenditures and Other Financing Uses	<u>1,021.6</u>	<u>1,076.2</u>	<u>1,097.8</u>
Change in Fund Balance	<u>(\$54.4)</u>	<u>(\$95.8)</u>	<u>\$22.4</u>

*Actual expenditures do not include right-to-use capital outlay of \$4.1 million

Revenues exceeded expenditures and other financing uses by \$22.3 million in the General Fund for fiscal year 2024.

Actual General Fund revenues were more than the original budgeted revenues by \$153.1 million during fiscal year 2024. Actual revenue collections exceeded the revised budget by \$139.8 million. This increase is attributable in part to collections of general property taxes such as real property and personal property taxes, which exceeded the revised budget by \$41.3 million, and other local taxes, such as meals tax and bank franchise taxes, which exceeded the revised budget by \$28.8 million (Exhibit 12). In addition, revenue from use of money and property exceeded revised budget by \$45.3 million (Exhibit 12). Actual General Fund expenditures were greater than the original budget by \$37.8 million, and less than the revised budget by (\$16.8) million.

During fiscal year 2024, the County Board of Supervisors amended the budget fifteen times. These budget amendments or supplemental appropriation resolutions were primarily for the following purposes:

- To reappropriate monies to pay for continuing programs whose fiscal year extended beyond June 30, 2023.
- To reappropriate grant revenues authorized in fiscal year 2023 or earlier, but not expended or encumbered as of June 30, 2023, and to appropriate grants or donations accepted or adjusted in fiscal year 2024.
- To appropriate funds for program enhancements, capital projects or other operational needs that were not anticipated in the original fiscal year budget.

CAPITAL AND INTANGIBLE ASSETS

The three tables below provide a summary of the County's capital and intangible assets for fiscal year 2024. The County began reporting the right-to-use assets in fiscal year 2022. GASB Statement No. 87 is the lease accounting standard issued by the Governmental Accounting Standards Board, which requires all lease agreements to be classified as right-to-use finance leases. The accounting treatment for a finance lease is similar to a capital lease. The County implemented GASB statement No. 96 in fiscal year 2023 for *Subscription-Based Information Technology Arrangements*. The right-to-use a vendor's software is an intangible asset.

Capital And Intangible Assets (in millions)

	Governmental Activities		Business-type Activities		Total		Component Units	
	2023	2024	2023	2024	2023	2024	2023	2024
Non-Depreciable Assets:								
Land	\$415.7	\$437.5	\$22.5	\$22.5	\$438.2	\$460.0	\$52.2	\$52.2
Construction in Progress	242.2	230.5	361.2	390.8	603.4	621.3	5.9	50.6
Other Capital Assets:								
Buildings	1,231.4	1,339.1	404.7	405.8	1,636.1	1,744.9	415.3	416.1
Infrastructure	808.0	842.7	1,362.7	1,392.7	2,170.7	2,235.4	-	-
Equipment	317.1	322.6	171.8	185.8	488.9	508.4	188.5	183.5
Improvements	138.9	147.6	1.4	1.4	140.3	149.0	39.4	62.9
Accumulated Depreciation								
On Other Capital Assets	(1,207.0)	(1,265.0)	(762.0)	(793.9)	(1,969.0)	(2,058.9)	(399.0)	(409.6)
Total Net of Depreciation	\$1,946.2	\$2,055.0	\$1,562.3	\$1,605.1	\$3,508.6	\$3,660.2	\$302.3	\$355.8

	Governmental Activities		Business-type Activities		Total		Component Units	
	2023	2024	2023	2024	2023	2024	2023	2024
Right to Use Lease Assets:								
Equipment	\$1.8	\$0.6	\$ -	\$ -	\$1.8	\$0.6	\$ -	\$ -
Building	11.7	13.0	-	-	11.7	13.0	4.4	10.4
Other	1.9	1.9	-	-	1.9	1.9	19.0	19.0
Accumulated Amortization	(5.2)	(6.7)	-	-	(5.2)	(6.7)	(9.6)	(15.1)
Total Net of Amortization	\$10.1	\$8.8	\$ -	\$ -	\$10.1	\$8.8	\$13.8	\$14.3

	Governmental Activities		Business-type Activities		Total		Component Units	
	2023	2024	2023	2024	2023	2024	2023	2024
Right to Use Subscription Assets:								
Subscription Assets	\$24.0	\$27.4	\$ -	\$ -	\$24.0	\$27.4	\$9.4	\$23.6
Accumulated Amortization	(3.4)	(7.6)	-	-	(3.4)	(7.6)	(3.1)	(7.6)
Total Net of Amortization	\$20.6	\$19.8	\$ -	\$ -	\$20.6	\$19.8	\$6.3	\$16.0

At the end of fiscal year 2024, the County's governmental activities (including Internal Service Funds) had net capital assets totaling \$2,055.0 million, which represents a net increase of \$108.8 million or 5.6% over

the previous fiscal year-end balance. Infrastructure assets include roads, bridges, and water and wastewater systems.

The business-type net activities capital assets grew by \$42.8 million to \$1,605.1 million, an increase of 2.7% over the previous fiscal year. The County's business-type activities are made up of the County's water and sewer activities.

The Component Units' capital assets increased by \$53.5 million to \$355.8 million, an increase of 17.7% from the previous fiscal year. The School Board accounted for the major portion of the net increase. More detailed information about the County's capital and intangible assets is presented in Note 6 of the notes to the financial statements.

LONG-TERM DEBT

At the end of fiscal year 2024, the County had \$603.2 million in outstanding General Obligation Bonds, an increase of \$72.9 million, or 13.7 percent, over last fiscal year. More detailed information about the County's long-term liabilities is presented in Note 7 of the notes to the financial statements.

On March 26, 2024, the County issued General Obligation Public Improvement Bonds, Series 2024A, in the aggregate principal amount of \$121.4 million. The proceeds of the Bonds will be used to finance capital school improvement projects, fire stations and facilities, and recreation and parks facilities in the County pursuant to the voter authorizations at elections held in the County on November 8, 2022. The Bonds mature on August 1st in each of the years 2024 through 2043. The interest rates range from 4 percent to 5 percent.

On April 23, 2024, the Economic Development Authority issued Lease Revenue Bonds, Series, 2024B, in the aggregate principal amount of \$41.2 million. The proceeds of the bonds were used to acquire land and construct public safety facilities. The bonds mature on August 1st in each of the years 2024 through 2043. The interest rates range from 4 percent to 5 percent.

General obligation bonds are backed by the full faith and credit of the County and are issued primarily for construction in progress for various purposes. The County has no sinking fund or legal debt margin requirements. All general obligation bonds except VPSA (Virginia Public School Authority) bonds, have been authorized by public referendum. The VPSA bonds have been issued by the adoption of a resolution by the County Board of Supervisors.

OTHER INFORMATION

The County participates in two defined benefit pension and four OPEB plans, including the following:

Single-employer plans:

- Healthcare (see Note 11 to the financial statements)
- Line of Duty (see Note 12 to the financial statements)

Multiple-employer plans through the Virginia Retirement System (VRS):

- VRS Retirement Plan (see Note 9 to the financial statements)
- Teacher Retirement Plan (see Note 10 to the financial statements)

- Group Life Insurance (see Note 13 to the financial statements)
- Teacher Health Insurance Credit Plan (see Note 14 to the financial statements)

The County participates in the Virginia Pooled OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund the healthcare single-employer plan. The County presents a Statement of Fiduciary Net Position (Exhibit 8) and Statement of Changes in Fiduciary Net Position (Exhibit 9) for its proportionate share of the Virginia Pooled OPEB Trust Fund. The Line of Duty plan is funded on a pay-as-you-go basis and therefore the plan has no fiduciary net position.

Funds of the Primary Government are invested in accordance with the County's Investment Guidelines which were created by the Director of Finance to ensure the effective management of the day-to-day investment activity of the County. The objective of these guidelines is to obtain the highest possible yield on available financial resources, within the constraints imposed by safety objectives, cash flow considerations and the laws of the Commonwealth of Virginia that restrict the placement of public funds.

At June 30, 2024, the County's investment portfolio amounted to \$1,216.7 million, an increase of \$113.6 million. Henrico experienced a steady increase in investment yields during fiscal year 2024 due to Federal Reserve rate hikes. The fair value of County investments experienced an increase of \$2.1 million due to anticipated Federal Reserve rate cuts and a short portfolio duration. The County portfolio contained United States Treasury and Agency obligations, high quality municipal bonds, prime commercial paper and Commonwealth of Virginia Local Government Investment Pool shares. This strategy enabled the County to maximize returns without experiencing any significant adverse credit exposure. More detailed information about the County's investments is presented in Note 2 of the notes to the financial statements.

ECONOMIC FACTORS

According to the Virginia Employment Commission, as of June 30, 2024, the County had a net decrease of 5,439 jobs since 2020, resulting in total employment of 186,866. The County's unemployment rate, which was reported at 2.9 percent as of June 30, 2024, was slightly lower than the State's unemployment rate of 3.0 percent, and was below the federal rate of 4.3 percent. As of 2023 (the latest data available from the U.S. Bureau of Economic Analysis), the County's per capita income of \$77,839 registered higher than both the national average of \$69,810, and the Commonwealth of Virginia average of \$73,841.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. Any individual with comments or questions concerning this report is encouraged to contact the County's Department of Finance at (804) 501-5200. This report may also be found online at the County's official website www.henrico.gov/finance/Public-data/.

**HENRICO COUNTY, VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2024**

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current assets:				
Cash, cash equivalents, and temporary investments	\$ 1,071,305,612	\$ 200,234,644	\$ 1,271,540,256	\$ 170,537,990
Receivables, net	282,497,157	33,649,287	316,146,444	478,266
Due from other governments	52,985,247	-	52,985,247	67,839,116
Internal balances	(850,403)	850,403	-	-
Due from component unit	759,727	-	759,727	-
Inventories	856,530	1,427,338	2,283,868	63,963
Restricted cash and cash equivalents	-	57,577,931	57,577,931	45,078
Total current assets	1,407,553,870	293,739,603	1,701,293,473	238,964,413
Noncurrent assets:				
Other assets	18,752,540	3,501,895	22,254,435	87,001
Capital and intangible assets:				
Right to use assets, net	28,618,548	1,922	28,620,470	30,269,370
Land and construction in progress	668,009,215	413,366,060	1,081,375,275	102,779,469
Other capital assets, net	1,386,983,281	1,191,893,254	2,578,876,535	253,031,247
Capital and intangible assets, net	2,083,611,044	1,605,261,236	3,688,872,280	386,080,086
Total non-current assets	2,102,363,584	1,608,763,131	3,711,126,715	386,167,087
Total Assets	3,509,917,454	1,902,502,734	5,412,420,188	625,131,500
Deferred Outflows of Resources:				
Contributions after measurement date	49,655,929	3,029,409	52,685,338	73,877,547
Change in proportionate share allocation	1,139,040	23,610	1,162,650	5,385,431
Change of assumptions	14,134,736	836,328	14,971,064	18,100,482
Difference between actual and expected experience	33,950,857	1,769,783	35,720,640	51,221,000
Deferred loss on debt refunding, net	-	26,911,883	26,911,883	-
Total Deferred Outflows of Resources	98,880,562	32,571,013	131,451,575	148,584,460
Total Assets and Deferred Outflows of Resources	3,608,798,016	1,935,073,747	5,543,871,763	773,715,960
Current liabilities:				
Accounts payable	32,080,996	23,746,176	55,827,172	7,049,075
Deposits payable	-	1,013,320	1,013,320	-
Accrued liabilities	65,428,244	2,878,412	68,306,656	77,904,702
Amounts held for others	13,320,254	-	13,320,254	83,866
Unearned revenues	62,372,241	12,043,750	74,415,991	31,060,384
Due to Primary Government	-	-	-	759,727
Long-term liabilities due within one year	129,654,350	18,623,303	148,277,653	20,947,177
Total current liabilities	302,856,085	58,304,961	361,161,046	137,804,931
Noncurrent liabilities:				
Net pension liability	211,288,219	14,378,607	225,666,826	366,548,312
Net OPEB liability	35,119,101	876,968	35,996,069	56,777,118
Long-term liabilities due in more than one year	725,221,423	410,646,797	1,135,868,220	23,616,995
Total non-current liabilities	971,628,743	425,902,372	1,397,531,115	446,942,425
Total Liabilities	1,274,484,828	484,207,333	1,758,692,161	584,747,356
Deferred Inflows of Resources:				
Change in proportionate share allocation	452,849	697,279	1,150,128	6,886,913
Difference between actual and expected experience	15,952,101	1,623,720	17,575,821	26,477,157
Difference between projected and actual earnings	21,527,735	1,329,158	22,856,893	24,806,914
Change of assumptions	18,831,480	518,786	19,350,266	15,563,834
Other - leases	7,937,381	42,034	7,979,415	108,218
Deferred revenues	264,802,177	-	264,802,177	-
Total Deferred Inflows of Resources	329,503,723	4,210,977	333,714,700	73,843,036
Total Liabilities and Deferred Inflows of Resources	1,603,988,551	488,418,310	2,092,406,861	658,590,392
Net Position:				
Net investment in capital assets	1,545,932,755	1,196,933,771	2,742,866,526	343,822,370
Restricted for:				
Debt service	-	29,663,629	29,663,629	-
Grants	47,377,140	-	47,377,140	8,821,899
Unrestricted net position (deficit)	411,499,570	220,058,037	631,557,607	(237,518,701)
Total Net Position	\$ 2,004,809,465	\$ 1,446,655,437	\$ 3,451,464,902	\$ 115,125,568

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

**HENRICO COUNTY, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 183,729,231	\$ 23,492,716	\$ 1,725,463
Judicial administration	17,640,542	294,284	6,095,653
Public safety	284,482,874	4,316,082	38,884,875
Public works	126,913,714	15,457,493	67,858,867
Health and welfare	92,378,515	14,245,805	47,397,306
Education	329,493,972	-	-
Parks, recreation and culture	63,377,737	891,302	309,266
Community development	43,950,613	12,301,943	8,065,314
Interest on long-term debt	13,877,870	-	-
Total Governmental Activities	1,155,845,068	70,999,625	170,336,744
Business-type activities:			
Water and Sewer	135,648,865	152,070,107	-
Total Business-type Activities	135,648,865	152,070,107	-
Total Primary Government	\$ 1,291,493,933	\$ 223,069,732	\$ 170,336,744
Component Units:			
School Board	\$ 764,889,088	\$ 4,398,835	\$ 523,192,514
James River Juvenile Detention Commission	7,477,942	1,337,191	2,021,538
Total Component Units	\$ 772,367,030	\$ 5,736,026	\$ 525,214,052

General Revenues:

Taxes:

Property

Local sales and use

Business licenses

Hotel and motel

Bank franchise

Other

Interest and investment earnings

Grants and contributions not restricted to specific programs

Recovered costs

Miscellaneous

Payment from Primary Government

Total general revenues

Change in net position

Total Net Position at June 30, 2023

Total Net Position at June 30, 2024

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

Exhibit 2

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position				Component Units
	Governmental Activities	Business-type Activities	Total		
\$ -	\$ (158,511,052)	\$ -	\$ (158,511,052)	\$ -	
-	(11,250,605)	-	(11,250,605)	-	
-	(241,281,917)	-	(241,281,917)	-	
-	(43,597,354)	-	(43,597,354)	-	
-	(30,735,404)	-	(30,735,404)	-	
-	(329,493,972)	-	(329,493,972)	-	
-	(62,177,169)	-	(62,177,169)	-	
-	(23,583,356)	-	(23,583,356)	-	
-	(13,877,870)	-	(13,877,870)	-	
-	(914,508,699)	-	(914,508,699)	-	
14,592,606	-	31,013,848	31,013,848	-	
14,592,606	-	31,013,848	31,013,848	-	
\$ 14,592,606	\$ (914,508,699)	\$ 31,013,848	\$ (883,494,851)	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ (237,297,739)	
-	-	-	-	(4,119,213)	
\$ -	\$ -	\$ -	\$ -	\$ (241,416,952)	
	\$ 646,492,230	\$ -	\$ 646,492,230	\$ -	
	93,070,497	-	93,070,497	-	
	51,344,294	-	51,344,294	-	
	17,419,736	-	17,419,736	-	
	7,433,315	-	7,433,315	-	
	68,579,672	-	68,579,672	-	
	55,000,452	5,957,782	60,958,234	344,408	
	99,828,045	28,948,702	128,776,747	-	
	1,356,170	-	1,356,170	558,547	
	328,409	677,313	1,005,722	15,019,114	
	-	-	-	313,828,282	
	1,040,852,820	35,583,797	1,076,436,617	329,750,351	
	126,344,121	66,597,645	192,941,766	88,333,399	
	1,878,465,344	1,380,057,792	3,258,523,136	26,792,169	
	\$ 2,004,809,465	\$ 1,446,655,437	\$ 3,451,464,902	\$ 115,125,568	

**HENRICO COUNTY, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

Exhibit 3

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Assets:					
Cash and temporary investments	\$ 473,149,309	\$ 74,386,286	\$ 2,877,532	\$ 470,766,162	\$ 1,021,179,289
Receivables, net	272,284,861	7,671,681	-	-	279,956,542
Due from other governmental units	35,546,821	3,557,752	-	13,880,674	52,985,247
Due from component unit	736,409	-	-	-	736,409
Other assets	5,947,356	2,467,594	-	-	8,414,950
Total assets	\$ 787,664,756	\$ 88,083,313	\$ 2,877,532	\$ 484,646,836	\$ 1,363,272,437
Liabilities:					
Accounts payable	\$ 22,410,922	\$ 2,398,989	\$ -	\$ 6,633,123	\$ 31,443,034
Accrued liabilities	22,640,298	3,923,142	-	16,621,881	43,185,321
Amounts held for others	13,320,254	-	-	-	13,320,254
Unearned revenues	157,545	5,793,738	-	56,420,958	62,372,241
Due to other funds	1,412,611	309,339	-	961,899	2,683,849
Total liabilities	\$ 59,941,630	\$ 12,425,208	\$ -	\$ 80,637,861	\$ 153,004,699
Deferred Inflows of Resources:					
Other - leases	5,513,092	2,424,289	-	-	7,937,381
Unavailable revenues	271,954,304	3,944,015	-	-	275,898,319
Total deferred inflows of resources	277,467,396	6,368,304	-	-	283,835,700
Fund Balances:					
Restricted	4,700,015	47,377,140	-	-	52,077,155
Committed	56,250,000	-	-	404,008,975	460,258,975
Assigned	207,336,330	21,912,661	2,877,532	-	232,126,523
Unassigned	181,969,385	-	-	-	181,969,385
Total fund balances	450,255,730	69,289,801	2,877,532	404,008,975	926,432,038
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 787,664,756	\$ 88,083,313	\$ 2,877,532	\$ 484,646,836	

Adjustments for the Statement of Net Position:

Capital assets used in government activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. (Note 6)	\$ 2,040,408,495
Right to use assets used in government activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. (Note 6)	28,617,403
Unearned revenues that have not been recognized as revenue in the current period and, therefore, are reported as liabilities in the governmental funds. (Note 3)	11,096,142
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. (Note 7)	(840,376,712)
Net pension liability is not due and payable in the current period and, therefore, is not reported as a liability in the in the governmental funds.	(208,166,068)
Accrued interest on bonds payable, is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds.	(10,265,725)
Deferred outflows and inflows of resources are not recorded as deferred outflows and inflows of resources in the governmental funds.	41,590,339
Net OPEB liability is not due and payable in the current period and, therefore, is not reported as a liability in the in the governmental funds.	(36,995,208)
Internal service funds are used to charge the costs of equipment maintenance and, therefore, the assets and liabilities are included in the government activities in the Statement of Net Position.	47,352,571
Internal service funds, net profit allocation to business-type activities and component units is included in the Statement of Net Position as accounts receivable, but is not included in the governmental funds.	5,116,190
Total Net Position of Governmental Activities	<u>\$ 2,004,809,465</u>

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

**HENRICO COUNTY, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Exhibit 4

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues:					
General property taxes	\$ 645,718,922	\$ -	\$ -	\$ -	\$ 645,718,922
Other local taxes	231,837,133	-	-	-	231,837,133
Licenses and permits	15,646,771	-	-	-	15,646,771
Fines and forfeitures	1,636,205	-	-	-	1,636,205
Revenue from use of money and property	48,277,733	267,288	-	6,135,258	54,680,279
Charges for services	3,559,399	35,526,320	-	-	39,085,719
Miscellaneous	9,869,955	795,791	-	328,409	10,994,155
Recovered costs	10,529,938	708,361	-	-	11,238,299
Intergovernmental	153,092,181	60,726,619	-	57,683,897	271,502,697
Total Revenues	1,120,168,237	98,024,379	-	64,147,564	1,282,340,180
Expenditures:					
Current operating:					
General government	89,707,317	4,821,253	-	-	94,528,570
Judicial administration	15,740,549	1,677,041	-	-	17,417,590
Public safety	267,826,577	8,248,702	-	-	276,075,279
Public works	66,676,023	21,361,480	-	-	88,037,503
Health and social services	3,211,130	88,187,350	-	-	91,398,480
Parks, recreation, and culture	48,012,801	2,774,538	-	-	50,787,339
Community development	35,037,365	7,680,853	-	-	42,718,218
Education	310,022,872	-	-	-	310,022,872
Miscellaneous	43,956,129	14,404	1,060,321	-	45,030,854
Debt service:					
Principal	6,063,476	1,094,197	54,035,000	-	61,192,673
Interest and other charges	527,910	24,319	21,564,488	-	22,116,717
Capital outlay	4,136,957	1,508,788	-	232,426,235	238,071,980
Total Expenditures	890,919,106	137,392,925	76,659,809	232,426,235	1,337,398,075
Excess (deficiency) of revenues over (under) expenditures	229,249,131	(39,368,546)	(76,659,809)	(168,278,671)	(55,057,895)
OTHER FINANCING (USES) SOURCES:					
Transfers in	-	32,688,588	77,631,422	100,727,209	211,047,219
Transfers out	(211,047,219)	-	-	-	(211,047,219)
Issuance of bonds	-	-	250,437	162,324,563	162,575,000
Issuance of bond premiums	-	-	457,585	19,559,875	20,017,460
Leases issued	4,136,957	1,508,788	-	-	5,645,745
Total other financing (uses) sources, net	(206,910,262)	34,197,376	78,339,444	282,611,647	188,238,205
Net change in fund balance	22,338,869	(5,171,170)	1,679,635	114,332,976	133,180,310
Total Fund Balances - June 30, 2023	427,916,861	74,460,971	1,197,897	289,675,999	793,251,728
Total Fund Balances - June 30, 2024	\$ 450,255,730	\$ 69,289,801	\$ 2,877,532	404,008,975	\$ 926,432,038

Adjustments for the Statement of Activities:

Net change in fund balances - total governmental funds	\$ 133,180,310
Repayment of bond principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	61,192,673
Revenues not in governmental funds that do provide current financial resources are reported as revenues in the Statement of Activities. (Note 3)	773,308
Governmental funds report capital outlays as expenditures while governmental activities capitalize those outlays to allocate those expenditures over the asset life.	181,767,903
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.	(6,036,013)
Depreciation expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds. (Note 6)	(70,419,428)
Amortization expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(7,593,383)
Interest expense on bonds payable, is not due and payable in the current period and, therefore, is not reported as expenditures in the governmental funds. (Note 7)	8,238,847
Debt proceeds are recorded as a source in governmental funds, but are not reported as revenue in the Statement of Activities.	(188,238,205)
Pension/OPEB activity is recorded as a expense in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	4,110,869
Internal service funds charge the costs of maintenance and healthcare services to governmental funds and are a reduction of expenses in the Statement of Activities.	6,860,307
Internal service funds' revenues and expenses not recorded in the governmental funds.	2,506,933
Change in Net Position of Governmental Activities	<u>\$ 126,344,121</u>

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

HENRICO COUNTY, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

Exhibit 5

	Business-type Activities Enterprise Fund Water and Sewer Revenue	Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ 200,234,644	\$ 50,126,323
Receivables, net	33,649,287	2,540,615
Due from other funds	961,899	1,862,548
Due from component unit	-	23,318
Inventories	1,427,338	856,530
Restricted cash and cash equivalents	57,577,931	-
Total current assets	293,851,099	55,409,334
Noncurrent assets:		
Other assets	3,501,895	-
Capital and intangible assets:		
Right to use assets, net	1,922	1,145
Land and construction in progress	413,366,060	-
Other capital assets, net	1,191,893,254	14,584,001
Capital assets, net	1,605,261,236	14,585,146
Total non-current assets	1,608,763,131	14,585,146
Total assets	1,902,614,230	69,994,480
Deferred Outflows of Resources:		
Contributions after measurement date	3,029,409	619,505
Change in proportionate share allocation	23,610	21,742
Change of assumptions	836,328	175,802
Difference between actual and expected experience	1,769,783	389,542
Deferred loss on debt refunding, net	26,911,883	-
Total deferred outflows of resources	32,571,013	1,206,591
Total assets and deferred outflows of resources	1,935,185,243	71,201,071
Liabilities:		
Current liabilities:		
Accounts payable	23,746,176	637,962
Deposits payable	1,013,320	-
Due to other funds	111,496	29,101
Accrued liabilities	2,878,412	18,893,798
Unearned revenues	12,043,750	-
Long-term liabilities due within one year	18,623,303	309,289
Total current liabilities	58,416,457	19,870,150
Noncurrent liabilities:		
Net pension liability	14,378,607	3,122,151
Net OPEB liability	876,968	175,665
Long-term liabilities due in more than one year	410,646,797	-
Total non-current liabilities	425,902,372	3,297,816
Total liabilities	484,318,829	23,167,966
Deferred Inflows of Resources:		
Change in proportionate share allocation	697,279	49,649
Difference between actual and expected experience	1,623,720	240,627
Difference between projected and actual earnings	1,329,158	280,456
Change of assumptions	518,786	109,802
Other - leases	42,034	-
Total deferred inflows of resources	4,210,977	680,534
Total liabilities and deferred inflows of resources	488,529,806	23,848,500
Net Position:		
Net investment in capital assets	1,196,933,771	14,585,146
Restricted for debt service	29,663,629	-
Unrestricted net position	220,058,037	32,767,425
Total net position	\$ 1,446,655,437	\$ 47,352,571

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

**HENRICO COUNTY, VIRGINIA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Exhibit 6

	Business-type Activities Enterprise Fund Water and Sewer Revenue	Internal Service Funds
Operating Revenues:		
Charges for services:		
Water system	\$ 76,166,226	\$ -
Sewer system	75,903,881	-
Interdepartmental charges	-	23,715,692
Contributions	-	150,846,542
Other	677,313	5,170,619
Total operating revenues	152,747,420	179,732,853
Operating Expenses:		
Purchased services	16,013,675	-
Utility charges	8,394,794	182,068
Personnel services and benefits	24,567,140	162,488,754
Professional services	14,346,237	67,940
Materials and supplies	12,315,083	13,602,241
Maintenance and repairs	5,657,945	4,336,331
Other expenses	8,290,940	1,761,850
Depreciation and amortization	34,808,758	3,390,053
Total operating expenses	124,394,572	185,829,237
Operating income (loss)	28,352,848	(6,096,384)
Nonoperating Revenues (Expenses):		
Investment income	5,957,782	2,281,849
Connection fees	22,119,023	-
Contributions	6,829,679	-
Interest expense	(11,497,246)	-
Gain on sale of equipment	-	225,084
Other	242,953	-
Total nonoperating revenues, net	23,652,191	2,506,933
Income before capital contributions	52,005,039	(3,589,451)
Capital contributions - donated assets	14,592,606	-
Change in net position	66,597,645	(3,589,451)
Total net position - June 30, 2023	1,380,057,792	50,942,022
Total net position - June 30, 2024	\$ 1,446,655,437	\$ 47,352,571

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

**HENRICO COUNTY, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Exhibit 7

	Business-type Activities Enterprise Fund Water and Sewer Revenue	Internal Service Funds
Cash Flows From Operating Activities:		
Receipts from customers	\$ 147,996,758	\$ 179,221,209
Payments to suppliers	(61,068,727)	(170,665,026)
Payments to employees	(20,030,406)	(4,833,426)
Net cash provided by operating activities	<u>66,897,625</u>	<u>3,722,757</u>
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets	(61,071,139)	(4,004,734)
Proceeds from sale of capital assets	129,905	260,115
Connection fees paid by contractors	25,131,867	-
Contributions	7,150,312	-
Virginia Nutrient Removal Credits	166,230	-
Interest paid on bonds	(11,602,281)	-
Principal paid on debt	(18,060,000)	-
Net cash used in capital and related financing activities	<u>(58,155,106)</u>	<u>(3,744,619)</u>
Cash Flows From Investing Activities:		
Investment income received	<u>5,957,782</u>	<u>2,281,849</u>
Net Increase in Cash and Cash Equivalents	<u>14,700,301</u>	<u>2,259,987</u>
Total Cash and Cash Equivalents - June 30, 2023	<u>243,112,274</u>	<u>47,866,336</u>
Total Cash and Cash Equivalents - June 30, 2024	<u><u>\$ 257,812,575</u></u>	<u><u>\$ 50,126,323</u></u>
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ 28,352,848	\$ (6,096,384)
net cash provided by operating activities:		
Depreciation	34,808,758	3,388,410
Amortization	-	1,643
Increase in accounts and notes receivable	(4,105,251)	(415,471)
Increase in inventories	(75,256)	(13,712)
Increase in due from other funds	-	(98,655)
Decrease in due from component unit	-	2,482
(Increase) decrease in deferred outflows of resources	(409,482)	89,880
Increase in accounts payable	143,957	211,215
Increase in accrued liabilities	7,712,772	6,825,445
Increase (decrease) in accrued compensated absences	291,985	(1,665)
Increase in due to other fund	-	3,321
Increase in net pension liability	1,726,681	386,377
Decrease in net OPEB liability	(724,264)	(146,053)
Decrease in deferred inflows of resources	(170,232)	(414,076)
Decrease in unearned revenues	<u>(654,891)</u>	<u>-</u>
Net cash provided by operating activities	<u><u>\$ 66,897,625</u></u>	<u><u>\$ 3,722,757</u></u>
Reconciliation to Cash and Cash Equivalents on the Statement of Net Position:		
Cash and cash equivalents	\$ 200,234,644	\$ 50,126,323
Restricted cash and cash equivalents	<u>57,577,931</u>	<u>-</u>
Total Cash and Cash Equivalents - June 30, 2024	<u><u>\$ 257,812,575</u></u>	<u><u>\$ 50,126,323</u></u>

Supplemental disclosure of noncash investing and financing activities:

The Water and Sewer Fund received donated assets in the form of infrastructure provided by developers of new subdivision throughout the County. The value of the assets received during the year was \$14,592,606.

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

HENRICO COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY
NET POSITION
JUNE 30, 2024

Exhibit 8

	<u>Healthcare OPEB Trust</u>	<u>Custodial Funds</u>
Assets:		
Cash and cash equivalents	\$ -	\$ 1,851,817
Investments:		
Pooled funds	105,572,384	-
Total investments	<u>105,572,384</u>	<u>-</u>
Accounts receivable	-	68,771
Prepaid	-	459
Due from other governments	-	323
Deferred outflows	-	1,264,203
Right to use asset, net	-	16,769
Total Assets	<u>105,572,384</u>	<u>3,202,342</u>
Liabilities:		
Accounts payable	-	18,354
Total Liabilities	<u>-</u>	<u>18,354</u>
Fiduciary Net Position:		
Funds restricted for postemployment		
benefits other than pensions	105,572,384	-
Funds restricted for others	-	3,183,988
	<u>\$ 105,572,384</u>	<u>\$ 3,183,988</u>

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

HENRICO COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit 9

	<u>Healthcare OPEB Trust</u>	<u>Custodial Funds</u>
Additions:		
Contributions		
Employer	\$ 7,913,006	\$ -
Members	-	1,554,093
Total contributions	7,913,006	1,554,093
Tuition income	-	3,634,587
State and federal grants	-	241,831
Pass-through funds	-	413,280
Investment income	8,165,598	10
Less investment expenses	(66,867)	-
Net, investment income	8,098,731	10
Total additions, net	16,011,737	5,843,801
Deductions:		
Benefit payments/refunds	5,228,676	1,822,443
Administrative expenses	1,197	-
Operations expenses	-	3,547,637
Total deductions	5,229,873	5,370,080
Net increase in fiduciary net position	10,781,864	473,721
Fiduciary net position restricted for postemployment benefits other than pensions and other beneficiaries:		
Total Fiduciary Net Position at June 30, 2023	94,790,520	2,710,267
Total Fiduciary Net Position at June 30, 2024	\$ 105,572,384	\$ 3,183,988

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

**HENRICO COUNTY, VIRGINIA
STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2024**

Exhibit 10

	School Board	James River Juvenile Detention Commission	Total
Assets:			
Cash and cash equivalents	\$ 165,688,387	\$ 4,849,603	\$ 170,537,990
Restricted cash	-	45,078	45,078
Due from other governmental units	67,812,121	26,995	67,839,116
Inventories	63,963	-	63,963
Receivables net	37	478,229	478,266
Other assets	87,001	-	87,001
Total current assets	233,651,509	5,399,905	239,051,414
Capital and intangible assets:			
Right to use assets, net	30,268,819	551	30,269,370
Land and construction in progress	102,694,584	84,885	102,779,469
Other capital assets, net	248,793,267	4,237,980	253,031,247
Capital and intangible assets, net	381,756,670	4,323,416	386,080,086
Total assets	615,408,179	9,723,321	625,131,500
Deferred Outflows of Resources:			
Change in proportionate share allocation	5,355,836	29,595	5,385,431
Contributions after measurement date	73,242,487	635,060	73,877,547
Change in assumptions	17,906,642	193,840	18,100,482
Difference between expected and actual experience	50,825,809	395,191	51,221,000
Total deferred outflows of resources	147,330,774	1,253,686	148,584,460
Total Assets and Deferred Outflows of Resources	762,738,953	10,977,007	773,715,960
Liabilities:			
Accounts payable	6,916,802	132,273	7,049,075
Accrued liabilities	77,488,258	416,444	77,904,702
Amount held for others	83,866	-	83,866
Unearned revenues	31,060,384	-	31,060,384
Due to other funds	-	23,318	23,318
Due to Primary Government	-	736,409	736,409
Long-term liabilities due within one year	20,702,099	245,078	20,947,177
Total current liabilities	136,251,409	1,553,522	137,804,931
Noncurrent liabilities:			
Net pension liability	363,495,556	3,052,756	366,548,312
Net OPEB liability	56,592,297	184,821	56,777,118
Long-term liabilities due in more than one year	23,616,995	-	23,616,995
Total liabilities	443,704,848	3,237,577	446,942,425
Total liabilities	579,956,257	4,791,099	584,747,356
Deferred Inflows of Resources:			
Change in proportionate share allocation	6,756,226	130,687	6,886,913
Difference between expected and actual experience	26,069,186	407,971	26,477,157
Difference between projected and actual pension earnings	24,453,190	353,724	24,806,914
Change in assumptions	15,451,973	111,861	15,563,834
Other - leases	108,218	-	108,218
Total deferred inflows of resources	72,838,793	1,004,243	73,843,036
Total Liabilities and Deferred Inflows of Resources	652,795,050	5,795,342	658,590,392
Net Position (deficit):			
Net investment in capital assets	339,499,607	4,322,763	343,822,370
Restricted grants	8,725,780	96,119	8,821,899
Unrestricted (deficit)	(238,281,484)	762,783	(237,518,701)
Total Net Position (Deficit)	\$ 109,943,903	\$ 5,181,665	\$ 115,125,568

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

**HENRICO COUNTY, VIRGINIA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Exhibit 11

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		Total
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	School Board	JRJDC	
Governmental Activities:							
School Board:							
Instructional	\$ 764,889,088	\$ 4,398,835	\$ 523,192,514	\$ -	\$ (237,297,739)	\$ -	\$ (237,297,739)
Total School Board	764,889,088	4,398,835	523,192,514	-	(237,297,739)	-	(237,297,739)
Business-type Activities:							
James River Juvenile Detention Commission	7,477,942	1,337,191	2,021,538	-	-	(4,119,213)	(4,119,213)
Total Component Units	<u>\$ 772,367,030</u>	<u>\$ 5,736,026</u>	<u>\$ 525,214,052</u>	<u>\$ -</u>	<u>\$ (237,297,739)</u>	<u>\$ (4,119,213)</u>	<u>\$ (241,416,952)</u>
General revenues:							
Interest and investment earnings					\$ -	\$ 344,408	\$ 344,408
Recovered costs					558,547	-	558,547
Miscellaneous					15,019,114	-	15,019,114
Payment from Primary Government					310,022,872	3,805,410	313,828,282
Total general revenues					<u>325,600,533</u>	<u>4,149,818</u>	<u>329,750,351</u>
Change in net position					88,302,794	30,605	88,333,399
Total Net Position at June 30, 2023					21,641,109	5,151,060	26,792,169
Total Net Position at June 30, 2024					<u>\$ 109,943,903</u>	<u>\$ 5,181,665</u>	<u>\$ 115,125,568</u>

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

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the County of Henrico, Virginia ("County") conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the County's more significant accounting policies:

A. Reporting Entity

As required by GAAP, the County's financial statements present the primary government and its component units, entities for which the government is considered financially accountable and have a financial benefit or burden relationship with the primary government. Blended component units, although legally separate entities, are, in substance, part of a government's operations and so data from these units are combined with data of the primary government. The County has no component units that meet the requirements for blending. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the primary government. Each of the County's discretely presented component units has a June 30 fiscal year-end.

In accordance with GAAP, the County has presented those entities which comprise the reporting entity (the primary government and discretely presented component units) in the government-wide statements.

Discretely Presented Component Units:

School Board

The County of Henrico School Board ("School Board" or "School") is a legally separate organization providing elementary and secondary public education to residents within the County's jurisdiction and is fiscally dependent on the County, receiving nearly half of its funding from the County. The nature and significance of the relationship between the County and the School Board is such that excluding the School Board would cause the County's financial statements to be misleading and incomplete. The School Board has not prepared a separate financial report.

James River Juvenile Detention Commission

The James River Juvenile Detention Commission ("JRJDC" or "Commission") is a separate organization established to provide a juvenile detention facility for the Counties of Goochland, Henrico and Powhatan. There are five voting members of the Commission, of which three members represent the County and one each represents the Counties of Goochland and Powhatan. Their respective county boards appoint the five Commission members. The Commission is financially dependent on the member jurisdictions. The operating costs are allocated among the member jurisdictions based on proportionate usage. The Commission does not prepare a separate financial report.

Joint Ventures:

Capital Region Airport Commission

The Capital Region Airport Commission is an intergovernmental joint venture and issues separate financial statements. The required information for the joint venture is presented in Note 21.

Greater Richmond Convention Center Authority

The Greater Richmond Convention Center Authority is an intergovernmental joint venture and issues separate financial statements. The required information for the joint venture is presented in Note 21.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

B. Government-wide and Fund Financial Statements

In accordance with GAAP, the County's financial statements are comprised of the following components:

Government-wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all the County's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the primary government (government and Business-type activities) and its discretely presented component units. The *Statement of Net Position* presents information on all the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the resulting difference reported as *net position*. The County reports all capital assets, including infrastructure, net of accumulated depreciation, in the government-wide Statement of Net Position and reports depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The net position of the County is broken down into three categories: 1) net investment in capital assets; 2) restricted net position; and 3) unrestricted net position.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of the County'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).

Fund Financial Statements - The Fund financial statements organize and report the financial transactions and balances of the County based on fund categories. Separate financial statements for each of the County's three fund categories – Governmental (General, Special Revenue, Debt Service and Capital Projects), Proprietary (Water and Sewer Revenue) and Fiduciary are presented. Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. For the governmental funds, the financial statements consist of a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances, which are presented on current financial resources and modified accrual basis of accounting. This is how these funds are normally budgeted.

For the proprietary funds, the financial statements consist of a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. For the fiduciary funds, the financial statements consist of a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

Reconciliation of Government-wide and Fund Financial Statements - Since the Governmental funds' financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a summary reconciliation of the difference between total fund balances as reflected on the governmental funds' Balance Sheet and total governmental activities Statement of Net Position as shown on the Government-wide Statement of Net Position is presented in Exhibit 3. In addition, a summary reconciliation of the difference between the total net change in fund balances as reflected on the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances and the change in net position of Governmental activities as shown on the Government-wide Statement of Activities is presented in Exhibit 4.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or Business-type. In the government-wide Statement of Net Position, both the governmental and Business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

The Statement of Net Position presents the County's net investment in capital assets, restricted net position and unrestricted net position. Net investment in capital assets, consists of net capital assets less related long-term liabilities, plus unspent bond proceeds, plus deferred loss on debt refunding, net. Restricted net position consists of amounts restricted by external sources related to capital projects, debt service and amounts received in the Special Revenue Fund. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

The Government-wide Statement of Activities reflects both the gross and net cost per functional category (e.g., public safety, public works, health and welfare, etc.), which are otherwise being supported by general government revenues (e.g., property taxes, 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 to determine net costs by function. The program revenues must be directly associated with the function (e.g., public safety, public works, health and welfare, etc.) or the Business-type activity.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. The County does not allocate indirect expenses. The operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants.

The governmental funds' financial statements are presented on a current financial resource measurement focus and the modified accrual basis of accounting, which is how these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented, which briefly explains the adjustments necessary to reconcile the fund financial statements with the government-wide financial statements.

The County's fiduciary funds, which consist of custodial funds, are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (e.g., private parties, long-term disability participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The focus of the government-wide model is on the County as a whole, while the fund financial statements, including the major individual funds of the governmental and Business-type categories, fiduciary funds, and the component units provide focus on the distinctive units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

In the fund financial statements, financial transactions and accounts of the County are organized based on funds which are considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The funds are grouped in the fund financial statements into fund types as follows:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Governmental Funds:

General Fund

The General Fund accounts for all revenues and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the Commonwealth of Virginia ("Commonwealth" or "State").

A significant part of the General Fund's revenues is used to maintain and operate the general government or is transferred to other funds principally to fund debt service requirements and capital projects. General Fund revenues are used to reduce long-term liabilities including claims payable, accrued compensated absences and pension liabilities. Expenditures include, among other things, those for public safety, highways and streets, welfare, culture and recreation. The General Fund is considered a major fund for reporting purposes.

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Special Revenue Fund consists mainly of state and federal grants that have specific grant restrictions imposed. A portion of the revenues received in this fund are used to reduce the landfill liability each year. The Special Revenue Fund is considered a major fund for reporting purposes.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on all governmental funds' long-term debt except for accrued compensated absences and lease obligations for equipment, which are paid by the fund incurring such expenditures. Debt Service Fund resources are derived from transfers from the General Fund. The Debt Service Fund is considered a major fund for reporting purposes.

Capital Projects Fund

The Capital Projects Fund includes activity for all general government and school related capital projects which are financed through a combination of proceeds from general obligation bonds and transfers from the General Fund. The Capital Projects Fund is considered a major fund for reporting purposes.

Proprietary Funds:

Enterprise Fund

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. All assets and deferred outflows, liabilities and deferred inflows, net position, revenues, expenses, and payments relating to the government's business activities are accounted for through these funds. The measurement focus is on determination of change in net position, financial position, and cash flows. Operating revenues include charges for services and are used to pay for compensated absences, pension costs and other operating expenses. Operating expenses include costs of services, as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

This major fund includes the operation, maintenance and construction of the County-owned water and wastewater ("sewer") utility (considered a single segment for financial reporting purposes) and is presented as a Business-type activity in the government-wide financial statements.

The County's Belmont Park Golf Course reported operations as an enterprise fund as of June 30, 2020, and prior years. On December 10, 2019, the County signed an agreement with First Tee - Greater Richmond ("First Tee") to take over the operation and management of Belmont Golf Course. The agreement is for 20

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

years, and First Tee retains the right to establish all fees and has rights to all the revenues received during the management agreement. Henrico County continues to retain the ownership of all the property at Belmont Golf Course during the term of the agreement with First Tee. On January 1, 2020, Belmont Golf Course was closed to the public to undergo extensive renovations. Belmont Golf Course reopened for the public on May 29, 2021. As of June 30, 2021, the County has discontinued reporting the operations of Belmont Golf Course as an enterprise fund.

Internal Service Funds

The Internal Service Funds account for the County's Central Automotive Maintenance operations, Technology Replacement operations and self-funded health insurance fund. Resources for these funds come from interdepartmental charges. The effect of the interdepartmental activity has been eliminated from the government-wide financial statements using a net profit (loss) allocation method. The excess revenue for the fund is allocated to the appropriate functional activity within governmental, Business-type and component unit activities. The Internal Service Funds are included in governmental activities for government-wide reporting purposes. Inter-fund services that are provided and used are not eliminated in the process of consolidation. External revenues received are reported within governmental activities for government-wide reporting purposes.

Fiduciary Funds:

Custodial Funds account for fiduciary funds administered by the County and are custodial in nature (assets equal liabilities and fiduciary net position) and have full accrual measurement focus. The County Custodial Funds consist of the Jail Inmate Fund, Special Welfare, Mental Health and Developmental Services (MHDS) Clients, Non-Judicial Tax Sales and Code RVA. The Jail Inmate Fund accounts for receipts and disbursement of monies for jail inmates for use in the jail commissary. The Special Welfare Fund accounts for the receipts and disbursements of monies maintained in individual accounts for certain County welfare recipients. The MHDS Fund accounts for receipts and disbursements of monies maintained for individual clients. The Non-Judicial Tax Sales Fund accounts for receipts and disbursements of monies received from delinquent tax sales. Code RVA accounts for the receipts and disbursement of monies received from School Boards and State Agencies to operate the Code RVA Regional High School. The Healthcare OPEB Plan Trust Fund accumulates assets to pay future healthcare postretirement benefits other than pensions.

Measurement Focus of the Basic Financial Statements:

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their Balance Sheet. Their reported fund balance ("net current assets") is considered a measure of "available resources to be spent". Governmental Funds' operating statements present increases (e.g., revenues and other financing sources) and decreases (e.g., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available expendable resources" during a period. Capital assets and long-term liabilities are not recorded in the fund financial statements; however, a reconciliation of the fund balance to the Statement of Net Position for the governmental activities in the government-wide financial statements is provided to account for the differences between the two statements and measurement focuses (e.g., capital assets and long-term liabilities, etc.).

All Proprietary Funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or non-current) associated with their activity are included on their statement of net position. Each of their reported net position is segregated into net investment in capital assets, restricted and unrestricted net position. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

C. Capital and Right to Use Assets

Capital outlays are recorded as expenditures of the General, Special Revenue and Capital Projects Funds. Capital assets are recorded in the government-wide financial statements to the extent the County's capitalization threshold of \$10,000 for equipment and \$25,000 for buildings, improvements, infrastructure, and software are met. All land is capitalized. Depreciation is recorded on general capital assets on a governmental-wide basis using the straight-line method. The estimated useful lives are as follows:

Buildings	25 - 50 years
Improvements	20 - 50 years
Equipment	4 - 30 years
Infrastructure	10 - 65 years

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Estimated historical cost was primarily used for land costs (for which the historical assessment records of the County were used). Donated capital assets are valued at their acquisition value on the date donated. When capital assets are sold or retired, their costs are removed from the accounts and the gain or loss for the disposal is reflected in the statement of activities.

The initial measurement of right to use lease assets includes the initial lease liability and initial direct costs. The initial lease liability consists of the present value of future lease payments and the present value of any purchase options. Initial direct costs are incremental costs that would not have been incurred if the lease had not been executed. Right to use assets are amortized over the shorter of the life of the asset or the lease term. Right to use assets useful life are the same as capital assets noted above.

The County adopted Senate Bill 276 that was added to the Code of Virginia in 2002, which revised the reporting of local school capital assets and related debt for financial statement purposes. Under the 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. This legislation permits the County to report the portion of the school property related to general obligation bonds outstanding, eliminating any potential deficit from capitalizing school capital assets financed with debt.

Proprietary Funds

Capital assets for the Proprietary Funds are stated at cost, net of accumulated depreciation. Right to use assets are stated at cost, net of accumulated amortization and are amortized over the shorter of the life of the asset or the lease term. Right to use assets useful life are the same as capital assets noted below. Gifts, donations, or contributions of capital assets are recorded at their acquisition value at date of receipt and are recorded as contribution revenues. Depreciation of all exhaustible capital assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported as a contra-asset account on the Proprietary Funds' Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Buildings	25 - 50 years
Improvements	20 - 50 years
Equipment	4 - 30 years
Infrastructure	10 - 65 years

When Proprietary Funds' assets are sold or retired, their costs and related accumulated depreciation are removed from the accounts and the gains or losses are reflected in the statement of revenues, expenses and changes in net position.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

D. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and reported amounts of revenues and expenditures/expenses during the reporting period. Management may also make estimates of commitments and contingencies at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements consist of separate statements of net position and of activities. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 when all eligibility requirements imposed by the provider have been met and amounts are measurable. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of these activities are included on the Statement of Net Position.

Governmental Funds' Financial Statements

Governmental funds' financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and related assets are recorded when susceptible to accrual, (i.e., both measurable and available to finance operations during the year.) Accordingly, real and personal property taxes are recorded as receivables when billed and recognized as revenues when available and collected, net of allowances for uncollectible amounts. As required by Virginia statute, property taxes not collected within 60 days after year end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the State and public utilities and subsequently remitted to the County, are recognized as revenues and receivables when collected by the State and the utility (generally in the month preceding receipt by the County). Licenses, permits, and fines are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, state and other grants used for the purpose of funding specific expenditures, are recognized when earned (i.e., fiscal year in which all eligibility requirements, including time requirements, if any, have been satisfied) or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt, which are recorded when paid.

Proprietary Funds

The accrual basis of accounting is used for the Enterprise and Internal Service Funds. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which they are incurred.

Custodial Funds

Custodial Funds use the economic resources measurement focus.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

F. Budgets and Budgetary Accounting

Required Supplementary Information - Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of the County's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. In accordance with GAAP reporting requirements, governments provide budgetary comparison information in their annual reports by disclosing the government's original budget to the current comparison of final budget and actual results (see Exhibits 12 and 13).

The County adheres to the following procedures in establishing the budgetary data reflected in the supplementary financial information and schedules:

In January, the Superintendent of Schools submits a proposed budget to the School Board, which conducts public hearings to obtain taxpayer comments. The School Board will then adopt a School Budget and submit it to the County Board of Supervisors before March 1st.

Prior to April 1st, the County Manager submits to the County Board of Supervisors (the "Board") a proposed operating budget for the fiscal year commencing July 1st, which includes the proposed school budget. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. The Board will hold a public hearing on the total County budget (including Schools) and then adopt the County budget before the end of April. Prior to May 1st, the budget is legally enacted through passage of a resolution. Prior to July 1st, the Board approves the Appropriations Resolution (the "Resolution"). The Resolution places legal restrictions on expenditures at the function level.

The County Manager is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total budgeted amounts and/or appropriations of any fund. Although legal restrictions on expenditures are established at the function level, effective administrative control over expenditures is maintained through the establishment of more detailed line-item budgets.

Budgets are adopted on a basis consistent with GAAP. Annual operating budgets are adopted for all Governmental Funds (including Schools) except for the Capital Projects Fund, in which effective budgetary control is achieved on a project-by-project basis when funding sources become available. Budgeted amounts shown are amended by the Board during the course of the fiscal year.

All appropriations lapse at year-end, except those for the Capital Projects Fund. It is the intention of the Board that appropriations for Capital Projects continue until completion of the project. The Board, in an appropriation Board paper, reaffirms this each year.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund and Capital Projects Fund. While appropriations lapse at the end of the fiscal year for the General Fund and Special Revenue Fund, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances.

H. Inventories and Prepaid Expenses

Proprietary Funds

Inventories consist mainly of supplies and spare parts held for consumption, which are valued by methods which approximate average cost. Prepaid expenses represent a deposit made to an outside company for postage for the weekly mailing of utility bills. Amounts are expensed under the consumption method as the bills are mailed.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

I. Interest Costs

In accordance with GAAP, the Water and Sewer Revenue Fund does not include net interest costs incurred during the construction period on funds borrowed to finance the acquisition or construction of major facilities. For the year ended June 30, 2024, the Water and Sewer Revenue Fund expensed interest costs of \$11,497,246.

J. Accrued Compensated Absences

Annual leave is granted to all permanent County employees and certain permanent County School System ("School") employees. County and School employees can earn annual leave at the rate of 4 hours for every 80 standard hours worked up to a maximum of 9 hours for every 80 standard hours after 25 years of service. While there is no requirement that annual leave be taken, the maximum permissible accumulation is 468 hours for County employees and 52 days for School employees. Accumulated annual leave vests and the County is obligated to make payment even if the employee terminates. The current and non-current liability for unused and unpaid annual leave attributable to the County's Governmental Funds is recorded in the government-wide financial statements. The amounts attributable to the Proprietary Funds (Enterprise and Internal Service Funds) are charged to expense and corresponding liabilities established in the applicable Proprietary Funds.

County and School Board employees in the Virginia Retirement System (VRS) Plan 1 or 2, can earn sick leave at the rate of 4 hours for every 80 standard hours worked and 13 days per year, respectively, without limitation on accumulation. Sick leave is non-vesting except for employees retiring from service. Retiring employees are vested at a rate of \$4.00 for every hour of sick leave earned with a maximum payment of \$15,000. County and School Board employees in the VRS Hybrid Plan can earn sick leave at the rate of 3 hours for every 80 hours, not to exceed 78 hours at any time. In accordance with GAAP, the sick leave liability has been recorded using the termination payment method.

Compensated absences are charged to the General Fund and Internal Service Funds for Governmental Activities, the Water and Sewer Fund for Business-type Activities and the Schools and JRJDC Funds for Component Unit Activities.

K. Deferred Outflows/Inflows of Resources

The County reports deferred outflows of resources and deferred inflows of resources on its statement of Net Position. Deferred outflows of resources represent a consumption of net assets that applies to future periods and is not recognized as an outflow of resources (expense) until the applicable period. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until a future period.

Employer contributions made after the measurement date of the net pension liability and net OPEB liability of June 30, 2023, for the VRS pension and OPEB plans and prior to the reporting date of June 30, 2024, have been reported as deferred outflows of resources in the Statement of Net Position as of June 30, 2024. Deferred outflows of resources of \$49,655,929, \$3,029,409, and \$73,877,547 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2024, respectively, for such contributions made after the measurement date. Employer contributions made to the VRS are charged to the General Fund and Internal Service Funds for Governmental Activities, the Water and Sewer Fund for Business-type Activities and the Schools and JRJDC Funds for Component Unit Activities.

Changes in the proportionate share allocation between the beginning of the year measurement date of the net pension liability and net OPEB liability and the end of the year measurement date have been reported as either a deferred outflows of resources or deferred inflows of resources in the Statement of Net Position as of June 30, 2024. The County has reported deferred outflows of resources of \$1,139,040, \$23,610, and \$5,385,431 and deferred inflows of resources of \$452,849, \$697,279, and \$6,886,913 in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2024, respectively for such changes in proportionate share allocation.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Changes of assumptions as of the measurement dates have been reported as deferred outflows and inflows of resources. Deferred outflows of resources of \$14,134,736, \$836,328, and \$18,100,482 and deferred inflows of resources of \$18,831,480, \$518,786, and \$15,563,834 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2024, respectively, for such changes in assumptions.

Differences between actual and expected experience as of the measurement date have been reported as either a deferred outflows of resources or deferred inflows of resources. The County has reported deferred outflows of \$33,950,857, \$1,769,783, and \$51,221,000 and deferred inflows of resources of \$15,952,101, \$1,623,720, and \$26,477,157 in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2024, respectively, for such differences between actual and projected experience.

Differences between the projected and actual earnings on pension and OPEB plan investments during the measurement years have been reported as a deferred inflow of resources in the Statement of Net Position as of June 30, 2024. Deferred inflows of resources of \$21,527,735, 1,329,158 and \$24,806,914 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2024, respectively, for such differences between projected and actual earnings.

Deferred inflows of resources of \$7,937,381, \$42,034, and \$108,218 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2024, respectively, for lease receivables deferred inflows of resources.

The Water and Sewer Revenue Fund reports a deferred loss on debt refunding, net as a deferred outflow of resources presented on the Business-type Activities and Proprietary Funds' Statements of Net Position. The deferred loss on refunding results from the net difference in the carrying value of refunded debt and its reacquisition price of the refunding debt. This net difference amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The County has reported a deferred loss on the refunding of debt of \$26,911,883 as a deferred outflow of resources on both the Business-type Activities and Proprietary Funds' Statements of Net Position as of June 30, 2024.

The County has reported deferred inflows of resources of \$283,835,700 as a deferred inflows of resources on the Governmental Funds' Balance Sheet as of June 30, 2024 and includes \$7,937,381 in deferred lease revenue, unavailable revenues consist of \$28,680,212 in tax collections received in advance (due December 5, 2024), \$243,274,092 in unearned tax revenues representing uncollected tax billings not available for funding of current expenditures and \$3,944,015 in advanced grant funding received as of June 30, 2024.

L. Nonspendable, Restricted, Committed, Assigned and Unassigned Fund Balance

The County's governmental funds' balance classifications are categorized as nonspendable, restricted, committed assigned and unassigned based on the constraints placed on those resources by various levels of authority both within and external to the County. The County spends restricted fund balance amounts first, then committed fund balance amounts, then assigned fund balance amounts and then unassigned fund balance amounts.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories, long-term loans and notes receivable. The County does not have nonspendable fund balance at June 30, 2024.

Restricted fund balances are amounts that are restricted for specific purposes by external parties such as creditors, grantors, constitutional provisions or through enabling legislation. Enabling legislation authorizes the government to levy, assess, or charge external resource providers and includes a legally enforceable requirement that the resources be used for a particular purpose specified in the legislation.

Committed fund balances are amounts that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority (i.e., the County's Board of Supervisors). Committed amounts cannot be used for any other purpose unless the commitment is changed by similar action of the Board of Supervisors and the committing action must be taken prior to year-end although the exact dollar amount may be

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

determined in a subsequent period. The highest level of formal action approved by the County's Board of Supervisors to establish, modify, or rescind a fund balance commitment can be either a resolution or ordinance. Both an ordinance and resolution are equally binding, and a majority vote is required by the County's Board of Supervisors to change an ordinance or amend a resolution.

Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by the governing body itself, or subordinate high-level body, or official possessing such authority in accordance with government's policy. The expression of intent does not have to be made prior to year-end. Intent is stipulated by actions taken by a majority vote of the County's Board of Supervisors where those actions provide the County Manager and the Director of Finance the authority to assign fund balances.

Unassigned fund balance is the residual fund balance amount for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. Unassigned fund balance is only shown in the County's and School's General Fund balances. Effective with the implementation of GAAP relating to unassigned fund balances, the County's previous policy related to "unreserved fund balance" was redefined to be a policy for "unassigned fund balance." Unassigned fund balance is maintained at a level of 15.0 percent of General Fund expenditures. The policy of maintaining this reserve is examined annually during the budget process.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The County's fund balance consists of the following balances:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
Fund balances:				
Restricted for:				
Road Construction	\$ 4,431,525	\$ -	\$ -	\$ -
Imaging System Upgrades	268,490	-	-	-
Drug Enforcement	-	1,700,490	-	-
Public Safety	-	18,166	-	-
Mental Health Programs	-	21,840,915	-	-
Social Service Programs	-	<u>23,817,569</u>	-	-
Total Restricted	<u>4,700,015</u>	<u>47,377,140</u>	-	-
Committed				
Public Works	2,500,000	-	-	99,409,738
Technology Improvements	2,200,000	-	-	3,448,395
Building and Grounds	10,000,000	-	-	21,983,414
Road Maintenance	-	-	-	163,697,585
Community Development	-	-	-	14,030,368
Community Revitalization	4,750,000	-	-	-
Landfill and Utilities	-	-	-	48,549,428
Public Safety Projects	8,800,000	-	-	6,121,990
Parks and Recreation	2,000,000	-	-	16,563,264
Libraries	-	-	-	43,941
Education Projects	<u>26,000,000</u>	-	-	<u>30,160,852</u>
Total Committed	<u>56,250,000</u>	-	-	<u>404,008,975</u>
Assigned to:				
Public Works	-	21,174,858	-	-
General Government	83,449,594	737,803	-	-
Capital projects	123,886,736	-	-	-
Debt Service	-	-	<u>2,877,532</u>	-
Total Assigned	<u>207,336,330</u>	<u>21,912,661</u>	<u>2,877,532</u>	-
Unassigned	<u><u>181,969,385</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

In the General Fund, the County has \$4,700,015 restricted for various projects to include \$4,431,525 restricted for public works projects and \$268,490 restricted for circuit court enhancements to imaging systems for land records. In the Special Revenue Fund, the County has \$47,377,140 restricted for various programs to include \$1,700,490 for drug enforcement, \$18,166 for commissary operations, \$21,840,915 for mental health programs and \$23,817,569 for social services programs. The County also has \$56,250,000 committed for various capital projects in the County's General Fund which include \$2,500,000 for countywide pedestrian improvements, \$2,200,000 for information technology projects, \$10,000,000 for various building and grounds rehabilitation and improvement projects, \$4,750,000 for neighborhood revitalization projects and investment programs, \$8,800,000 for public safety vehicle replacement, \$2,000,000 for recreation facility renovations and \$26,000,000 for various high school, middle school, and elementary projects for use in future fiscal years.

In the Capital Projects Fund, the County has \$404,008,975 committed for various projects to include \$99,409,738 for public works, \$3,448,395 for computer and technology improvements, \$21,983,414 for rehabilitation and

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

renovations to various buildings and grounds, \$163,697,585 for road maintenance and drainage, \$14,030,368 for community development projects, \$48,549,428 for landfill expansion and development, \$6,121,990 for public safety projects, \$16,563,264 for parks and recreation additions and improvements, \$43,941 for library renovations and \$30,160,852 for various high school, middle school and elementary projects.

In the General Fund, the County has a \$83,449,594 assigned for general government operations, which include a \$7,500,000 self-insurance reserve, a \$5,164,337 affordable housing reserve, a \$1,472,850 sports tourism reserve, a \$25,151,907 reserve for future operating costs of new facilities and a \$44,160,500 reserve for various operational costs in future years. The County also has \$123,886,736 assigned for capital projects, which includes \$27,000,000 for vehicle replacement, \$5,000,000 for a radio communication system, \$20,000,000 for financial system upgrades, \$10,641,433 for transportation and mobility projects, and \$61,245,303 for future capital projects. In the Special Revenue Fund, the County has \$21,912,661 assigned for various operations to include \$21,174,858 for public works for the County's solid waste operations and \$737,803 for street lighting and economic and workforce development within the County. In the Debt Service Fund, the County has \$2,877,532 assigned for future debt service payments. The County has \$181,969,385 in unassigned fund balance in the County's General Fund.

School has \$30,184,535 in assigned fund balance in the Schools' General Fund. Schools also have restricted fund balance for various education program grants of \$8,725,780 in the Schools' Special Revenue Fund. Schools also have committed fund balance in the Schools' Capital Projects Fund of \$75,901,339 for various high school, middle school and elementary school construction and renovation projects.

M. Statement of Cash Flows

The County has presented a statement of cash flows for the Proprietary Funds. For purposes of this statement, cash and cash equivalents are defined as short-term highly liquid investments that are readily convertible to known amounts of cash and investments with original maturities of 90 days or less.

N. Pension Plans

In accordance with GAAP, the County recognizes a net pension liability (asset) on the Statement of Net Position for the net funded status of pension plans as employees earn their pension benefits and recognizes annual pension cost under an "earnings" approach rather than a "funding" approach. Accordingly, the County's Governmental Activities, Business-type Activities, and Component Units have recorded the impact of the related net pension liability (asset), deferred outflows of resources, deferred inflows of resources, and pension expense in the accompanying financial statements in accordance with GAAP. For further information regarding the reporting entity's defined benefit pension plans, refer to notes 9 and 10 of the accompanying notes to the financial statements.

O. Other Postemployment Benefit Plans

The County participates in four other postemployment benefit (OPEB) plans, for which GAAP requirements are used for financial reporting:

Single – employer defined benefit OPEB plans:

- Healthcare (see Note 11 to the financial statements)
- Line of Duty (see Note 12 to the financial statements)

Multiple-employer defined benefit cost-sharing plans through the VRS:

- Group Life Insurance ("GLI") (see Note 13 to the financial statements)
- Teacher Health Insurance Credit Plan ("HIC") (see Note 14 to the financial statements)

The County participates in the Virginia Pooled OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund the Healthcare single-employer plan. The County presents a Statement of Fiduciary Net Position (Exhibit 8) and Statement of Changes in Fiduciary Net Position (Exhibit 9) for its proportionate share

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

of the Virginia Pooled OPEB Trust Fund. The Line of Duty plan is not administered through a trust or equivalent arrangement and is funded on a pay-as-you-go basis and, therefore, the plan has no fiduciary net position, and the County reports the total OPEB liability on its Statement of Net Position as of the measurement date.

P. New Accounting Pronouncements

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology is used in Statement 53 to refer to resource flows statements.

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective for the fiscal year ending June 30, 2022.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

- The requirements related to leases, PPPs, and SBITAs are effective for the fiscal year ending June 30, 2023.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the fiscal year ending June 30, 2024.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate number of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The County has adopted the requirements set forth in this Statement for the fiscal year ending June 30, 2024.

Q. Future Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or non-cash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The County will adopt the requirements of this statement for the fiscal year ending June 30, 2025.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The County will adopt the requirements of this statement for the fiscal year ending June 30, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve 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.

This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund’s current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund’s current or future pricing policies, and (3) all other transfers.

This Statement requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements is reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The County will adopt the requirements of this statement for the fiscal year ending June 30, 2026.

In October 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to improve the disclosure for certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets and other intangible assets. This Statement requires separate disclosure for these four types of capital assets by major class of underlying assets. This improved disclosure will allow users to make informed decisions about these asset types and to evaluate accountability.

This Statement establishes requirements for capital assets that are held for sale. Under the guidance, a capital asset is a capital asset held for sale if the government has decided to pursue the sale of the asset, and it is probable the sale will be finalized within a year of the financial statement date. A government should disclose the historical cost and accumulated depreciation of capital assets held for sale by major asset class. The County will adopt the requirements of this statement for the fiscal year ending June 30, 2026.

NOTE 2. DEPOSITS AND INVESTMENTS

The County utilizes a pooled cash and investments approach where each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed based on average monthly balances. Use of current banking processes provides

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

for daily sweeps of deposits made to County accounts, resulting in an instantaneous transfer to the investment account. Thus, the majority of funds in the County's general account are invested at all times. Exceptions to this are funds in the JRJDC checking account and the Schools' Student Activity Fund, which are not under County control. The County's pooled portfolio also excludes pension and OPEB plans, maintained by the VRS, and unspent bond proceeds maintained in the State Non-Arbitrage Pool for Virginia (SNAP), the Virginia Local Government Investment Pool (LGIP) and participating localities investments in LGIP.

The County maintains a cash and temporary investment pool that is available for use by all funds, except Schools' Student Activity Funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and temporary investments". In addition, cash and investments are separately held for several of the County's funds. Highly liquid investments with maturities of 90 days or less from date of purchase are considered cash equivalents. In accordance with GAAP, investments in LGIP are shown at amortized cost, while other investments are shown at fair value. As of June 30, 2024, the difference between amortized cost and the fair value is immaterial to the basic financial statements. Fair value is based on quoted market prices, which are provided by the County's Investment Advisor and SNAP as of June 30, 2024. The net increase in fair value of investments during the year ended June 30, 2024, was \$2,664,214. This amount considers all changes in fair value that occurred during the fiscal year.

Deposits - Bank

At June 30, 2024, the carrying value of the County's deposits with banks was \$113,406,086 and the bank balance was \$114,794,349. All the bank balance was covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"). Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks.

The carrying amount of deposits for the School Board, a discretely presented component unit, was \$14,292,336 and the bank balance was \$18,770,980. All the bank balance was covered by Federal Depository Insurance or collateralized in accordance with the Act. The carrying amount of deposits for the James River Juvenile Detention Commission, a discretely presented component unit, was \$738,837 and the bank balance was \$738,837. All the bank balance was covered by Federal Depository Insurance or collateralized in accordance with the Act.

Deposits – Fiscal Agent

At June 30, 2024, the County had deposits of \$31,576,944 with fiscal agents representing funds to meet debt service requirements in accordance with various bond resolutions and trust indentures. These deposits were collateralized in accordance with the provision of the Act.

Investments

State statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of any city, county, or town situated in any one of the states of the United States, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's, corporate notes, negotiable certificates of deposit, bankers' acceptances, repurchase agreements, money market mutual funds that invest exclusively in securities specifically permitted under the Virginia Code, and the LGIP. The County's current investment guidelines do not permit the investment of funds in repurchase agreements. During the fiscal year, the County had investments in obligations of the United States and agencies thereof, municipal bonds, commercial paper, corporate notes, negotiable certificates of deposit, money market mutual funds, and LGIP.

The County's investment guidelines establish limitations on holdings, in order to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury Securities). The maximum percentage of the portfolio permitted in each security is as follows:

U.S. Treasury Obligations (bills, notes and bonds)	100%
U.S. Government Agency Securities and Instrumentalities	70%
Bankers' Acceptances (BA's)	40%
Money Market	40%

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Certificates of Deposit (CD's) Commercial Banks	90%
Certificates of Deposit (CD's) Savings & Loan Associations	10%
Commercial Paper	35%
Local Government Investment Pool	75%
Municipal Bonds	70%
Corporate Notes	20%

The County further limits a maximum of 5 percent of the portfolio for any single bankers' acceptance or commercial paper issuer. The County maintains bond proceeds in the SNAP, a local government investment pool that is not affiliated with the Virginia Local Government Investment Pool. The County's total investment percentages in comparison to the investment guidelines are as follows:

Primary Government

	<u>Fair Value</u>	<u>Policy</u>	<u>Percent of Portfolio</u>
Municipal Bonds	\$ 13,005,756	70%	1.11%
U.S. Government Agencies	29,702,998	70%	2.51%
Commercial Paper	54,604,458	35%	4.61%
Treasury Bills	13,731,341	100%	1.16%
Treasury Notes	270,727,038	100%	22.83%
Corporate Notes	16,297,445	20%	1.37%
Certificates of Deposit	54,980,505	90%	4.64%
U.S. Government Money Market Funds	273,521,863	40%	23.07%
Local Government Investment Pool	459,076,639	75%	38.71%
Total Investments	<u>\$ 1,185,648,043</u>		<u>100.00%</u>

School Board

	<u>Fair Value</u>	<u>Policy</u>	<u>Percent of Portfolio</u>
Municipal Bonds	\$ 2,126,680	70%	1.39%
U.S. Government Agencies	4,856,984	70%	3.21%
Commercial Paper	8,928,830	35%	5.90%
Treasury Bills	2,245,326	100%	1.48%
Treasury Notes	44,268,833	100%	29.24%
Corporate Notes	2,664,931	20%	1.76%
Certificates of Deposit	8,990,320	90%	5.94%
U.S. Government Money Market Funds	2,245,703	40%	1.48%
Local Government Investment Pool	75,067,444	75%	49.58%
Total Investments	<u>\$ 151,395,051</u>		<u>100.00%</u>

James River Juvenile Detention Center

	<u>Fair Value</u>	<u>Policy</u>	<u>Percent of Portfolio</u>
Treasury Bills	\$ 2,241,195	100%	53.94%
U.S. Government Money Market Funds	644	75%	0.02%
Local Government Investment Pool	1,913,505	100%	46.05%
Total Investments	<u>\$ 4,155,344</u>		<u>100.00%</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Fair Value Hierarchy Disclosures

The County categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets. Level 2 inputs are inputs (other than quoted market prices included within Level 1) that are observable for the asset either directly or indirectly. Level 2 observable inputs can be either prices for similar assets in active markets or prices for identical assets in non-active markets. Level 3 inputs are significant unobservable inputs (the County does not value any of its investments using level 3 inputs).

The following is a summary of the fair value hierarchy of the fair value of investments of the County reporting entity as of June 30, 2024:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Primary Government

		Fair Value Measurement Using		
		Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total June 30, 2024			
Municipal Bonds	\$ 13,005,756	\$ -	\$ 13,005,756	\$ -
U.S. Government Agencies	29,702,998	29,702,998	-	-
Commercial Paper	54,604,458	-	54,604,458	-
Treasury Bills	13,731,341	13,731,341	-	-
Treasury Notes	270,727,038	270,727,038	-	-
Corporate Notes	16,297,445	-	16,297,445	-
Certificates of Deposit	54,980,505	-	54,980,505	-
U.S. Government Money Market Funds	273,521,863	273,521,863	-	-
Total Investments	<u>\$ 726,571,404</u>	<u>\$ 587,683,240</u>	<u>\$ 138,888,164</u>	<u>\$ -</u>

School Board

		Fair Value Measurement Using		
		Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total June 30, 2024			
Municipal Bonds	\$ 2,126,680	\$ -	\$ 2,126,680	\$ -
U.S. Government Agencies	4,856,984	4,856,984	-	-
Commercial Paper	8,928,830	-	8,928,830	-
Treasury Bills	2,245,326	2,245,326	-	-
Treasury Notes	44,268,833	44,268,833	-	-
Corporate Notes	2,664,931	-	2,664,931	-
Certificates of Deposit	8,990,320	-	8,990,320	-
U.S. Government Money Market Funds	2,245,703	2,245,703	-	-
Total Investments	<u>\$ 76,327,607</u>	<u>\$ 53,616,846</u>	<u>\$ 22,710,761</u>	<u>\$ -</u>

James River Juvenile Detention Center

		Fair Value Measurement Using		
		Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total June 30, 2024			
U.S. Treasury Bills	\$ 2,241,195	\$ 2,241,195	\$ -	\$ -
U.S. Government Money Market Funds	644	644	-	-
Total Investments	<u>\$ 2,241,839</u>	<u>\$ 2,241,839</u>	<u>\$ -</u>	<u>\$ -</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Fair value in an active market is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our investment custodian. Fair value is described as the exit price that assumes a transaction takes place in the County's most advantageous market in the absence of a principle market.

Investments classified in Level 3 of the fair value hierarchy are valued using significant unobservable inputs to the extent that observable inputs are not available. The County does not have any investments classified as Level 3.

Investment Risk Disclosures

The County's portfolio manager provided the day-to-day management of investments during the fiscal year. The County and its discretely presented component units' investments are subject to interest rate, credit and custodial risk as described below:

Interest Rate Risk – As a means of limiting exposure to fair value losses arising from rising interest rates, the County's investment guidelines establish limits on the County's investment portfolio for maturities of less than one year and limit investments longer than one year. Per the investment guidelines, the maximum permissible maturity for any individual security is five years.

Credit Risk – State statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivision thereof, obligations of any city, county, or town situated in one of the states of the United States, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's, corporate notes, negotiable certificates of deposit, bankers acceptances, repurchase agreements, money market mutual funds and LGIP. During the fiscal year, the County had investments in obligations of the United States and agencies thereof, municipal bonds, commercial paper, corporate notes, negotiable certificates of deposit, money market mutual funds, and LGIP. All investments are in compliance with the State statutes governing investments of public funds. The credit quality of obligations of U.S. government agencies held in the portfolio for the Federal National Mortgage Association (FNMA), the Federal Home Loan Banks (FHLB), and the Federal Home Loan Mortgage Corporation (FHLMC), received AAA ratings from Moody's and AA+ ratings from Standard & Poor's. The credit quality of the municipal bonds held in the portfolio received ratings from Moody's and Standard & Poor's which ranged from Aa2 to AAA. The commercial paper held in the portfolio received ratings from Moody's and Standard & Poor's of P-1 and A-1.

Custodial Risk – For an investment, custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment guidelines require that at the time funds are invested, collateral will be received and held in the County's name in the Trust Department of the County's independent third-party custodian, thereby minimizing custodial risk.

Investment Maturities

As of June 30, 2024, the County reporting entity had the following investments and maturities:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Primary Government

	Investment Maturities (in years)		
	Fair Value	Less than 1 year	1-5 years
Municipal Bonds	\$ 13,005,756	\$ 8,650,513	\$ 4,355,243
U.S. Government Agencies	29,702,998	21,341,396	8,361,602
Commercial Paper	54,604,458	54,604,458	-
Treasury Bills	13,731,341	13,731,341	-
Treasury Notes	270,727,038	133,383,172	137,343,866
Corporate Notes	16,297,445	-	16,297,445
Certificates of Deposit	54,980,505	54,980,505	-
U.S. Government Money Market Funds	273,521,863	273,521,863	-
Local Government Investment Pool	367,162,542	367,162,542	-
LGIP Extended Maturity	91,914,097	-	91,914,097
Total Investments	<u>\$ 1,185,648,043</u>	<u>\$ 927,375,790</u>	<u>\$ 258,272,253</u>
Total Deposits - Bank	\$ 113,406,085		
Total Deposits - Fiscal Agent	31,576,944		
Total Cash on Hand	97,571		
Total Deposits and Investments	<u>\$ 1,330,728,643</u>		

Component Units:

School Board

	Investment Maturities (in years)		
	Fair Value	Less than 1 year	1-5 years
Municipal Bonds	\$ 2,126,680	\$ 1,414,517	\$ 712,163
U.S. Government Agencies	4,856,984	-	4,856,984
Commercial Paper	8,928,830	8,928,830	-
Treasury Bills	2,245,326	2,245,326	-
Treasury Notes	44,268,833	21,810,593	22,458,240
Corporate Notes	2,664,931	-	2,664,931
Certificates of Deposit	8,990,320	8,990,320	-
U.S. Government Money Market Funds	2,245,703	2,245,703	-
Local Government Investment Pool	60,037,805	60,037,805	-
LGIP Extended Maturity	15,029,639	-	15,029,639
Total Investments	<u>\$ 151,395,051</u>	<u>\$ 105,673,094</u>	<u>\$ 45,721,957</u>
Total Deposits - Bank	\$ 14,292,336		
Total Cash on Hand	1,000		
Total Deposits and Investments	<u>\$ 165,688,387</u>		

James River Juvenile Detention Commission

	Investment Maturities (in years)		
	Fair Value	Less than 1 year	1-5 years
U.S. Treasury Bills	\$ 2,241,195	\$ 2,241,195	\$ -
U.S. Government Money Market Funds	644	644	-
Local Government Investment Pool	1,646,146	1,646,146	-
LGIP Extended Maturity	267,359	-	267,359
	<u>\$ 4,155,344</u>	<u>\$ 3,887,985</u>	<u>\$ 267,359</u>
Total Deposits	\$ 738,837		
Total Cash on Hand	500		
Total Deposits and Investments	<u>\$ 4,894,681</u>		
Total Deposit and Investments-Reporting Entity	<u>\$ 1,501,311,711</u>		

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The Mental Health and Developmental Services Fund cash of \$153,002 and Jail Inmate Fund cash of \$88,360 are not under the control of the Director of Finance, are not pooled with the Reporting Entity cash and investments and, therefore, are not included in the above presentation. These deposits were covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Healthcare OPEB Plan Investments

In an effort to assist local governments in funding their OPEB liabilities, the Virginia Association of Counties and the Virginia Municipal League established the Virginia Pooled OPEB Trust Fund (Trust Fund). The Trust Fund is an irrevocable trust offered to local governments. The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, VML/VACO Finance at 8 East Canal St., Richmond, Virginia, 23219. The County has included its proportionate share of the Trust Fund in its Fiduciary Funds financial statements (exhibits 9 and 10).

The Trust Fund is governed by a Board of Trustees composed of nine members. Trustees are elected by participants of the Trust Fund, whose votes are weighed according to each participating employer's share of the total Trust Fund assets. The Board of Trustees has adopted an investment policy to target a compound annualized rate of return over a market cycle, including current income and capital appreciation, of 7.5 percent, in a manner consistent with prudent risk-taking. The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor and evaluate the performance of the investments and the Trust Fund's investment advisors in light of available investment opportunities, market conditions, and publicly available benchmarks for the generally accepted evaluation and measurement of such performance.

As of June 30, 2024, the fair value of the Healthcare OPEB Plan's interest in the Trust Fund was \$105,572,384. There were no other deposits or investments. Accordingly, there is no credit risk, concentration of credit risk or interest rate risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire balance of the Healthcare OPEB investments is unsecured and uncollateralized.

A government is permitted in certain circumstances to establish the fair value of investment that does not have a readily determinable fair value by using the NAV per share (or its equivalent) of the investments. Investments in the Trust Fund are valued using NAV per share, which is determined by dividing the total value of the Trust Fund by the number of outstanding shares. Generally, participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice.

NOTE 3. RECEIVABLES

Receivables as of June 30, 2024 consist of the following:

Primary Government

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise Funds</u>	<u>Total</u>
Receivables:				
Interest	\$ 10,647,358	\$ -	\$ -	\$ 10,647,358
Taxes	268,606,177	-	-	268,606,177
Accounts	<u>1,990,934</u>	<u>13,272,255</u>	<u>37,499,287</u>	<u>52,762,476</u>
Gross Receivables	281,244,469	13,272,255	37,499,287	332,016,011
Less: Allowances for				
Doubtful Accounts	<u>8,959,608</u>	<u>5,600,574</u>	<u>3,850,000</u>	<u>18,410,182</u>
Receivables, net	<u>\$272,284,861</u>	<u>\$ 7,671,681</u>	<u>\$ 33,649,287</u>	<u>\$ 313,605,829</u>

Central Automotive Maintenance has a receivable of \$21,948 as of June 30, 2024, which is included on a government-wide basis. Long-term assets on a government-wide basis also include taxes receivable of \$243,274,092 that is not

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

available to pay for current period expenditures and, therefore, are included in unavailable revenues for the governmental funds. Tax revenues reported in the government-wide statements include \$773,308 of revenues that do provide current financial resources and, therefore, are included in the governmental funds.

Component Unit receivables totaling \$478,266 consist of Schools' and JRJDC'S miscellaneous receivables of \$37 and \$478,229, respectively as of June 30, 2024.

Component Units

	School Board	JRJDC	Total
<u>Receivables:</u>			
Intergovernmental	<u>\$ 67,812,121</u>	<u>\$ 26,995</u>	<u>\$ 67,839,116</u>

Receivables are presented net of appropriate allowances for doubtful accounts. The County calculates its allowances using historical collection data, specific account analysis and management's judgment. All the Component Units' receivables are considered collectible.

NOTE 4. PROPERTY TAXES

Real Estate taxes attach as an enforceable lien on property as of January 1st. Taxes on real estate are levied in April and are payable in two installments on June 5th and December 5th. Real estate taxes reported as revenue are the second installment (December 5th) of the levy on assessed value at January 1, 2023 and the first installment (June 5th) of the levy on assessed value at January 1, 2024. The County bills and collects its own property taxes. Property taxes levied are recorded as receivables, net of allowance for estimated uncollectible accounts, to the extent that they are currently due.

The Virginia General Assembly passed SB 4005, the Personal Property Tax Relief Act ("PPTRA") in April 1998. The bill provides for the State to reimburse a portion of the tangible Personal Property Tax levied on personal use cars, motorcycles, and trucks. In 1998, the reimbursement was 12.5 percent of the tax on the first \$20,000 of the value of the qualifying vehicle. The reimbursement rate was 27.5 percent for tax year 1999 and increased to 47.5 percent for tax year 2000 and 70.0 percent for tax years 2001 through 2005. The reimbursement rate for 2006 and thereafter is determined by each locality based upon their share of the \$950 million allocated by the Commonwealth for personal property tax relief on qualifying vehicles. For tax year 2024, the State reimbursement receivable is reflected as a due from other governments. Revenue for the State reimbursement is recorded as non-categorical aid from the State. Localities will continue to assess and administer the Personal Property Tax Relief program.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units for Governmental Funds at June 30, 2024 include:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Commonwealth of Virginia:			
Non-categorical aid for:			
Local Sales and Use Tax	\$ 10,130,154	\$ -	\$ -
PPTRA	18,460,463	-	-
Richmond Center	4,354,934	-	-
Categorical aid for:			
Public Works	-	-	10,822,005
Public Safety	1,394,814	-	-
Social Services	-	717,590	-
Correction & Detention	721,623	16,007	-
Finance	82,963	-	-
Mental Health & Development Services	-	445,723	-
Circuit Court	138,941	-	-
Commonwealth's Attorney	<u>262,929</u>	<u>14,720</u>	<u>-</u>
Total due from the Commonwealth of Virginia	<u>35,546,821</u>	<u>1,194,040</u>	<u>10,822,005</u>
Federal Government Categorical Aid:			
Work Training Grants (CRWP)	-	119,540	-
Economic Development	-	105,471	-
Public Safety	-	567,928	-
Public Works	-	-	3,058,669
Commonwealth's Attorney	-	48,507	-
Social Services	-	1,139,053	-
Correction & Detention	-	7,838	-
Community Development Block Grant	<u>-</u>	<u>375,375</u>	<u>-</u>
Total due from the Federal government	<u>-</u>	<u>2,363,712</u>	<u>3,058,669</u>
Total due from other governmental units	<u>\$ 35,546,821</u>	<u>\$ 3,557,752</u>	<u>\$13,880,674</u>

JRJDC has a grants receivable for \$26,995 in amounts due from other governmental units. Amounts due from other governmental units for the School Board Component Unit at June 30, 2024 include:

	<u>School Board</u>
Commonwealth of Virginia:	
Non-categorical aid for:	
State Sales and Use Tax	\$ 6,010,823
Categorical aid for:	
Education	<u>8,260,063</u>
Total due from the Commonwealth of Virginia	<u>14,270,886</u>
Federal Government Categorical Aid:	
Education	<u>53,541,235</u>
Total due from the Federal government	<u>53,541,235</u>
Total due from other governmental units	<u>\$ 67,812,121</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. CAPITAL AND INTANGIBLE ASSETS

Capital Assets

A summary of changes in capital assets for the year ended June 30, 2024, follows:

Governmental Activities	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital Assets Not Being Depreciated:				
Land	\$ 415,677,106	\$ 24,274,742	\$ 2,427,006	\$ 437,524,842
Construction in progress	242,185,045	226,104,530	237,805,202	230,484,373
Total Capital Assets Not Being Depreciated	<u>657,862,151</u>	<u>250,379,272</u>	<u>240,232,208</u>	<u>668,009,215</u>
Other Capital Assets:				
Buildings	1,231,378,847	111,162,377	3,475,722	1,339,065,502
Infrastructure	807,984,688	35,966,131	1,260,244	842,690,575
Equipment	317,079,702	20,985,096	15,434,886	322,629,912
Improvements	138,896,825	9,020,844	312,144	147,605,525
Total Other Capital Assets	<u>2,495,340,062</u>	<u>177,134,448</u>	<u>20,482,996</u>	<u>2,651,991,514</u>
Less Accumulated Depreciation for:				
Buildings	(322,569,265)	(25,856,102)	(752,026)	(347,673,341)
Infrastructure	(594,100,528)	(21,776,505)	(232,577)	(615,644,456)
Equipment	(224,835,620)	(19,926,740)	(14,603,056)	(230,159,304)
Improvements	(65,462,124)	(6,248,491)	(179,483)	(71,531,132)
Total Accumulated Depreciation	<u>(1,206,967,537)</u>	<u>(73,807,838)</u>	<u>(15,767,142)</u>	<u>(1,265,008,233)</u>
Total Net of Depreciation	<u>\$ 1,946,234,676</u>	<u>\$ 353,705,882</u>	<u>\$ 244,948,062</u>	<u>\$ 2,054,992,496</u>

The adjustment from modified to full accrual for capital assets net of accumulated depreciation at June 30, 2024 are comprised of the following:

General Capital Assets, Net	\$2,054,992,496
Internal Service Fund Capital Assets, Net	<u>(14,584,001)</u>
Combined Adjustment	<u>\$2,040,408,495</u>

The adjustment from modified to full accrual for depreciation for the fiscal year ended June 30, 2024 is comprised of the following:

General Government Administration	\$ 8,301,433
Judicial Administration	121,665
Public Safety	10,842,978
Public Works	25,299,472
Education	18,530,136
Health and Welfare	621,117
Parks and Recreation	9,912,759
Community Development	<u>178,278</u>
Total Depreciation	<u>\$ 73,807,838</u>
Internal Service Fund Depreciation	<u>(3,388,410)</u>
Combined Adjustment	<u>\$ 70,419,428</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Business-Type Activities	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Water and Sewer:				
Capital Assets Not Being Depreciated:				
Land	\$ 22,517,196	\$ 2,200	\$ 2,200	\$ 22,517,196
Construction in progress	361,188,174	62,981,650	33,320,960	390,848,864
Total Capital Assets Not Being Depreciated	383,705,370	62,983,850	33,323,160	413,366,060
Other Capital Assets:				
Buildings	404,748,087	1,372,430	296,945	405,823,572
Infrastructure	1,362,687,632	30,634,857	575,823	1,392,746,666
Equipment	171,793,203	16,528,179	2,539,666	185,781,716
Improvements	1,410,152	-	-	1,410,152
Total Other Capital Assets	1,940,639,074	48,535,466	3,412,434	1,985,762,106
Less Accumulated Depreciation for:				
Buildings	(167,411,924)	(8,044,654)	(163,160)	(175,293,418)
Infrastructure	(455,713,780)	(20,549,327)	(336,746)	(475,926,361)
Equipment	(137,520,247)	(6,180,198)	(2,461,524)	(141,238,921)
Improvements	(1,378,380)	(31,772)	-	(1,410,152)
Total Accumulated Depreciation	(762,024,331)	(34,805,951)	(2,961,430)	(793,868,852)
Total Net of Depreciation	\$ 1,562,320,113	\$ 76,713,365	\$ 33,774,164	\$ 1,605,259,314

Component Units	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
School Board:				
Capital Assets Not Being Depreciated:				
Land	\$ 52,120,141	\$ 1,861	\$ -	\$ 52,122,002
Construction in progress	5,715,373	57,720,664	12,863,455	50,572,582
Total Capital Assets Not Being Depreciated	57,835,514	57,722,525	12,863,455	102,694,584
Other Capital Assets:				
Buildings	406,033,981	1,248,992	485,432	406,797,541
Improvements	39,179,618	1,956,683	699,199	40,437,102
Equipment	187,597,894	24,165,461	7,091,169	204,672,186
Total Other Capital Assets	632,811,493	27,371,136	8,275,800	651,906,829
Less Accumulated Depreciation for:				
Buildings	(236,023,926)	(6,220,197)	(423,726)	(241,820,397)
Improvements	(22,257,257)	(1,417,573)	(502,840)	(23,171,990)
Equipment	(134,598,477)	(10,389,214)	(6,866,516)	(138,121,175)
Total Accumulated Depreciation	(392,879,660)	(18,026,984)	(7,793,082)	(403,113,562)
Total Net of Depreciation	\$ 297,767,347	\$ 67,066,677	\$ 13,346,173	\$ 351,487,851

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Component Units	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
<u>James River Juvenile Detention Center:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Construction in progress	166,586	19,543	131,244	54,885
Total Capital Assets Not Being Depreciated	196,586	19,543	131,244	84,885
Other Capital Assets:				
Buildings	9,313,075	7,375	-	9,320,450
Improvements	269,547	-	-	269,547
Equipment	884,021	200,607	-	1,084,628
Total Other Capital Assets	10,466,643	207,982	-	10,674,625
Less Accumulated Depreciation for:				
Buildings	(5,124,933)	(232,727)	-	(5,357,660)
Improvements	(243,549)	(2,244)	-	(245,793)
Equipment	(769,247)	(66,521)	(2,576)	(833,192)
Total Accumulated Depreciation	(6,137,729)	(301,492)	(2,576)	(6,436,645)
Total Net of Depreciation	\$ 4,525,500	\$ (73,967)	\$ 128,668	\$ 4,322,865
<u>Combined Component Units:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 52,150,141	\$ 1,861	\$ -	\$ 52,152,002
Construction in progress	5,881,959	57,740,207	12,994,699	50,627,467
Total Capital Assets Not Being Depreciated	58,032,100	57,742,068	12,994,699	102,779,469
Other Capital Assets:				
Buildings	415,347,056	1,256,367	485,432	416,117,991
Improvements	39,449,165	24,165,461	699,199	62,915,427
Equipment	188,481,915	2,157,290	7,091,169	183,548,036
Total Other Capital Assets	643,278,136	27,579,118	8,275,800	662,581,454
Less Accumulated Depreciation for:				
Buildings	(241,148,859)	(6,452,924)	(423,726)	(247,178,057)
Improvements	(22,500,806)	(1,419,817)	(502,840)	(23,417,783)
Equipment	(135,367,724)	(10,455,735)	(6,869,092)	(138,954,367)
Accumulated Depreciation	(399,017,389)	(18,328,476)	(7,795,658)	(409,550,207)
Total Net of Depreciation	\$ 302,292,847	\$ 66,992,710	\$ 13,474,841	\$ 355,810,716

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The County's governmental activities right to use assets of \$28,618,548 (Exhibit 1) consist of right to use lease assets of \$8,784,474 and subscription right to use assets of \$19,834,074. The County's school board component unit right to use assets of \$30,268,819 (Exhibit 10) consists of right to use lease assets of \$14,281,275 and subscription right to use assets of \$15,987,544.

The County is a lessee in various lease contracts and has the following classes of lease right to use assets for the fiscal year ending June 30, 2024:

Amount of Lease Assets by Major Classes of Underlying Asset

<u>Asset Class</u>	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Equipment	\$ 633,600	\$ 487,980
Building	23,409,443	8,126,068
Other	1,857,755	349,816
Computer Equipment	19,028,128	12,896,843
Total Leases	<u>\$ 44,928,926</u>	<u>\$ 21,860,707</u>

Governmental Activities

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Right to Use Assets:				
Equipment	\$ 1,763,754	\$ 32,464	\$ 1,204,853	\$ 591,365
Building	11,727,438	1,508,788	205,223	13,031,003
Other	1,857,755	-	-	1,857,755
Total Right to Use Assets	<u>\$ 15,348,947</u>	<u>\$ 1,541,252</u>	<u>\$ 1,410,076</u>	<u>\$ 15,480,123</u>
Less Accumulated Amortization for:				
Equipment	\$ (1,189,147)	\$ (473,940)	\$ (1,204,854)	\$ (458,233)
Building	(3,793,374)	(2,161,877)	(67,652)	(5,887,599)
Other	(233,211)	(116,606)	-	(349,817)
Total Net of Accumulated Amortization	<u>(5,215,732)</u>	<u>(2,752,423)</u>	<u>(1,272,506)</u>	<u>(6,695,649)</u>
Total Net of Amortization	<u>\$ 10,133,215</u>	<u>\$ (1,211,171)</u>	<u>\$ 137,570</u>	<u>\$ 8,784,474</u>

Business-type Activities

<u>Water and Sewer:</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Right to Use Assets:				
Equipment	\$ 12,701	\$ -	\$ 2,942	\$ 9,759
Total Right to Use Assets	<u>12,701</u>	<u>-</u>	<u>2,942</u>	<u>9,759</u>
Less Accumulated Amortization for:				
Equipment	(7,972)	(2,807)	(2,942)	(7,837)
Total Net of Accumulated Amortization	<u>(7,972)</u>	<u>(2,807)</u>	<u>(2,942)</u>	<u>(7,837)</u>
Total Net of Amortization	<u>\$ 4,729</u>	<u>\$ (2,807)</u>	<u>\$ -</u>	<u>\$ 1,922</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Component Units

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Schools				
Right to Use Assets:				
Equipment	\$ 36,384	\$ -	\$ 14,361	\$ 22,023
Building	4,392,061	6,428,781	442,402	10,378,440
Computer Equipment	19,028,128	-	-	19,028,128
Total Right to Use Assets	<u>\$ 23,456,573</u>	<u>\$ 6,428,781</u>	<u>\$456,763</u>	<u>\$ 29,428,591</u>
Less Accumulated Amortization for:				
Equipment	\$ (19,477)	\$ (6,891)	\$ (14,361)	\$ (12,007)
Building	(1,412,710)	(1,268,157)	(442,402)	(2,238,465)
Computer Equipment	(8,139,811)	(4,757,033)	-	(12,896,844)
Total Net of Accumulated Amortization	<u>(9,571,998)</u>	<u>(6,032,081)</u>	<u>(456,763)</u>	<u>(15,147,316)</u>
Total Net of Amortization	<u>\$ 13,884,575</u>	<u>\$ 396,700</u>	<u>\$ -</u>	<u>\$ 14,281,275</u>
	Balance			Balance
James River Juvenile Detention Commission	June 30, 2023	Additions	Deletions	June 30, 2024
Right to Use Assets:				
Equipment	\$ 10,456	\$ -	\$ -	\$ 10,456
Total Right to Use Assets	<u>\$ 10,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,456</u>
Less Accumulated Amortization for:				
Equipment	\$ (6,604)	\$ (3,301)	\$ -	\$ (9,905)
Total Net of Accumulated Amortization	<u>(6,604)</u>	<u>(3,301)</u>	<u>-</u>	<u>(9,905)</u>
Total Net of Amortization	<u>\$ 3,852</u>	<u>\$ (3,301)</u>	<u>\$ -</u>	<u>\$ 551</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The County Reporting Entity is a lessee in various lease software contracts and has the following class of lease subscription assets:

Amount of Subscription Assets by Major Classes of Underlying Assets as of June 30, 2024

<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software	\$ 51,018,288	\$ 15,196,670
Total Subscriptions	\$ 51,018,288	\$ 15,196,670

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities				
Right to Use Assets				
Subscription Assets	\$ 23,957,912	\$ 4,104,493	\$ 662,005	\$ 27,400,400
Less Accumulated Amortization	(3,385,728)	(4,842,603)	(662,005)	(7,566,326)
Total Subscription Assets	\$ 20,572,184	\$ (738,110)	\$ -	\$ 19,834,074

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Component Units - School Board				
Right to Use Assets				
Subscription Assets	\$ 9,437,740	\$ 15,481,145	\$ 1,300,997	\$ 23,617,888
Less Accumulated Amortization	(3,113,470)	(5,817,871)	(1,300,997)	(7,630,344)
Total Subscription Assets	\$ 6,324,270	\$ 9,663,274	\$ -	\$ 15,987,544

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7. LONG-TERM DEBT

Governmental Activities

The following is a summary of the changes in the County's total long-term liabilities, including net pension and OPEB liabilities, for the year ended June 30, 2024:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
General obligation (GO) bonds	\$530,280,000	\$121,355,000	\$ 48,485,000	\$603,150,000
VRA special revenue bond	8,520,000	-	2,695,000	5,825,000
EDA lease revenue bonds	51,675,000	41,220,000	2,855,000	90,040,000
Lease liability	10,466,489	1,541,252	2,841,590	9,166,151
SBITA liability	18,896,504	4,104,493	4,316,083	18,684,914
Accrued claims payable	29,646,000	28,086,739	24,802,739	32,930,000
Accrued compensated absences	31,638,706	32,711,427	29,454,785	34,895,348
Net pension liability	181,262,718	170,593,422	140,567,921	211,288,219
Line of Duty OPEB liability	25,315,278	2,960,247	1,974,903	26,300,622
Net GLI OPEB liability	13,219,455	4,447,260	4,749,086	12,917,629
Net Healthcare OPEB liability	13,862,451	6,764,464	8,340,450	(2,047,378)
Landfill postclosure costs	4,021,388	132,706	-	4,154,094
Total	<u>918,803,989</u>	<u>\$413,917,010</u>	<u>\$285,416,400</u>	<u>1,047,304,599</u>
Premium on bonds	43,110,554	\$ 20,017,460	\$ 9,149,520	53,978,494
Total long-term liabilities	961,914,543			1,101,283,093
Current Maturities	<u>(110,445,785)</u>			<u>(129,654,350)</u>
Net long-term liabilities	<u>\$851,468,758</u>			<u>\$ 971,628,743</u>

The current maturity of long-term liabilities at June 30, 2024 consists of the following:

General obligation bonds	\$ 54,580,000
VRA special revenue bonds	2,840,000
EDA lease revenue bonds	4,965,000
Lease obligations	2,371,303
SBITA obligations	3,960,742
Accrued claims payable	26,398,902
Accrued compensated absences	32,486,631
Line of Duty OPEB obligations	<u>2,051,772</u>
Total current maturities	<u>\$ 129,654,350</u>

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

All liabilities, both current and long-term, are reported in the Statement of Net Position. The adjustment from modified accrual to full accrual at June 30, 2024 is as follows:

Long-term liabilities (detail above)	\$1,101,283,093
Net pension liability (detail above)	(211,288,219)
Net OPEB liabilities (detail above)	(37,170,873)
Internal Service Fund liabilities	<u>(12,447,289)</u>
Combined adjustment	<u>\$ 840,376,712</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. The adjustment from modified accrual to full accrual is \$8,238,847, which represents the increase in accrued interest on bonds payable of \$910,673 and amortization of bond premium of \$9,149,520 for the year ended June 30, 2024.

In March 2005, November 2016 and November 2022, the County's voters authorized the issuance of general obligation bonds. In 2005, voters authorized \$349,300,000 in bonds, of which \$339,700,000 has been issued as of June 30, 2024. In 2016, voters authorized \$419,800,000, of which \$412,745,000 has been issued as of June 30, 2024. In November 2022, voters authorized \$511,350,000, of which \$121,355,000 has been issued as of June 30, 2024.

On September 19, 2012, the County issued General Obligation Public Improvement Refunding Bonds, Series 2012 in the aggregate principal amount of \$37,500,000. The proceeds of the Bonds will be applied (i) to advance refund and defease \$19,450,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2005, dated August 17, 2005 and maturing on July 15th in each of the years 2021 through 2025, which are subject to redemption and are to be redeemed on July 15, 2015, (ii) to advance refund and defease \$17,975,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2006, dated November 15, 2006, and maturing on December 1st in each of the years 2022 through 2026, which are subject to redemption and are to be redeemed on December 1, 2016, and (iii) to advance refund and defease \$2,155,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2010A, dated August 10, 2010, and maturing on August 1, 2013, which were paid at their stated maturity on August 1, 2013. The Bonds mature on February 1, 2013, and on August 1st in each of the years 2014 through 2026. The County reduced its aggregate debt service payments by approximately \$2.5 million over the next 14 years and obtained an economic gain of (difference between the present value of the old and new debt service payments) of \$2.4 million. For legal and accounting purposes, the refunded debt is considered to have been paid, and neither the debt (which was fully defeased) nor the assets placed in the trust fund are reflected in the County's financial statements.

On March 31, 2015, the County issued General Obligation Public Improvement Refunding Bonds, Series 2015, in the aggregate principal amount of \$50,485,000. The proceeds of the Bonds will be applied (i) to advance refund and defease \$8,950,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2008, dated January 31, 2008, and maturing on December 1st in each of the years 2022 through 2027, which are subject to redemption and are to be redeemed on December 1, 2017, (ii) to advance refund and defease \$13,955,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2008A, dated November 14, 2008, and maturing on December 1st in each of the years 2026 through 2028, which are subject to redemption and are to be redeemed on December 1, 2018, and (iii) to advance refund and defease \$31,090,000 outstanding principal amount of the County's Virginia Public School Authority (VPSA) Special Obligation School Financing Bonds, Series 2008, dated July 2, 2008, and maturing on July 15th in each of the years 2015 through 2028. The County reduced its aggregate debt service payments by approximately \$2.5 million over the next 14 years and obtained an economic gain of (difference between the present value of the old and new debt service payments) of \$3.3 million. For legal and accounting purposes, the refunded debt is considered to have been paid, and neither the debt (which was fully defeased) nor the assets placed in the trust fund are reflected in the County's financial statements.

On May 31, 2017, the County issued General Obligation Public Improvement Bonds, Series 2017A, in the aggregate principal amount of \$102,255,000. The proceeds of the Bonds will be used to finance capital school improvement projects, fire facilities, and recreation and park facilities improvements in the County, pursuant to the voter authorizations at elections held in the County on November 8, 2016. The interest rates on these bonds range from 3 percent to 5 percent. The Bonds mature on August 1st in each of the years 2018 through 2037.

On May 31, 2017, the County issued General Obligation Public Improvement Refunding Bonds, Series 2017B, in the aggregate principal amount of \$53,755,000. The proceeds of the Bonds will be applied (i) to advance refund and defease \$36,100,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2010A, dated July 20, 2010, and maturing on August 1st in each of the years 2021 through 2030, which are subject to redemption and are to be redeemed on August 1, 2020, and (ii) to advance refund and defease \$19,830,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2011, dated September 1, 2011 and maturing on August 1st in each of the years 2022 through 2027, which are subject to redemption and are to be redeemed on August 1, 2021. The County reduced its aggregate debt service payments by approximately \$2.8 million over the next 14 years and obtained an economic gain of (difference between the present value of the old and new debt service payments) of \$3.4 million. For legal and accounting purposes, the refunded debt is considered to have been paid, and neither the debt (of which \$55,930,000 remained outstanding at June 30, 2019) nor the assets placed in the trust fund are reflected in the County's financial statements.

On July 31, 2018, the County issued General Obligation Public Improvement Bonds, Series 2018, in the aggregate principal

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

amount of \$99,395,000. The proceeds of the Bonds will be used to finance capital school improvement projects, fire stations and facilities, and recreation and parks facilities in the County pursuant to the voter authorizations at elections held in the County on November 8, 2016. The Bonds mature on August 1st in each of the years 2019 through 2038. The interest rates range from 3 percent to 5 percent.

On October 9, 2019, the County issued General Obligation Public Improvement Bonds, Series 2019 in the aggregate principal amount of \$105,115,000. The proceeds of the Bonds will be used to finance capital school improvement projects, library facilities, recreation and parks facilities and roads in the County pursuant to the voter authorizations at elections held in the County on November 8, 2016. The Bonds mature on August 1st in each of the years 2021 through 2039. The interest rates range from 3 percent to 5 percent.

On April 16, 2020, the County sold General Obligation Public Improvement Refunding Bonds, Series 2020 in the aggregate principal amount of \$24,930,000. The proceeds of the Bonds will be used to refund in advance of their stated maturities certain outstanding bonds of the General Obligation Public Improvement Bonds Series 2010. The Bonds mature on July 15th in each of the years 2022 through 2025. The interest rate is 5 percent.

On July 2, 2020, the County sold General Obligation Public Improvement Bonds, Series 2020A in the aggregate principal amount of \$105,980,000. The proceeds of the Bonds will be used to finance school capital improvement projects, road improvements, fire stations and facilities projects, and recreation and parks facilities in the County pursuant to the voter authorizations at elections held in the County on November 8, 2016. The Bonds mature on August 1st in each of the years 2022 through 2040. The interest rates range from 2 percent to 5 percent.

On July 2, 2020, the County issued General Obligation Public Improvement Refunding Bonds, Series 2020B in the aggregate principal amount of \$15,545,000. The bonds were issued to refund and defease \$14,720,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2011. The Bonds mature on August 1st in each of the years 2021 through 2031. The interest rates ranges from 0.49 percent to 1.430 percent.

On October 12, 2021, the County sold VPSA Special Obligation School Financing Bonds, Series 2021 in the aggregate principal amount of \$48,115,000. The proceeds of the Bonds will be used to finance various school capital improvement projects. The bonds mature on August 15th in each of the years 2022 through 2041. The interest rates range from 1.625 percent to 5 percent.

On March 26, 2024, the County issued General Obligation Public Improvement Bonds, Series 2024A, in the aggregate principal amount of \$121,355,000. The proceeds of the Bonds will be used to finance capital school improvement projects, fire stations and facilities, and recreation and parks facilities in the County pursuant to the voter authorizations at elections held in the County on November 8, 2022. The Bonds mature on August 1st in each of the years 2024 through 2044. The interest rates range from 3 percent to 5 percent.

As of June 30, 2024, the County's bonds are subject to the provisions of the Internal Revenue Service Code of 1986 related to arbitrage and interest income tax regulations under those provisions. The County has recorded an estimated arbitrage rebate liability in the Governmental activities of \$709,528 at June 30, 2024.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

General Obligation Bonds

Details of general obligation bonds for the County at June 30, 2024 are as follows:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance</u>
2012 GO. Bonds	2.00-5.00	10/03/12	08/01/26	\$ 37,500,000	\$ 18,355,000
2015 GO. Bonds	2.00-5.00	03/31/15	08/01/28	50,485,000	29,590,000
2017A GO. Bonds	3.00-5.00	05/31/17	08/01/37	102,255,000	71,565,000
2017B GO. Bonds	2.00-5.00	05/31/17	08/01/30	53,755,000	36,685,000
2018 GO. Bonds	3.00-5.00	07/31/18	08/01/38	99,395,000	74,540,000
2019 GO. Bonds	3.00-5.00	10/09/19	08/01/39	105,115,000	87,595,000
2020R GO. Bonds	5.00	04/16/20	07/15/25	24,930,000	11,245,000
2020A GO. Bonds	2.00-5.00	07/02/20	08/01/40	105,980,000	94,140,000
2020B GO. Bonds	.049-1.43	07/02/20	08/01/31	15,545,000	14,785,000
2021 VPSA Bonds	1.625-5.00	10/12/21	08/15/41	48,115,000	43,295,000
2024A GO. Bonds	3.00-5.00	03/26/24	08/01/43	121,355,000	<u>121,355,000</u>
TOTAL					<u>\$ 603,150,000</u>

Debt service for the County on the foregoing bonds is payable during future fiscal years ending June 30 as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 54,580,000	\$ 22,586,709
2026	52,740,000	20,871,014
2027	48,920,000	18,393,651
2028	45,340,000	16,089,397
2029	43,820,000	13,969,896
2030-2034	164,155,000	46,163,133
2035-2039	140,270,000	19,973,144
2040-2044	<u>53,325,000</u>	<u>3,567,197</u>
TOTAL	<u>\$ 603,150,000</u>	<u>\$ 161,614,141</u>

General obligation bonds are backed by the full faith and credit of the County and are issued primarily for construction in progress for various purposes. The County has no sinking fund or legal debt margin requirements. All general obligation bonds except VPSA (Virginia Public School Authority) bonds, have been authorized by public referendum. The VPSA bonds have been issued by the adoption of a resolution by the County Board of Supervisors. The County is independent of any city, town or other political jurisdiction; therefore, there is no overlapping debt or taxing power.

Virginia Resources Authority (VRA) Special Revenue Bonds

On May 26, 2021, the County issued VRA Special Revenue Bonds in the aggregate principal amount of \$13,560,000. The proceeds of the bonds will be used for general government projects. The Bonds mature on October 1st in each of the years 2022 through 2025. The interest rate is 5.125%.

Debt service for the County on the foregoing bonds is payable during future fiscal years ending June 30 as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,840,000	\$ 225,756
2026	<u>2,985,000</u>	<u>76,491</u>
TOTAL	<u>\$ 5,825,000</u>	<u>\$ 302,247</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Economic Development Authority (EDA) Lease Revenue Bonds

On November 1, 2019 the EDA issued Lease Revenue Bonds, Series 2019 in the aggregate principal amount of \$10,115,000. The proceeds of the bonds were used to purchase Wilton Farm. The Bonds mature on January 15th in each of the years 2020 through 2034. The interest rate is 1.98%.

On April 2, 2020 the EDA issued Lease Revenue Bonds, Series 2020A in the aggregate principal amount of \$50,000,000. The proceeds of the bonds were used to construct an indoor sports facility. The Bonds mature on August 1st in each of the years 2020 through 2039. The interest rate is between 1.352% and 2.749%.

On April 23, 2024 the EDA issued Lease Revenue Bonds, Series 2024B in the aggregate principal amount of \$41,220,000. The proceeds of the bonds were used to acquire land and construct public safety facilities. The Bonds mature on August 1st in each of the years 2024 through 2043.

EDA Lease Revenue Bonds

Details of lease revenue bonds for the County at June 30, 2024 are as follows:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance</u>
2019 Lease Revenue Bonds	1.98%	11/01/2019	01/15/2034	\$ 10,115,000	\$ 7,535,000
2020A Lease Revenue Bonds	1.35-2.74%	04/02/2020	08/01/2039	50,000,000	41,285,000
2024B Lease Revenue Bonds	4.00-5.00%	04/23/2024	08/01/2043	41,220,000	<u>41,220,000</u>
TOTAL					<u>\$ 90,040,000</u>

Debt service for the County on the foregoing bonds is payable during future fiscal years ending June 30 as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 4,965,000	\$ 2,504,253
2026	5,015,000	2,799,832
2027	5,065,000	2,645,802
2028	5,120,000	2,488,018
2029	5,175,000	2,326,588
2030-2034	26,855,000	9,092,146
2035-2039	24,475,000	4,717,739
2040-2044	<u>13,370,000</u>	<u>1,072,197</u>
TOTAL	<u>\$ 90,040,000</u>	<u>\$ \$27,646,575</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Business-type Activities

A summary of the changes in the Water and Sewer Fund (“Fund”) long-term liabilities, including net pension liability, for the year ended June 30, 2024 are as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Water and Sewer Revenue Bonds:				
2014 Revenue Bonds - \$74,165,000, 1.00% to 5.00%	\$ 5,940,000	-	\$ 1,900,000	\$ 4,040,000
2016 Revenue and Refunding Bonds - \$123,625,000, 1.50% to 5.00%	21,525,000	-	6,885,000	14,640,000
2018 Revenue Bonds - \$102,410,000, 3.125% to 5.00%	92,635,000	-	2,240,000	90,395,000
2019 Revenue and Refunding Bonds - \$78,085,000, 3.125% to 5.00%	72,595,000	-	1,450,000	71,145,000
2020A Revenue and Refunding Bonds - \$25,705,000, 3.00% to 5.00%	25,705,000	-	-	25,705,000
2020B Revenue and Refunding Bonds - \$118,675,000, 0.227% to 2.417%	113,940,000	-	4,285,000	109,655,000
2021 Revenue and Refunding Bonds - \$85,680,000, 1.00% to 2.70%	<u>82,480,000</u>	<u>-</u>	<u>1,300,000</u>	<u>81,180,000</u>
Total bonds payable	<u>\$ 414,820,000</u>	<u>\$ -</u>	<u>\$ 18,060,000</u>	<u>\$ 396,760,000</u>
Other Liabilities:				
Lease liability	\$ 5,095	\$ -	\$ 2,920	\$ 2,175
Accrued compensated absences	1,571,202	301,369	9,384	1,863,187
Net Healthcare OPEB liability	646,098	784,181	1,494,626	(64,347)
Net GLI OPEB liability	955,134	203,617	217,436	941,315
Net pension liability	<u>12,651,927</u>	<u>9,810,330</u>	<u>8,083,650</u>	<u>14,378,607</u>
Total	<u>430,649,456</u>	<u>11,099,497</u>	<u>27,868,016</u>	<u>413,880,937</u>
Premium on bonds payable	33,124,759	-	<u>2,480,021</u>	30,644,738
Total long-term liabilities	\$ 463,774,215	<u>\$ 11,099,497</u>	<u>\$ 30,348,037</u>	\$ 444,525,675
Current maturities	<u>(18,106,065)</u>			<u>(18,623,303)</u>
Net long-term liabilities	<u>\$ 445,668,150</u>			<u>\$ 425,902,372</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Current maturities of long-term liabilities at June 30, 2024 consist of the following:

Revenue bonds	\$ 18,610,000
Lease obligations	2,175
Accrued compensated absences	<u>11,128</u>
Total current maturities	<u>\$ 18,623,303</u>

The Water and Sewer Revenue Fund (the “Fund”) may issue additional bonds payable, which may be collateralized equally with the outstanding bonds for any purpose connected with or pertaining to the Fund, upon compliance with the following conditions, among others:

- One-half of the net operating revenues of the Fund, as defined, during any 24 consecutive months out of the 30 months immediately preceding the issuance of the additional bonds, shall have been not less than 1.25 times the maximum annual debt service requirement on all bonds then outstanding and the proposed additional bonds; and the
- Net operating revenues of the Fund, as defined, during the first full fiscal year following the date upon which the project or undertaking for which the proposed additional bonds are being issued is anticipated to be completed, shall be estimated by a nationally recognized consulting engineer to be not less than 1.25 times the annual debt service requirement on account of all bonds then outstanding and the proposed additional bonds.

On March 20, 2014, the County issued \$74,165,000 of Water and Sewer Revenue Bonds to finance improvements, additions and extensions to the water and sewer system in the County. The interest rate on these bonds is between 1% and 5% and the final maturity will occur on May 1, 2044. The principal payments range from \$370,000 to \$2,875,000.

On May 17, 2016, the County issued \$123,625,000 of Water and Sewer Revenue Refunding Bonds to refund outstanding principal amounts of \$35,985,000 of the 2009A and \$15,310,000 of the 2009 Series Water and Sewer System Revenue Bonds, finance improvements, additions and extensions to the County’s water and sewer system and to fund the Cobbs Creek Reservoir project. The interest rate on these bonds is between 1.75% and 5% and the final maturity will occur on May 1, 2046. The principal payments range from \$480,000 to \$7,875,000.

On May 9, 2018, the County issued \$102,410,000 of Water and Sewer Revenue Bonds to finance improvements, additions and extensions to the water and sewer system in the County. The interest rate on these bonds is between 3% and 5% and the final maturity will occur on May 1, 2048. The principal payments range from \$1,840,000 to \$5,515,000.

On June 26, 2019, the County issued \$78,085,000 of Water and Sewer Revenue and Refunding Bonds to refund outstanding principal amount of \$9,800,000 of the 2009B of the 2009 Series Water and Sewer System Revenue Bonds, finance improvements, additions and extensions to the County’s water and sewer system and to fund the Cobbs Creek Reservoir project. The interest rate on these bonds is between 2.75% and 5% and the final maturity will occur on May 1, 2049. The principal payments range from \$1,250,000 to \$3,645,000.

On October 13, 2020 the County sold Water and Sewer System Revenue Bonds, Series 2020A, in the principal amount \$25,705,000, to provide the funds needed to finance improvements, additions and extensions to the County’s Water and Sewer System. The Bonds mature on May 1st in each of the years 2029 through 2050. The interest rate is between 3 and 5 percent.

On October 13, 2020, the County sold Water and Sewer System Refunding Bonds, Series 2020B in the aggregate principal amount of \$118,675,000. The proceeds of the Bonds will be used to refund in advance of their stated maturities certain outstanding bonds of the Water and Sewer System Refunding Bonds, Series 2013 and the Water and Sewer System Refunding Bonds, Series 2014. The Bonds mature on May 1st in each of the years 2021 through 2044. The interest rate is between 0.227 and 2.417 percent.

On September 22, 2021, the County sold Water and Sewer System Refunding Revenue Bonds, Series 2021 (Federally Taxable), in the principal amount of \$85,680,000. The proceeds of the Bonds will be used to advance refund \$72,950,000 in outstanding principal from the Water and Sewer System Revenue and Refunding Bonds, Series 2016 and pay certain costs associated with 2021 bonds. The Bonds mature on May 1st in each of the years 2022 through 2046. The interest rate is between 1 and 2.7 percent.

In fiscal year 2022 and prior years, the County defeased certain Water and Sewer Revenue Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

assets and the liability for the defeased bonds are not reflected in the County's financial statements. At June 30, 2024, \$235,106,638 of Water and Sewer System Revenue Bonds are considered fully defeased.

Principal and interest payment on the Bonds for the next five fiscal years, subsequent to June 30, 2024, and thereafter are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 18,610,000	\$ 11,039,168
2026	19,280,000	10,368,982
2027	19,965,000	9,680,046
2028	20,360,000	9,303,629
2029	16,395,000	8,884,332
2030-2034	88,230,000	38,107,144
2035-2039	80,685,000	26,947,498
2040-2044	78,880,000	16,304,460
2045-2049	52,725,000	5,010,000
2050-2051	<u>1,630,000</u>	<u>65,200</u>
Total	<u>\$ 396,760,000</u>	<u>\$ 135,710,459</u>

Component Units

School Board:

A summary of the changes in the School Board's long-term liabilities, including net pension liability, for the year ended June 30, 2024 is as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Lease liability	\$ 13,095,622	\$ 6,072,381	\$ 6,102,331	\$ 13,065,672
SBITA liability	6,190,809	15,481,145	6,578,566	15,093,388
Accrued claims payable	5,998,000	3,168,319	2,097,319	7,069,000
Net pension liability	346,923,106	200,129,386	183,556,936	363,495,556
Net Healthcare OPEB liability	16,549,635	8,143,894	27,121,996	(2,428,467)
Net GLI OPEB liability	19,414,718	5,748,925	6,384,370	18,779,273
Net HIC OPEB liability	42,288,313	3,190,155	5,236,977	40,241,491
Accrued compensated absences	<u>9,250,374</u>	<u>7,482,792</u>	<u>7,642,132</u>	<u>9,091,034</u>
Total School Board	\$ 459,710,577	<u>\$249,416,997</u>	<u>\$ 244,720,627</u>	\$ 464,406,947
Current Maturities	<u>(19,124,792)</u>			<u>(20,702,099)</u>
Net long-term liabilities	<u>\$ 440,585,785</u>			<u>\$ 443,704,848</u>

Current maturities of long-term liabilities at June 30, 2024, consist of the following:

Lease obligations	\$ 6,486,650
SBITA obligations	4,233,140
Accrued claims payable	2,471,815
Accrued compensated absences	<u>7,510,494</u>
Total current maturities	<u>\$ 20,702,099</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

James River Juvenile Detention Commission:

A summary of the changes in JRJDC's long-term liabilities, including net pension liability, for the year ended June 30, 2024, is as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Lease obligations	\$ 4,505	\$ -	\$ 3,803	\$ 702
Net pension liability	2,666,478	2,194,683	1,808,405	3,052,756
Net Healthcare OPEB liability (asset)	146,276	244,504	402,188	(11,408)
Net GLI OPEB liability	199,326	45,621	48,718	196,229
Accrued compensated absences	<u>256,083</u>	<u>311,013</u>	<u>322,720</u>	<u>244,376</u>
Total JRJDC	\$ 3,272,668	\$ <u>2,795,821</u>	\$ <u>2,585,834</u>	\$ 3,482,655
Current Maturities	<u>(259,886)</u>			<u>(245,078)</u>
Net long-term liabilities	<u>\$ 3,012,782</u>			<u>\$ 3,237,577</u>

Current maturities of long-term liabilities at June 30, 2023, consist of the following:

Lease obligations	\$ 702
Accrued compensated absences	<u>244,376</u>
Total current maturities	<u>\$ 245,078</u>

Leases Liability

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The County leases real estate, certain data processing equipment, computer equipment and other equipment under various long-term lease agreements for periods ranging from one to fifteen years. Interest rates on the agreements range from .17% to 26.65%. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. The County recognizes a lease liability, and the associated right to use lease asset, on the government-wide Statement of Net Position.

The County has a variety of variable payment clauses within its lease arrangements, which include payments dependent on indexes and rates (such as the Consumer Price Index, Incremental Borrowing Rate, and market interest rates), including variable payments based on future performance and usage of the underlying asset. Components of variable payments that are fixed in substance are included in the measurement of the lease liability presented in the table below. The County did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, the County has no agreements that include sale-leaseback and lease-leaseback transactions. For additional information, refer to the disclosures below.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Principal and Interest Requirements to Maturity

Governmental Activities

Years	Principal	Interest	Total
FY2025	\$ 2,371,303	\$ 63,702	\$ 2,435,005
FY2026	1,708,006	49,499	1,757,505
FY2027	1,354,665	39,093	1,393,758
FY2028	1,183,616	30,230	1,213,846
FY2029	1,118,825	21,703	1,140,528
FY2030-2034	984,324	51,937	1,036,261
FY2035-2039	445,412	8,470	453,882
Total Governmental Activities	<u>\$ 9,166,151</u>	<u>\$ 264,634</u>	<u>\$ 9,430,785</u>

Business-Type Activities

Years	Principal	Interest	Total
FY2025	\$ 2,175	\$ 95	\$ 2,270
Total Business-Type Activities	<u>\$ 2,175</u>	<u>\$ 95</u>	<u>\$ 2,270</u>

Component Units

School Board:

Years	Principal	Interest	Total
FY2025	\$ 6,486,650	\$ 51,554	\$ 6,538,204
FY2026	1,455,241	19,189	1,474,430
FY2027	1,506,282	7,384	1,513,665
FY2028	784,213	646	784,860
FY2029	781,240	205	781,445
FY2030-2034	2,052,046	-	2,052,046
Total School Board	<u>\$ 13,065,672</u>	<u>\$ 78,978</u>	<u>\$ 13,144,650</u>

James River Juvenile Detention Commission:

Years	Principal	Interest	Total
FY2025	\$ 702	\$ 16	\$ 718
Total James River Juvenile Detention Commission	<u>\$ 702</u>	<u>\$ 16</u>	<u>\$ 718</u>
Total Component Unit - School Board	<u>\$ 13,066,374</u>	<u>\$ 78,994</u>	<u>\$ 13,145,368</u>
Grand Total	<u>\$ 22,234,700</u>	<u>\$ 343,723</u>	<u>\$ 22,578,423</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Leases Receivable

For the year ended June 30, 2024, the County is the lessor of real estate and other equipment under various lease agreements for periods ranging from one to fifty years. The cost and accumulated depreciation on leased property at June 30, 2024, was \$44,928,926 and \$21,860,707, respectively.

Future minimum lease receivable payments for fiscal years ending after June 30, 2024, are as follows:

Years	Principal	Interest	Total
FY2025	\$ 678,937	\$ 99,333	\$ 778,270
FY2026	526,708	93,326	620,034
FY2027	488,513	87,637	576,149
FY2028	490,549	82,034	572,583
FY2029	499,866	76,145	576,011
FY2030-2034	2,644,527	288,556	2,933,084
FY2035-2039	1,839,577	144,593	1,984,170
FY2040-2043	1,208,355	26,945	1,235,300
Total Governmental Activities	<u>\$ 8,377,032</u>	<u>\$ 898,569</u>	<u>\$ 9,275,601</u>

Business-Type Activities

Years	Principal	Interest	Total
FY2025	\$ 27,514	\$ 308	\$ 27,822
FY2026	27,661	161	27,822
FY2027	708	12	720
FY2028	715	5	720
Total Business-Type Activities	<u>\$ 56,598</u>	<u>\$ 486</u>	<u>\$ 57,084</u>

Component Unit - School Board

Years	Principal	Interest	Total
FY2025	\$ 70,731	\$ 413	\$ 71,144
FY2026	16,270	39	16,310
Total Component Unit - School Board	<u>\$ 87,001</u>	<u>\$ 452</u>	<u>\$ 87,454</u>
Grand Total	<u><u>\$ 8,520,632</u></u>	<u><u>\$ 899,507</u></u>	<u><u>\$ 9,420,139</u></u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Governmental Activities

The following is a summary of changes in the County's lease receivables for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Building	\$ 3,265,037	\$ -	\$ 376,975	\$ 2,888,062
Land	544,935	-	25,891	519,044
Other	5,504,730	-	534,804	4,969,926
Total Lease Receivable	<u>\$ 9,314,702</u>	<u>\$ -</u>	<u>\$ 937,670</u>	<u>\$ 8,377,032</u>

Business-type Activities

The following is a summary of changes in the Water and Sewer lease receivables for the year ended June 30, 2024:

Water and Sewer:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Other	\$ 83,965	\$ -	\$ 27,367	\$ 56,598
Total Lease Receivable	<u>\$ 83,965</u>	<u>\$ -</u>	<u>\$ 27,367</u>	<u>\$ 56,598</u>

Component Units

The following is a summary of changes in the School Board lease receivables for the year ended June 30, 2024:

School Board:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Land	\$ 155,299	\$ -	\$ 68,298	\$ 87,001
Total Lease Receivable	<u>\$ 155,299</u>	<u>\$ -</u>	<u>\$ 68,298</u>	<u>\$ 87,001</u>

Governmental Activities

The following is a summary of changes in the County's deferred inflows for lease receivables for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Building	\$ 3,181,942	\$ -	\$ 404,104	\$ 2,777,838
Land	538,241	-	51,940	486,301
Other	5,301,149	-	627,907	4,673,242
Total Deferred Inflows of Resources	<u>\$ 9,021,332</u>	<u>\$ -</u>	<u>\$ 1,083,951</u>	<u>\$ 7,937,381</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Business-type activities

The following is a summary of changes in the Water and Sewer Fund's deferred inflows for lease receivables for the year ended June 30, 2024:

<u>Water and Sewer:</u>	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Building	\$ 75,503	\$ -	\$ 33,469	\$ 42,034
Total Deferred Inflows of Resources	<u>\$ 75,503</u>	<u>\$ -</u>	<u>\$ 33,469</u>	<u>\$ 42,034</u>

Component Units

The following is a summary of changes in the School Board's deferred inflows for lease receivables for the year ended June 30, 2024:

<u>School Board:</u>	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Land	\$ 169,601	\$ -	\$ 61,383	\$ 108,218
Total Deferred Inflows of Resources	<u>\$ 169,601</u>	<u>\$ -</u>	<u>\$ 61,383</u>	<u>\$ 108,218</u>

Subscriptions Liability

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The subscription term includes the period during which a government has a non-cancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option). Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability.

County of Henrico should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the county, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. County of Henrico should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. County of Henrico should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

For additional information, refer to the disclosures below.

Principal and Interest Requirements to Maturity

Governmental Activities

Years	Principal	Interest	Total
FY2025	\$ 3,960,742	\$ 422,415	\$ 4,383,157
FY2026	2,732,926	365,157	3,098,083
FY2027	2,122,095	302,432	2,424,527
FY2028	2,062,045	251,971	2,314,016
FY2029	1,970,610	383,280	2,353,890
FY2030-2034	5,836,496	312,552	6,149,047
Total Governmental Activities	<u>\$ 18,684,914</u>	<u>\$ 2,037,807</u>	<u>\$ 20,722,721</u>

Component Units

School Board:

Years	Principal	Interest	Total
FY2025	\$ 4,233,140	\$ 351,318	\$ 4,584,458
FY2026	3,350,583	247,379	3,597,961
FY2027	1,738,871	165,267	1,904,138
FY2028	1,674,150	127,234	1,801,383
FY2029	1,330,030	90,971	1,421,002
FY2030-2034	2,766,615	90,511	2,857,125
Total School Board	<u>\$ 15,093,388</u>	<u>\$ 1,072,680</u>	<u>\$ 16,166,068</u>
Grand Total	<u>\$ 33,778,302</u>	<u>\$ 3,110,486</u>	<u>\$ 36,888,788</u>

NOTE 8. CONTINGENCIES AND COMMITMENTS

A. Litigation

The County and School Board are named as defendants in several cases including tax assessment, construction contract, personal injury, special education, civil rights, and other contract cases. The maximum exposure amount that can be reasonably estimated is approximately \$237,802 for cases and potential counter claims where the County is the plaintiff. These claims are covered under the County's self-insurance program as discussed in note 8C. The County intends to defend its position in these claims vigorously. It is the opinion of County management, based on the advice of the County Attorney, that any losses incurred as a result of claims existing as of June 30, 2024, will not be material to the County's financial statements.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

B. Federal Grant Awards

The County and School Board participate in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, would not have a material effect on the County's financial statements.

C. Risk Management

The County and School Board maintain a self-insurance program ("Program") for workers' compensation claims, certain property and casualty risks, health care and other claims. The Virginia Association of Counties Group Self-Insurance Risk Pool (VaCorp) covers property claims in excess of \$1,000,000 per occurrence. VaCorp covers liability claims in excess of \$2,000,000 with a \$5,000,000 limit per occurrence. The County's estimated and recorded liability for claims payable at June 30, 2024 includes actuarial estimates of probable losses on claims received and claims incurred but not reported. The liability also includes non-incremental claims adjustment expenses. The County has recorded expenditures of \$2,618,795 in the General Fund to reflect the liability for the estimated settlement value of all reported workers' compensation and property and casualty claims covered by the Program at June 30, 2024, that are expected to be liquidated with current resources. The amount of settlements has not exceeded insurance coverage in each of the past three years.

Effective January 1, 2008, the County began participating in a self-funded health care program covering medical and prescription drug costs. The County pays all covered claims up to \$500,000 per individual per year. Individual claims that exceed \$500,000 per year are covered by specific excess risk insurance. Worker's compensation claims in excess of \$1,250,000 (\$2,000,000 if presumptive) are covered through Safety National Insurance Company. Additionally, claims in the aggregate that exceed 125% of projected claims for the year are covered by aggregate excess risk insurance. The carrier of the excess risk policy is Coventry Health and Life Insurance Company. The County has recorded \$12,138,000 for health care claims incurred but not reported in the Health Care Fund at June 30, 2024.

In addition, the County has recorded \$20,792,000 for the County and \$7,069,000 for the School Board in the Government-wide Statement of Net Position to reflect the liability for the estimated settlement value of workers' compensation and property and casualty claims covered by the Program at June 30, 2024, that are not expected to be liquidated with current resources. Also, the County has assigned \$7,500,000 of the June 30, 2024 General Fund's Fund balance as a self-insurance reserve.

At June 30, 2024 and 2023, the County and Schools had accrued claims payable in long-term liabilities as follows:

	<u>FY 2024</u>		<u>FY 2023</u>	
	<u>County</u>	<u>Schools</u>	<u>County</u>	<u>Schools</u>
Balance, July 1	\$ 29,646,000	\$ 5,998,000	\$ 29,272,000	\$ 5,933,000
Current year claims and changes in estimates	28,086,739	3,168,319	21,308,264	2,442,296
Claim payments	<u>(24,802,739)</u>	<u>(2,097,319)</u>	<u>(20,934,264)</u>	<u>(2,377,296)</u>
Balance, June 30	<u>\$ 32,930,000</u>	<u>\$ 7,069,000</u>	<u>\$ 29,646,000</u>	<u>\$ 5,998,000</u>

D. Commitments

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

At June 30, 2024, the County had contractual commitments for the construction of various projects as follows:

	Primary Government	Component Unit-Schools
Capital Projects Funds:		
Computer and Technology Improvements	\$ 8,047,264	\$ -
Buildings and Grounds	2,154,845	-
Road Maintenance	57,012,254	-
Landfill Development & Utilities Projects	8,334,378	-
Public Safety Projects	24,065,305	-
Public Works	20,716,688	-
Parks and Recreation	39,959,687	-
Community Development	803,920	-
Libraries	150,301	-
Education Projects	89,239,306	57,700,812
Total	<u>\$ 250,485,948</u>	<u>\$ 57,700,812</u>
Enterprise Funds:		
Wastewater Treatment Projects	\$ 95,829,384	
Water Plant Projects	10,511,096	
Computer and Information Systems	10,454,286	
Total	<u>\$ 116,794,766</u>	

Encumbrances

As discussed in Note 1.G, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2023, the County had encumbrances expected to be honored upon performance by vendors in the next year as follows:

General Fund	\$ 12,653,163
Special Revenue Fund	4,897,130
Capital Projects Fund	<u>281,195,657</u>
Total	<u>\$298,745,950</u>

G. Contingent Liabilities

Capital Region Airport Commission

See Note 21, "Joint Ventures" for a discussion of the County's contingent liability relating to the Capital Region Airport Commission.

Environmental Risk

The County is the owner of closed landfills, underground storage tanks, sewage lagoons and other potential sources of toxic substances. Ownership of these properties exposes the County to risk of third-party pollution liability. At this time, no claim exists nor is there knowledge of any condition which impairs a third party's property or person.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9. DEFINED BENEFIT PENSION PLAN – AGENT MULTIPLE-EMPLOYER

A. Plan Description

The County and School Board Non-Professional Group contribute to an agent multiple-employer defined benefit pension plan administered by the VRS. All full-time, salaried permanent employees must participate in the VRS. Benefits vest after five years of service. VRS administers three different benefit plans for local government employees – Plan 1, Plan 2 and a Hybrid Plan. Each plan has a different eligibility and benefit structure as described below.

VRS Plan 1 and Plan 2 are defined benefit plans and the retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013. VRS Plan 1 and Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

VRS members are eligible for an unreduced retirement benefit at age 65 for Plan 1 members and at normal social security retirement age for Plan 2 members with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs)) payable monthly for life in an amount equal to 1.7 percent (Plan 1 members) and 1.65% (Plan 2 members) of their average final compensation ("AFC") for each year of credited service (1.85 percent to Sheriffs and if the employer elects, to other employees in hazardous positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5 percent (Plan 1 members) and 3% (Plan 2 members) per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months for Plan 1 members and 60 months for Plan 2 members, of reported annual compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during the special election window. The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. The benefit from the defined contribution plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees. Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Hybrid members are eligible for an unreduced retirement benefit at normal social security retirement age with 5 years of service or when their age and service equal 90. The defined benefit component has a 1.0 percent multiplier to produce approximately a 30% salary replacement rate after 30 years of service. Hybrid member's average final compensation is the highest consecutive 60 months of reported annual compensation. Retirees qualify for annual cost-of-living increases limited to 3% per year beginning in their second year of retirement.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Employees Covered by Benefit Terms

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

	<u>County*</u>	<u>School Board Non-Professional Group</u>
Inactive members or their beneficiaries currently receiving benefits	3,870	97
Inactive members:		
Vested	846	22
Non-vested	1,823	86
Active elsewhere in VRS	<u>1,350</u>	<u>96</u>
Total inactive members	4,019	204
Active members	<u>5,058</u>	<u>27</u>
Total	<u>12,947</u>	<u>328</u>

*includes School Board Construction and Maintenance (C&M) Group – See note 9B for further information

VRS issues a publicly available ACFR that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

VRS Plan 1 and 2 members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5 percent of their annual salary to the VRS. Hybrid Plan members have a 4 percent mandatory defined benefit contribution and a 1 percent mandatory contribution to the defined contribution plan and up to an additional 4 percent voluntary contribution to the defined contribution plan. The County has a mandatory 1 percent match to the defined contribution plan, plus a 100 percent match on the first 1 percent elected by the employee, plus a 50 percent matching contribution on the next 3 percent elected by the employee. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund.

In addition, the County and School Board Non-Professional Group are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board Non-Professional Group's contribution rates for the fiscal year ended 2024 were 16.53 percent and 39.75 percent, respectively, of annual covered employee compensation. The County and School Board contributions for the fiscal year ended 2024 were \$49,570,307 and \$246,434, respectively. These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability.

C. Net Pension Liability and Pension Expense

At June 30, 2024, the County and School Board Non-Professional Group reported a net pension liability of \$255,430,075 and \$2,618,637, respectively. The County and School Non-Professional Group changes in the net pension liability are presented below.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Change in the Net Pension Liability

County	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$1,777,441,179	\$1,557,180,353	\$220,260,826
Changes for the year:			
Service cost	42,494,694	-	42,494,694
Interest	119,825,508	-	119,825,508
Difference between expected and actual experience	36,502,994	-	36,502,994
Contributions-employer	-	49,570,307	(49,570,307)
Contributions-employee	-	14,850,198	(14,850,198)
Net investment income	-	100,190,220	(100,190,220)
Benefit payments, including refunds of employee contributions	(89,486,309)	(89,486,309)	-
Administrative expense	-	(995,044)	995,044
Other changes	-	38,266	(38,266)
Net changes	109,336,887	74,167,638	35,169,249
Balances at June 30, 2024	<u>\$1,886,778,066</u>	<u>\$1,631,347,991</u>	<u>\$255,430,075</u>

School Board Non-Professional Group

Balances at June 30, 2023	\$8,384,635	\$5,038,107	\$3,346,528
Changes for the year:			
Service cost	64,277	-	64,277
Interest	547,636	-	547,636
Difference between expected and actual experience	(759,873)	-	(759,873)
Contributions-employer	-	246,434	(246,434)
Contributions-employee	-	28,922	(28,922)
Net investment income	-	307,757	(307,757)
Benefit payments, including refunds of employee contributions	(671,562)	(671,562)	-
Administrative expense	-	(3,305)	3,305
Other changes	-	123	(123)
Net changes	(819,522)	(91,631)	(727,891)
Balances at June 30, 2024	<u>\$7,565,113</u>	<u>\$4,946,476</u>	<u>\$2,618,637</u>

The County's net pension liability was allocated based on respective contribution proportionate shares to the employees in the County General Government, Water and Sewer Revenue Fund and Central Automotive Maintenance (CAM), which are reported as part of the County's Primary Government, and JRJDC and School Board Construction and Maintenance (School Board C&M), which are reported as part of the County's Component Units.

The net pension liability for the County General Government, Water and Sewer Revenue Fund, JRJDC, CAM, School Board C&M and School Board Non-Professional Group employees was \$208,166,069, \$14,378,607, \$3,052,756, \$3,122,150, \$26,710,493, and \$2,618,637, respectively. The net pension liability was measured as of June 30, 2023. The total pension 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.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Change in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Governmental Activities			
Balances at June 30, 2023	\$1,470,718,227	\$1,289,455,509	\$181,262,718
Changes for the year:			
Service cost	36,279,547	-	36,279,547
Interest	102,300,187	-	102,300,187
Difference between expected and actual experience	31,164,176	-	31,164,176
Contributions-employer	-	42,320,302	(42,320,302)
Contributions-employee	-	12,678,252	(12,678,252)
Net investment income	-	85,536,698	(85,536,698)
Benefit payments, including refunds of employee contributions	(76,398,309)	(76,398,309)	-
Administrative expense	-	(849,512)	849,512
Other changes	-	32,669	(32,669)
Net changes	93,345,601	63,320,100	30,025,501
Balances at June 30, 2024	<u>\$1,564,063,828</u>	<u>\$1,352,775,609</u>	<u>\$211,288,219</u>

Business-type Activities

Balances at June 30, 2023	\$99,972,245	\$87,320,318	\$12,651,927
Changes for the year:			
Service cost	2,086,331	-	2,086,331
Interest	5,882,985	-	5,882,985
Difference between expected and actual experience	1,792,161	-	1,792,161
Contributions-employer	-	2,433,717	(2,433,717)
Contributions-employee	-	729,089	(729,089)
Net investment income	-	4,918,965	(4,918,965)
Benefit payments, including refunds of employee contributions	(4,393,443)	(4,393,443)	-
Administrative expense	-	(48,853)	48,853
Other changes	-	1,879	(1,879)
Net changes	5,368,034	3,641,354	1,726,680
Balances at June 30, 2024	<u>\$105,340,279</u>	<u>\$90,961,672</u>	<u>\$14,378,607</u>

Total Primary Government

Balances at June 30, 2023	\$1,570,690,472	\$1,376,775,827	\$193,914,645
Changes for the year:			
Service cost	38,365,878	-	38,365,878
Interest	108,183,172	-	108,183,172
Difference between expected and actual experience	32,956,337	-	32,956,337
Contributions-employer	-	44,754,019	(44,754,019)
Contributions-employee	-	13,407,341	(13,407,341)
Net investment income	-	90,455,663	(90,455,663)
Benefit payments, including refunds of employee contributions	(80,791,752)	(80,791,752)	-
Administrative expense	-	(898,365)	898,365
Other changes	-	34,548	(34,548)
Net changes	98,713,635	66,961,454	31,752,181
Balances at June 30, 2024	<u>\$1,669,404,107</u>	<u>\$1,443,737,281</u>	<u>\$225,666,826</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Change in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
School Board C&M			
Balances at June 30, 2023	\$184,679,061	\$160,999,358	\$23,679,703
Changes for the year:			
Service cost	3,662,080	-	3,662,080
Difference between expected and actual experience	3,145,731	-	3,145,731
Interest	10,326,245	-	10,326,245
Contributions-employer	-	4,271,838	(4,271,838)
Contributions-employee	-	1,279,751	(1,279,751)
Net investment income	-	8,634,129	(8,634,129)
Benefit payments, including refunds of employee contributions	(7,711,693)	(7,711,693)	-
Administrative expense	-	(85,750)	85,750
Other changes	-	3,298	(3,298)
Net changes	9,422,363	6,391,573	3,030,790
Balances at June 30, 2024	\$194,101,424	\$167,390,931	\$26,710,493

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
School Board Non-Professional Group			
Balances at June 30, 2023	\$8,384,635	\$5,038,107	\$3,346,528
Changes for the year:			
Service cost	64,277	-	64,277
Difference between expected and actual experience	(759,873)	-	(759,873)
Interest	547,636	-	547,636
Contributions-employer	-	246,434	(246,434)
Contributions-employee	-	28,922	(28,922)
Net investment income	-	307,757	(307,757)
Benefit payments, including refunds of employee contributions	(671,562)	(671,562)	-
Administrative expense	-	(3,305)	3,305
Other changes	-	123	(123)
Net changes	(819,522)	(91,631)	(727,891)
Balances at June 30, 2024	\$7,565,113	\$4,946,476	\$2,618,637

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
James River Juvenile Detention Center			
Balances at June 30, 2023	\$22,071,647	\$19,405,169	\$2,666,478
Changes for the year:			
Service cost	466,736	-	466,736
Difference between expected and actual experience	400,927	-	400,927
Interest	1,316,091	-	1,316,091
Contributions-employer	-	544,450	(544,450)
Contributions-employee	-	163,106	(163,106)
Net investment income	-	1,100,429	(1,100,429)
Benefit payments, including refunds of employee contributions	(982,864)	(982,864)	-
Administrative expense	-	(10,929)	10,929
Other changes	-	420	(420)
Net changes	1,200,890	814,612	386,278
Balances at June 30, 2024	\$23,272,537	\$20,219,781	\$3,052,756

D. Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment and mortality. The amounts determined from the actuarial study regarding the total pension liability, total fiduciary net position, net pension liability and annual pension expense of the County are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The total pension liability at the June 30, 2023 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Discount Rate	6.75%
Inflation	2.5%
Payroll Growth	3.0%
Projected Salary Increases	3.50% to 5.35% per year for general government employees 3.50% to 4.75% per year for public safety employees
Investment Rate of Return	6.75% net of pension plan investment expense
Cost of Living Adjustment	2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees

Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately .06 percent of the fair market value of assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75 percent. However, since the difference was minimal, and a more conservative 6.75 percent investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75 percent to simplify preparation of pension liabilities.

Mortality rates were based on the PUB2010 public sector mortality tables adjusted for future mortality improvements using a modified MP-2020 mortality improvement scale.

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. The actuarial cost method used was the entry age method and the amortization method used was the level percentage of payroll closed method. The remaining amortization period is 2-24 years and the asset valuation method used was the 5-year smoothed market.

E. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the VRS for use in the last actuarial experience study for the four-year period ending June 30, 2020 are summarized in the following table:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Asset Class	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return	Weighted Average Long-Term Expected Real 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. The results provide a range of returns over various time periods that ultimately provide a medial 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%.

F. 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 plan member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate.

Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater.

From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

G. Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the County's Governmental Activities, Business-type Activities, School Board C&M's proportionate share and the School Board Non-Professional Group's net pension liability calculated using the discount rate of 6.75 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75 percent) or 1- percentage point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Governmental Activities proportionate share of the net pension liability	\$424,461,649	\$211,288,219	\$46,550,765
Business-type Activities proportionate share of the net pension liability	<u>\$24,409,548</u>	<u>\$14,378,607</u>	<u>\$2,676,998</u>
Total Primary Government	<u>\$448,871,197</u>	<u>\$225,666,826</u>	<u>\$49,227,763</u>
School Board C&M proportionate share of the net pension liability	\$42,845,424	\$26,710,493	\$4,698,863
School Board Non-Professional Group	\$3,327,152	\$2,618,637	\$2,001,640
James River Juvenile Detention Center proportionate share of the net pension liability	<u>\$5,460,697</u>	<u>\$3,052,756</u>	<u>\$598,875</u>
Total Component Units	<u>\$51,633,273</u>	<u>\$32,381,886</u>	<u>\$7,299,378</u>

H. Deferred Outflows and Inflows of Resources and Pension Expense

The County's Governmental Activities, Business-type Activities, School C&M and JRJDC have recognized deferred outflows of resources of \$47,604,261, \$2,934,402, \$4,806,963, and \$614,858, respectively, resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

At June 30, 2024, the County's Governmental Activities, Business-type Activities, School Board C&M and JRJDC employee allocation, reported a net pension liability of \$211,288,219, \$14,378,607, \$26,710,493, and \$3,052,756 respectively, for its proportionate share of the net pension liability. The School Board Non-Professional Group reported a net pension liability of \$2,618,637. At June 30, 2024, the Governmental Activities, Business-type Activities, JRJDC and Schools C&M proportion of the County of Henrico was 85.37 percent, 4.91 percent, 1.10 percent, and 8.62 percent, respectively. The County's Governmental Activities, Business-type Activities, Schools C&M and JRJDC recognized pension expenses of \$49,132,293, \$2,825,455, \$4,959,444, and \$632,087, respectively. The total pension expense for the County's Primary Government is \$51,957,748. The School Board Non-Professional Group recognized pension income of \$558,175.

The County's Governmental Activities, Business-type Activities, School Board and JRJDC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Primary Government</u>		
Governmental Activities		
Change in pension proportionate share allocation	\$ 674,733	\$ 45,395
Difference between expected and actual experience	29,096,400	4,041,567
Changes of assumptions	13,202,698	-
Difference between projected and actual earnings on pension plan investments	-	20,405,005
Pension contributions after the measurement date	47,604,261	-
Total	<u>\$ 90,578,092</u>	<u>\$ 24,491,967</u>
Business-Type Activities		
Change in pension proportionate share allocation	\$ -	\$ 677,872
Difference between expected and actual experience	1,696,397	250,439
Changes of assumptions	818,117	-
Difference between projected and actual earnings on pension plan investments	-	1,297,887
Pension contributions after the measurement date	2,934,402	-
Total	<u>\$ 5,448,916</u>	<u>\$ 2,226,198</u>
<u>Total Primary Government</u>		
Change in pension proportionate share allocation	\$ 674,733	\$ 723,267
Difference between expected and actual experience	30,792,797	4,292,006
Changes of assumptions	14,020,815	-
Difference between projected and actual earnings on pension plan investments	-	21,702,892
Pension contributions after the measurement date	50,538,663	-
	<u>\$ 96,027,008</u>	<u>\$ 26,718,165</u>
<u>Component Units</u>		
Schools C&M		
Change in pension proportionate share allocation	\$ 305,229	\$ 154,715
Difference between expected and actual experience	2,924,303	408,123
Changes of assumptions	1,333,228	-
Difference between projected and actual earnings on pension plan investments	-	2,155,767
Pension contributions after the measurement date	4,806,963	-
Total	<u>\$ 9,369,723</u>	<u>\$ 2,718,605</u>
Schools Non-Professional Group		
Difference between projected and actual earnings on pension plan investments	\$ -	\$ 95,330
Pension contributions after the measurement date	266,771	-
Total	<u>\$ 266,771</u>	<u>\$ 95,330</u>
James River Juvenile Detention Center		
Change in pension proportionate share allocation	\$ 24,335	\$ 126,315
Difference between expected and actual experience	378,674	58,088
Changes of assumptions	189,757	-
Difference between projected and actual earnings on pension plan investments	-	346,654
Pension contributions after the measurement date	614,858	-
Total	<u>\$ 1,207,624</u>	<u>\$ 531,057</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The change in the proportionate share allocation, difference between expected and actual experience, changes of assumptions and difference between projected and actual earnings on pension plan investments will be recognized in pension expense as follows:

Year Ending June 30:	Governmental Activities	Business-Type Activities	Schools C&M	Schools Non- Professional Group	JRJDC
2025	\$ 6,651,813	\$ 18,953	\$ 589,685	\$ (62,891)	\$ 31,210
2026	(13,632,869)	(1,092,440)	(1,372,036)	(110,627)	(277,824)
2027	24,772,894	1,322,120	2,556,854	74,420	299,445
2028	690,026	39,683	69,652	3,768	8,878
	<u>\$ 18,481,864</u>	<u>\$ 288,316</u>	<u>\$ 1,844,155</u>	<u>\$ (95,330)</u>	<u>\$ 61,709</u>

NOTE 10. DEFINED BENEFIT PENSION PLAN – COST-SHARING MULTIPLE-EMPLOYER

A. Plan Description

The School Board Teachers contributes to a cost-sharing multiple-employer defined benefit pension plan administered by VRS, known as the Teacher Retirement Plan. All full-time, salaried permanent employees must participate in the VRS. Benefits vest after five years of service. VRS administers three different benefit plans for local school employees – Plan 1, Plan 2 and a Hybrid Plan. Each plan has a different eligibility and benefit structure as described below.

VRS Plan 1 and Plan 2 are defined benefit plans and the retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013. VRS Plan 1 and Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

VRS members are eligible for an unreduced retirement benefit at age 65 for Plan 1 members and at normal social security retirement age for Plan 2 members with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7 percent (Plan 1 members) and 1.65% (Plan 2 members) of their average final compensation ("AFC") for each year of credited service (1.85 percent to Sheriffs and if the employer elects, to other employees in hazardous positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5 percent (Plan 1 members) and 3% (Plan 2 members) per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months for Plan 1 members and 60 months for Plan 2 members, of reported annual compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during the special election window. The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. The benefit from the defined contribution plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees. Members are eligible to receive distributions upon leaving employment, subject to restrictions.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Hybrid members are eligible for an unreduced retirement benefit at normal social security retirement age with 5 years of service or when their age and service equal 90. The defined benefit component has a 1.0 percent multiplier to produce approximately a 30% salary replacement rate after 30 years of service. Hybrid member's average final compensation is the highest consecutive 60 months of reported annual compensation. Retirees qualify for annual cost-of-living increases limited to 3% per year beginning in their second year of retirement.

VRS issues a publicly available ACFR that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

VRS Plan 1 and VRS Plan 2 members are required by Title 51.1-145 of the *Code of Virginia* (1950), as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly, to contribute 5 percent of their annual salary to the VRS. Hybrid Plan members have a 4 percent mandatory defined benefit contribution and a 1 percent mandatory contribution to the defined contribution plan and up to an additional 4 percent voluntary contribution to the defined contribution plan. The School Board Teachers Plan has a mandatory 1 percent match to the defined contribution plan, plus a 100 percent match on the first 1 percent elected by the employee, plus a 50 percent matching contribution on the next 3 percent elected by the employee. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund.

In addition, the School Board Teachers are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia (1950) and approved by the VRS Board of Trustees. Each school division's contractually required employer contribution rate for the year ended June 30, 2024, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, is expected to finance the costs of benefits earned by the employee during the year, with an additional amount to finance any unfunded accrued liability. The School Board Teachers' contributions to VRS for the years ended June 30, 2024 and June 30, 2023 were \$52,190,637 and \$49,915,832, respectively, and are equal to the required contributions for each year.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly reconvened Session, and is classified as a non-employer contribution. The School Board Teacher's portion of the special contribution was \$4,875,254 for the fiscal year ending June 30, 2024.

C. Net Pension Liabilities and Pension Expense

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, pension expense and the fiduciary net position of the Teacher Retirement Plan and the additions to/deductions from the VRS Teacher Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by 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.

At June 30, 2024, the County's Component Unit's, the School Board and JRJDC, reported a net pension liability of \$363,495,556 and \$3,052,756, respectively. 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 as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The School Board's proportion of the net pension liability and pension expense related to the Teacher Retirement Plan was based on a projection of the School Board's long-term share of contributions to the Teacher Retirement Plan relative to the projected contributions of all participating employers. JRJDC's proportion of the net pension liability and pension expense related to the County's retirement plan was based on a projection of JRJDC's long-term share of contributions to the County's retirement plan relative to the projected contributions in the future.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The School Board net pension liability of \$363,495,556 is made up of three groups of employees. The Teachers' net pension liability of \$334,166,426, the School Board Non-Professional Group net pension liability of \$2,618,637 and the School C&M net pension liability of \$26,710,493. For the year ended June 30, 2024, the Teacher Retirement Plan, School Board Non-Professional Group and School's C&M Group reported pension expense of \$34,879,601, (\$558,175), and \$4,959,444, respectively. The School Board's participation in the VRS cost-sharing plan was 3.31% as of June 30, 2024.

As of June 30, 2024, the School Board's net pension liability for VRS plans is as follows:

<u>Teachers</u>	
Total pension liability	\$1,892,401,059
Fiduciary net position	<u>1,558,234,633</u>
Net pension liability	<u>\$ 334,166,426</u>
 <u>Schools Non-Professional Group</u>	
Total pension liability	\$ 7,565,113
Fiduciary net position	<u>4,946,476</u>
Net pension liability	<u>\$ 2,618,637</u>
 <u>Schools C&M</u>	
Total pension liability	\$ 194,101,424
Fiduciary net position	<u>167,390,931</u>
Net pension liability	<u>\$ 26,710,493</u>
 <u>Total Schools</u>	
Total pension liability	\$2,094,067,596
Fiduciary net position	<u>1,730,572,040</u>
Net pension liability	<u>\$ 363,495,556</u>
 Plan fiduciary net position as a percentage of the total pension liability	
	82.64%

D. Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment and mortality. The amounts determined from the actuarial study regarding the total pension liability, total fiduciary net position, net pension liability and annual pension expense of the County are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

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 actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Discount Rate	6.75%
Inflation	2.5%
Payroll Growth	3.0%
Projected Salary Increases	3.50% to 5.95% per year
Investment Rate of Return	6.75% net of pension plan investment expense
Cost of Living Adjustment	2.5% per year for Plan 1 employees and 2.25% for Plan 2 employees

Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately .06 percent of the fair market value of assets for all of the VRS plans. This would provide an

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75 percent. However, since the difference was minimal, and a more conservative 6.75 percent investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75 percent to simplify preparation of pension liabilities.

Mortality rates are based on the PUB2010 public sector mortality tables, as appropriate, with rate adjustments for mortality improvements projected generationally with a modified Mortality MP-2020 Improvement Scale that is 75% of the MP-2020 rates. Mortality rates for pre-retirement are based on the Pub-2010 amount weighted teacher employee rates projected generationally; 110% of rates for males. Mortality rates for post-retirement are based on the Pub-2010 amount weighted teachers healthy retiree rates projected generationally; males set forward 1 year; 105% of rates for females. Mortality rates for post-disablement are based on the Pub-2010 amount weighted teachers disabled rates projected generationally; 110% of rates for males and females. Mortality rates for beneficiaries and survivors are based on the Pub-2010 amount weighted teachers contingent annuitant rates projected generationally.

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 July 1, 2021. The actuarial cost method used was the Entry Age Normal Cost Method and the contribution was developed using level percent of pay amortization of the unfunded liability with a closed amortization period. The remaining amortization period is 30 years and the asset valuation method used was the 5-year smoothed market. Changes to the actuarial assumptions as a result of the experience study included an update to a more current public sector mortality table (PUB2010), adjusted retirement rates to better fit experience for Plan 1, set separate retirement rates based on experience for Plan2/Hybrid, changed final retirement age from 75 to 80 and adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service. No changes were made to disability rates, salary scale and the discount rate.

E. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the System for use in the last actuarial experience study for the four-year period ending June 30, 2020, are summarized in the following table:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Asset Class	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return	Weighted Average Long-Term Expected Real 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. The results provide a range of returns over various time periods that ultimately provide a medial return of 7.14%, including expected inflation of 2.50%.

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

F. Discount Rate

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

From July 1, 2023 on, school divisions are assumed to contribute 112 percent of the actuarially determined contribution rates. Based on those assumptions, the 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the County's School Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the School Board's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75 percent) or 1- percentage point higher (7.75 percent) than the current rate:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

	1% Decrease (5.75.0%)	Discount Rate (6.75%)	1% Increase (7.75%)
<u>School Board</u>			
Teachers' proportionate share of the net pension liability	\$ 592,357,885	\$ 334,166,426	\$ 121,911,809
School Board Non-Professional Group net pension liability	3,327,152	2,618,637	2,001,640
School Board C&M's proportionate share of the net pension liability	42,845,424	26,710,493	4,698,863
Total all Schools	<u>\$ 638,530,461</u>	<u>\$ 363,495,556</u>	<u>\$ 128,612,312</u>

H. Deferred Outflows and Inflows of Resources Related to Pensions

The School Board has recognized deferred outflows of resources of \$66,672,420 resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. The School Board has recognized deferred outflows of resources of \$4,362,738 resulting from a change in the proportionate share allocation of the beginning net pension liability for the actuarial measurement date June 30, 2023. The School Board has recognized deferred outflows of resources of \$16,525,545 resulting from changes of assumptions. The School Board has recognized deferred outflows of resources of \$31,629,483 resulting from the difference between expected and actual experience.

The School Board has recognized deferred inflows of resources of \$5,535,907 resulting from a change in the proportionate share allocation of the beginning net pension liability for the actuarial measurement date June 30, 2023. The School Board has recognized deferred inflows of resources of \$13,614,682 resulting from the difference between expected and actual experience. The School Board has recognized net deferred inflows of resources of \$23,219,113 resulting from the difference between projected and actual earnings on pension plan investments.

As of June 30, 2024, the School Board's deferred outflows and inflows of resources is as follows:

<u>Deferred Outflows of Resources</u>	
Teachers – employer contributions	\$ 61,598,686
Teachers – difference in experience	28,705,180
Teachers – proportionate share	4,057,509
Teachers – changes of assumptions	15,192,317
Schools Non-Professional Group – employer contributions	266,771
Schools C&M – employer contributions	4,806,963
Schools C&M – changes of assumptions	1,333,228
Schools C&M – proportionate share	305,229
Schools C&M – difference in experience	2,924,303
Total Deferred Outflows of Resources	<u>\$ 119,190,186</u>

<u>Deferred Inflows of Resources</u>	
Teachers – difference in experience	\$ 13,206,559
Teachers – difference in earnings	20,968,016
Teachers – difference in proportionate share	5,381,192
Schools Non-Professional Group – difference in earnings	95,330
Schools C&M – difference in experience	408,123
Schools C&M – difference in earnings	2,155,767
Schools C&M – difference in proportionate share	154,715
Total Deferred Inflows of Resources	<u>\$ 42,369,702</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

These deferred outflows and deferred inflows resulting from the difference between projected and actual earnings, changes in the proportionate share allocation and the difference between expected and actual experience will be recognized in pension expense as follows:

School Board

Year Ending June 30:	School Board			
	Teachers	Non-Professional Group	School Board C&M	Total
2025	\$ (5,607,717)	\$ (62,891)	\$ 589,685	\$ (5,080,923)
2026	(18,441,036)	(110,627)	(1,372,036)	(19,923,699)
2027	25,941,792	74,420	2,556,854	28,573,066
2028	6,506,200	3,768	69,652	6,579,620
2029	-	-	-	-
	<u>\$ 8,399,239</u>	<u>\$ (95,330)</u>	<u>\$ 1,844,155</u>	<u>\$ 10,148,064</u>

I. Employer Contributions

The County's Component Unit proportionate shares were calculated on the basis of historical employer contributions. Although GAAP encourages the use of the projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. Employer contributions recognized by the VRS Teacher Retirement Plan that are not representative of future contribution efforts are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution efforts are contributions toward the purchase of employee service, contributions for adjustments for prior periods, and supplemental employer contributions.

The employer contributions used in the determination of employers' proportionate shares of collective pension amounts reported in the Schedule of Employer Allocations was based on the total employer contributions using the plan's contribution rates and the employer's covered payroll for June 30, 2023. The County's Teacher portion was \$54,787,998. Of this amount, \$2,597,363 was transferred to MissionSquare as the employer cost of the defined contribution component for employees covered by the Hybrid Retirement Plan benefit structure and \$52,190,637 was retained by the defined benefit plan. The employer contributions of \$52,137,924 reported in the VRS Teacher Employee's Retirement Plan's Statement of Changes in Net Position (per the System's separately issued financial statements) reflect this net amount minus approximately \$52,713 in other employer contribution adjustments that were not representative of future contribution efforts.

NOTE 11. HEALTHCARE OPEB PLAN – SINGLE EMPLOYER

A. Plan Description

The County provides other postemployment healthcare benefits for retired employees through the County of Henrico Post Retirement Benefits Plan, a single-employer defined benefit OPEB plan ("Plan"). The benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County.

As described in Note 2, the County participates in the Virginia Pooled OPEB Trust Fund ("Trust Fund"), an irrevocable trust established for the purpose of accumulating assets to fund postemployment healthcare benefits other than pensions.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Healthcare Benefits

The County provides health and dental care benefits during retirement for retirees and their dependents. Employees who wish to have County sponsored health and dental care coverage must enroll within 31 days of the date their employment coverage ends. Employees retiring with an immediate VRS monthly retirement payment may elect to be covered under the County sponsored medical and dental plan at the time they retire. Benefits are provided through a third-party insurer.

Eligible retirees under the age of 65 and their dependents, can remain in the County's health and dental plans. Medicare eligible retirees at age 65, move to a Medicare carve-out plan which is coordinated with Medicare. Upon the death of the retiree, surviving spouses may elect to remain in the County's plan.

Current Henrico County retirees who qualify for health benefits receive an implicit rate subsidy by participating in the active employee health care risk pool. The County also provides a retiree health care supplement for retirees who meet the following eligibility conditions:

1. Retirees who are not eligible for the VRS health care credit.
2. Retirees must have a minimum of 20 full years of VRS service, 10 of which must be with the County.
3. The supplement will be paid only to eligible retirees who choose to remain in the County's group plan.
4. Employees retiring on a VRS disability will receive the monthly supplement for the greater of 30 years or their actual years of VRS service.

Effective January 1, 2006, the monthly supplement is \$3.00 for each full year of service. The former cap of 30 years of service has been removed. Therefore, all VRS service will be recognized for the supplement. Upon the death of a retiree, surviving spouses may elect to remain in the County's plan.

Membership

At June 30, 2024, membership for the postemployment healthcare benefits consisted of:

Active employees	11,167
Retirees	1,019
Disabled's	38
Retiree Spouses and Beneficiaries	<u>43</u>
Total participants	<u>12,267</u>

B. Funding Policy

The County currently contributes amounts to the Virginia Pooled OPEB Trust Fund for the postemployment healthcare benefits. The Board of the Trust Fund establishes rates based on an actuarially determined rate. Contributions are irrevocable and shall be dedicated to providing other postemployment benefits or to defray reasonable expenses of the Trust Fund. For the year ended June 30, 2024, the County's contribution to the OPEB Trust Fund was \$7,913,006 and the average contribution rate was 1.1 percent of covered employee payroll. The County's Governmental Activities, Business-type Activities, School Board and JRJDC's contributions to the OPEB Trust Fund were \$4,169,610, \$73,699, \$3,658,370, and \$11,327.

C. Net OPEB Liability and OPEB Expense

For purposes of measuring the net postemployment healthcare OPEB liability, deferred outflows and deferred inflows of resources, OPEB expense and the additions to/deductions from net fiduciary position have been determined on the same basis as they were reported as of June 30, 2024. 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.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

At June 30, 2024, the County's Governmental Activities, Business-type Activities, School Board and JRJDC's employee allocation, reported a net postemployment healthcare OPEB asset of \$2,047,378, \$64,347, \$2,428,467, and \$11,408 respectively, for its proportionate share of the net pension liability. At June 30, 2024, the Governmental Activities, Business-type Activities, School Board and JRJDC proportion of the County of Henrico was 52.70 percent, .93 percent, 46.23 percent, and .14 percent, respectively.

For the year ended June 30, 2024, the County's Governmental Activities, Business-type Activities, School Board and JRJDC recognized healthcare OPEB income of \$236,891, \$105,697, \$467,206, and \$32,807, respectively. The total OPEB income for the County's Primary Government is \$342,588.

As of June 30, 2024, the County's Primary Government net Healthcare OPEB asset is as follows:

<u>Governmental Activities</u>	
Total Healthcare OPEB liability	\$ 45,440,668
Fiduciary net position	<u>47,488,046</u>
Net Healthcare OPEB liability (asset)	<u>\$ (2,047,378)</u>
 <u>Business-type Activities</u>	
Total Healthcare OPEB liability	\$ 1,428,158
Fiduciary net position	<u>1,492,505</u>
Net Healthcare OPEB liability (asset)	<u>\$ (64,347)</u>
 <u>Total Primary Government</u>	
Total Healthcare OPEB liability	\$ 46,868,826
Fiduciary net position	<u>48,980,551</u>
Net Healthcare OPEB liability (asset)	<u>\$ (2,111,725)</u>
 Plan fiduciary net position as a percentage of the total Healthcare OPEB liability	
	104.51%

As of June 30, 2024, the County's Component Unit Net Healthcare OPEB asset is as follows:

<u>Schools</u>	
Total Healthcare OPEB liability	\$ 53,898,761
Fiduciary net position	<u>56,327,228</u>
Net Healthcare OPEB (asset)	<u>\$ (2,428,467)</u>
 <u>JRJDC</u>	
Total Healthcare OPEB liability	\$ 253,197
Fiduciary net position	<u>264,605</u>
Net Healthcare OPEB (asset)	<u>\$ (11,408)</u>
 <u>Total Component Unit</u>	
Total Healthcare OPEB liability	\$ 54,151,958
Fiduciary net position	<u>56,591,833</u>
Net Healthcare OPEB (asset)	<u>\$ (2,439,875)</u>
 Plan fiduciary net position as a percentage of the total net Healthcare OPEB liability	
	104.51%

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Change in the Net Healthcare OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Governmental Activities			
Balances at June 30, 2023	\$55,972,744	\$42,110,293	\$13,862,451
Changes for the year:			
Service cost	2,853,443	-	2,853,443
Interest	3,910,482	-	3,910,482
Contributions-employer	-	4,169,610	(4,169,610)
Net investment income	-	4,170,840	(4,170,840)
Difference between expected and actual experience	(8,644,596)	-	(8,644,596)
Changes of assumptions	(5,689,247)	-	(5,689,247)
Benefit payments, including refunds of employee contributions	(2,962,158)	(2,962,158)	-
Administrative expense	-	(539)	539
Net changes	(10,532,076)	5,377,753	(15,909,829)
Balances at June 30, 2024	<u>\$45,440,668</u>	<u>\$47,488,046</u>	<u>(\$2,047,378)</u>
Business-type Activities			
Balances at June 30, 2023	\$2,608,765	\$1,962,667	\$646,098
Changes for the year:			
Service cost	89,681	-	89,681
Interest	186,389	-	186,389
Contributions-employer	-	73,699	(73,699)
Net investment income	-	(508,094)	508,094
Difference between expected and actual experience	(1,242,119)	-	(1,242,119)
Changes of assumptions	(178,808)	-	(178,808)
Benefit payments, including refunds of employee contributions	(35,750)	(35,750)	-
Administrative expense	-	(17)	17
Net changes	(1,180,607)	(470,162)	(710,445)
Balances at June 30, 2023	<u>\$1,428,158</u>	<u>\$1,492,505</u>	<u>(\$64,347)</u>
Total Primary Government			
Balances at June 30, 2023	\$58,581,509	\$44,072,960	\$14,508,549
Changes for the year:			
Service cost	2,943,124	-	2,943,124
Interest	4,096,871	-	4,096,871
Contributions-employer	-	4,243,309	(4,243,309)
Net investment income	-	3,662,746	(3,662,746)
Difference between expected and actual experience	(9,886,715)	-	(9,886,715)
Changes of assumptions	(5,868,055)	-	(5,868,055)
Benefit payments, including refunds of employee contributions	(2,997,908)	(2,997,908)	-
Administrative expense	-	(556)	556
Net changes	(11,712,683)	4,907,591	(16,620,274)
Balances at June 30, 2024	<u>\$46,868,826</u>	<u>\$48,980,551</u>	<u>(\$2,111,725)</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Change in the Net Healthcare OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
School Board			
Balances at June 30, 2023	\$66,822,848	\$50,273,213	\$16,549,635
Changes for the year:			
Service cost	3,384,569	-	3,384,569
Interest	4,758,687	-	4,758,687
Contributions-employer	-	3,658,370	(3,658,370)
Net investment income	-	4,622,452	(4,622,452)
Difference between expected and actual experience	(12,092,960)	-	(12,092,960)
Changes of assumptions	(6,748,214)	-	(6,748,214)
Benefit payments, including refunds of employee contributions	(2,226,169)	(2,226,169)	-
Administrative expense	-	(638)	638
Net changes	(12,924,087)	6,054,015	(18,978,102)
Balances at June 30, 2024	<u>\$53,898,761</u>	<u>\$56,327,228</u>	<u>(\$2,428,467)</u>
James River Juvenile Detention Center			
Balances at June 30, 2023	\$590,623	\$444,347	\$146,276
Changes for the year:			
Service cost	15,899	-	15,899
Interest	42,135	-	42,135
Contributions-employer	-	11,327	(11,327)
Net investment income	-	(186,467)	186,467
Difference between expected and actual experience	(359,160)	-	(359,160)
Changes of assumptions	(31,701)	-	(31,701)
Benefit payments, including refunds of employee contributions	(4,599)	(4,599)	-
Administrative expense	-	(3)	3
Net changes	(337,426)	(179,742)	(157,684)
Balances at June 30, 2024	<u>\$253,197</u>	<u>\$264,605</u>	<u>(\$11,408)</u>
Total Component Unit			
Balances at June 30, 2023	\$67,413,471	\$50,717,560	\$16,695,911
Changes for the year:			
Service cost	3,400,468	-	3,400,468
Interest	4,800,822	-	4,800,822
Contributions-employer	-	3,669,697	(3,669,697)
Net investment income	-	4,435,985	(4,435,985)
Difference between expected and actual experience	(12,452,120)	-	(12,452,120)
Changes of assumptions	(6,779,915)	-	(6,779,915)
Benefit payments, including refunds of employee contributions	(2,230,768)	(2,230,768)	-
Administrative expense	-	(641)	641
Net changes	(13,261,513)	5,874,273	(19,135,786)
Balances at June 30, 2024	<u>\$54,151,958</u>	<u>\$56,591,833</u>	<u>(\$2,439,875)</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

D. Actuarial Methods and Assumptions

The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the June 30, 2024 actuarial valuation, which was used for the June 30, 2024 measurement date for postemployment healthcare benefits, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a 6.75 percent discount rate of return, salary increases of 2.5 percent annually and an annual healthcare cost trend rate of 7.0 percent graded to 5.6% over 3 years and following the Getzen model thereafter to an ultimate rate of 4.04% in the year 2075. The remaining closed amortization period beginning July 1, 2017, for the calculation of contributions, was 20 years. Experience gains or losses are amortized over the average working lifetime of all participants. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5-year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants. The County plans to continue to fund the OPEB Trust annually and has no plans to currently pay any benefits out of the OPEB Trust.

Mortality Rates

Mortality rates for the postemployment healthcare benefits are as follows:

Mortality rates – pre-commencement

County:

- Pub-2010 General Government Healthy Annuitant Headcount Weighted Tables; set forward 2 years for females with no adjustment for males. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Schools:

- Pub-2010 Teachers Healthy Annuitant Headcount Weighted Tables; 110% for males with no adjustment for females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Mortality rates – post-commencement

County:

- Pub-2010 General Government Healthy Annuitant Headcount Weighted Tables; 110% for females with no adjustment for males. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Schools:

- Pub-2010 Teachers Healthy Annuitant Headcount Weighted Tables; set forward 1 years for males and 105% for females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Mortality rates – post–disablement

County:

- Pub-2010 General Government Health Disabled Headcount Weighted Tables; set forward 3 years for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Schools:

- Pub-2010 Teachers Disabled Headcount Weighted Tables; 110% for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Mortality rates – beneficiaries and survivors

County:

- Pub-2010 General Government Contingent Survivor Headcount Weighted Tables; 110% for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Schools:

- Pub-2010 Teachers Contingent Survivor Headcount Weighted Tables. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

E. Long-Term Expected Rate of Return

Investment policy

The Board of the Trust Fund has the responsibility for managing the investment process. In fulfilling this responsibility, the Board will establish and maintain investment policies and objectives. Within this framework, the Board monitors and evaluates the investment managers, bank custodian, and other parties, to monitor whether operations conform to the guidelines and actual results meet objectives. If necessary, the Board is responsible for making changes to achieve this. The investment objective is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The following was the Board's adopted asset allocation policy as of June 30, 2024:

Asset Class	Target Allocation
Core Bonds	5%
Core Plus	11%
Liquid Absolute Return	4%
U.S. Large Cap Equity	21%
U.S Small Cap Equity	10%
International Developed Equity	13%
Emerging Market Equity	5%
Long/Short Equity	6%
Private Equity	10%
Core Real Estate	10%
Opportunistic Real Estate	5%
Total	100%

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

For the year ended June 30, 2024, the long-term expected rate of return on postemployment Healthcare plan investments was determined using the annual money-weighted rate of return on investments, net of investment expenses, which was 7.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The capital market assumptions use the building block method to help calculate the OPEB Trust's long-term rate of return. The long-term rates of return are arithmetic and are used as inputs for the mode to arrive at the median returns for the portfolio, which are geometric. When calculating the median rates, which are used to set the target rates, the intermediate term rates are used for the first 10 years and the long-term rates for all years thereafter. The County's best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return	Weighted Average Long-Term Expected Real Rate of Return
Core Bonds	5.00%	2.56%	0.13%
Core Plus	11.00%	2.87%	0.32%
Liquid Absolute Return	4.00%	3.25%	0.13%
U.S. Large Cap Equity	21.00%	7.15%	1.50%
U.S. Small Cap Equity	10.00%	8.58%	0.86%
International Developed Equity	13.00%	8.03%	1.04%
Emerging Market Equity	5.00%	9.29%	0.46%
Long/Short Equity	6.00%	5.55%	0.33%
Private Equity	10.00%	10.51%	1.05%
Core Real Estate	10.00%	6.49%	0.65%
Opportunistic Real Estate	5.00%	9.49%	0.47%
Total	100.00%		6.94%
	Inflation		2.75%
	Expected arithmetic nominal return		9.69%

F. Discount Rate

The discount rate used to measure the total Healthcare OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made equal to the actuarially determined contribution rates. Based on those assumptions, the Healthcare OPEB plan's fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

G. Sensitivity of the net Healthcare OPEB liability to changes in the discount rate

The following presents the County's Governmental Activities, Business-type Activities and School Board proportionate share and JRJDC's net Healthcare OPEB liability calculated using the discount rate of 6.75 percent, as well as what the proportionate share of the net Healthcare OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75 percent) or 1- percentage point higher (7.75 percent) than the current rate:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

	<u>1% Decrease (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Healthcare OPEB			
Governmental Activities proportionate share of the net OPEB liability (asset)	\$ 2,087,974	\$ (2,047,378)	\$ (5,677,424)
Business-type Activities proportionate share of the net OPEB liability (asset)	<u>\$ 60,630</u>	<u>\$ (64,347)</u>	<u>\$ (176,494)</u>
Total Primary Government	<u>\$ 2,148,604</u>	<u>\$ (2,111,725)</u>	<u>\$ (5,853,918)</u>
School Board proportionate share of the net OPEB liability (asset)	\$ 3,312,908	\$ (2,428,467)	\$ (7,413,922)
James River Juvenile Detention Center proportionate share of the net OPEB liability	<u>\$ 5,423</u>	<u>\$ (11,408)</u>	<u>\$ (27,361)</u>
Total Component Units	<u>\$ 3,318,331</u>	<u>\$ (2,439,875)</u>	<u>\$ (7,441,283)</u>

H. Sensitivity of the net Healthcare OPEB liability to changes in the healthcare cost trend rate

The following presents the County's Governmental Activities, Business-type Activities and School Board and JRJDC's proportionate share of net Healthcare OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	<u>1% Decrease 6.0% decreasing to 4.6% over 3 years</u>	<u>Current Rate 7.0% decreasing to 5.6% over 3 years</u>	<u>1% Increase 8.0% decreasing to 6.6% over 3 years</u>
Healthcare OPEB			
Governmental Activities proportionate share of the net OPEB (asset) liability	\$ (5,563,753)	\$ (2,047,378)	\$ 2,036,576
Business-type Activities proportionate share of the net OPEB (asset) liability	<u>\$ (219,063)</u>	<u>\$ (64,347)</u>	<u>\$ 114,558</u>
Total Primary Government	<u>\$ (5,782,816)</u>	<u>\$ (2,111,725)</u>	<u>\$ 2,151,134</u>
School Board proportionate share of the net OPEB (asset) liability	\$ (6,850,082)	\$ (2,428,467)	\$ 2,712,368
James River Juvenile Detention Center proportionate share of the net OPEB (asset) liability	<u>\$ (34,336)</u>	<u>\$ (11,408)</u>	<u>\$ 13,953</u>
Total Component Units	<u>\$ (6,884,418)</u>	<u>\$ (2,439,875)</u>	<u>\$ 2,726,321</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

I. Deferred Outflows and Inflows of Resources Related to Healthcare OPEB

The County's Governmental Activities, Business-type Activities, School Board and JRJDC reported deferred outflows of resources and deferred inflows of resources related to healthcare OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Primary Government</u>		
Governmental Activities		
Difference between expected and actual experience	\$ 1,606,390	\$ 7,217,631
Changes of assumptions	-	12,217,806
Difference between projected and actual earnings on OPEB plan investments	-	625,272
Total	<u>\$ 1,606,390</u>	<u>\$ 20,060,709</u>
Business-type Activities		
Difference between expected and actual experience	\$ 4,502	\$ 1,351,652
Changes of assumptions	-	471,023
Difference between projected and actual earnings on OPEB plan investments	-	7,857
Total	<u>\$ 4,502</u>	<u>\$ 1,830,532</u>
<u>Total Primary Government</u>		
Difference between expected and actual experience	\$ 1,610,892	\$ 8,569,283
Changes of assumptions	-	12,688,829
Difference between projected and actual earnings on OPEB plan investments	-	633,129
Total	<u>\$ 1,610,892</u>	<u>\$ 21,891,241</u>
<u>Component Units</u>		
School Board		
Difference between expected and actual experience	\$ 17,295,848	\$ 10,077,467
Changes of assumptions	-	14,160,571
Difference between projected and actual earnings on OPEB plan investments	-	546,214
Total	<u>\$ 17,295,848</u>	<u>\$ 24,784,252</u>
JRJDC		
Difference between expected and actual experience	\$ 996	\$ 345,071
Changes of assumptions	-	100,890
Difference between projected and actual earnings on OPEB plan investments	-	1,102
Total	<u>\$ 996</u>	<u>\$ 447,063</u>
<u>Total Component Units</u>		
Difference between expected and actual experience	\$ 17,296,844	\$ 10,422,538
Changes of assumptions	-	14,261,461
Difference between projected and actual earnings on OPEB plan investments	-	547,316
Total	<u>\$ 17,296,844</u>	<u>\$ 25,231,315</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The change in the difference between expected and actual experience, changes of assumptions and difference between projected and actual earnings on OPEB plan investments will be recognized in healthcare OPEB expense as follows:

Year Ending June 30:	Governmental Activities	Business-Type Activities	School Board	JRJDC	Total
2025	\$ (3,695,995)	\$ (363,962)	\$ (1,503,477)	\$ (88,950)	\$ (5,652,384)
2026	(3,695,995)	(363,962)	(1,503,477)	(88,950)	(5,652,384)
2027	(3,722,973)	(366,037)	(1,528,350)	(89,321)	(5,706,681)
2028	(3,754,586)	(367,537)	(1,551,037)	(89,652)	(5,762,812)
2029	(3,584,770)	(364,532)	(1,402,063)	(89,194)	(5,440,559)
Thereafter	-	-	-	-	-
	<u>\$ (18,454,319)</u>	<u>\$ (1,826,030)</u>	<u>\$ (7,488,404)</u>	<u>\$ (446,067)</u>	<u>\$ (28,214,820)</u>

NOTE 12. LINE OF DUTY OPEB PLAN – SINGLE EMPLOYER

A. Line of Duty OPEB Plan Benefits

The County provides death and disability benefits for public safety officers or their beneficiaries due to death or disability resulting from the performance of duties. The County provides a one-time death benefit to a beneficiary in the amount of \$100,000 for death due to unnatural causes and \$25,000 for death due to specified work-related illnesses. Health insurance coverage continued for surviving spouses for life or until “other coverage” is obtained. Coverage for other dependents is continued as long as they remain eligible by age. The County provides health insurance and dental coverage for a permanently disabled officer, spouse and dependent children.

At June 30, 2024, membership for the postemployment line of duty benefits consisted of:

Active employees	1,621
Disabled and surviving spouses	<u>59</u>
Total participants	<u>1,680</u>

B. Funding Policy

The Line of Duty plan is not administered through a trust or equivalent arrangement and is funded on a pay-as-you-go basis and therefore the plan has no fiduciary net position and the County reports the total OPEB liability on its Statement of Net Position as of the measurement date.

C. OPEB Liability and OPEB Expense

The County’s Governmental Activities reported a total line of duty OPEB liability of \$26,300,622 and OPEB expense of \$1,802,592 at June 30, 2024.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Change in the Net Line of Duty OPEB Liability

Governmental Activities	Total OPEB Liability
Balances at June 30, 2023	\$ 25,315,278
Changes for the year:	
Service cost	1,235,205
Interest	1,039,582
Experience gains	(842,080)
Changes of assumptions	685,460
Contributions-employer	(1,132,823)
Net changes	985,344
Balances at June 30, 2024	\$ 26,300,622

D. Actuarial Assumptions

In the July 1, 2024 actuarial valuation for postemployment line of duty benefits, which was used for the June 30, 2024 measurement date, the Entry Age Normal Actuarial Cost Method was used with attribution to the event that caused the death or disability. The actuarial assumptions included a 4.21 percent discount rate, and salary increases of 2.5 percent annually. The assumed healthcare cost trend rate for the medical claims was 7.0% in 2024 grading to 5.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in year 2075. Medical health care assumptions were based on a closed group and dental care assumptions were based on 5 percent per annum. No provision is made for future hires.

Mortality rates for the line of duty benefits are as follows:

Mortality rates – Pre-Commencement

- Pub-2010 General Government Health Annuitant Headcount Weighted Tables; set forward 2 years for females with no adjustment for males. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Mortality rates – Post-Commencement

- Pub-2010 General Government Health Annuitant Headcount Weighted Tables; 110% for females with no adjustment for males. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Mortality rates – Post-Disablement

- Pub-2010 General Government Health Annuitant Headcount Weighted Tables; set forward 3 years for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Mortality rates – Beneficiaries and Survivors

- Pub-2010 General Government Health Annuitant Headcount Weighted Tables; 110% for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

E. Discount Rate

The discount rate of 4.21% is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2024.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

F. Sensitivity of the Line of Duty OPEB liability to changes in the discount rate

The following presents the County's Line of Duty OPEB liability calculated using the discount rate of 4.21 percent, as well as what the Line of Duty OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (3.21 percent) or 1- percentage point higher (5.21 percent) than the current rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Line of Duty OPEB			
Governemntal acivities - OPEB liability	\$29,116,773	\$26,300,622	\$23,853,415

G. Sensitivity of the Line of Duty OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the County's Line of Duty OPEB liability calculated using the healthcare cost trend rate, as well as what the Line of Duty OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	1% Decrease 6.0% decreasing to 4.6% over 3 years	Current Rate 7.0% decreasing to 5.6% over 3 years	1% Increase 8.0% decreasing to 6.6% over 3 years
Governemntal acivities - OPEB liability	\$23,219,462	\$26,300,622	\$30,010,684

H. Deferred Outflows and Inflows of Resources Related to Line of Duty OPEB

The County's Governmental Activities reported deferred outflows of resources and deferred inflows of resources related to line of duty OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Primary Government</u>		
Governmental Activities		
Difference between expected and actual experience	\$ 1,909,920	\$ 4,275,513
Change of assumptions	651,187	5,693,663
Total	\$ 2,561,107	\$ 9,969,176

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The change in the difference between expected and actual experience will be recognized in line of duty OPEB expense as follows:

Primary Government

Year ended June 30th	Governmental Activities
2025	\$ (472,195)
2026	(472,195)
2027	(472,195)
2028	(472,195)
2029	(472,195)
Thereafter	<u>(5,047,094)</u>
Total	<u>\$ (7,408,069)</u>

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS – VRS GLI PROGRAM

A. **Plan Description**

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

All full-time, salaried permanent employees of the County are automatically covered the VRS GLI Program upon employment. This plan is administered by the Virginia Retirement System (the System). In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. The Optional GLI Program is a separate and fully insured program and is not included as part of the GLI Program OPEB.

The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect to participate in the program. Basic GLI coverage is automatic upon employment. GLI coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

The benefits payable under the GLI Program have several components.

- **Natural Death Benefit** – the natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides, under specific circumstances, accidental dismemberment benefits, safety belt benefits, repatriation benefits, felonious assault benefits and accelerated death benefit options.

The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$9,254 as of June 30, 2024.

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2023 ACFR. A copy of that 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.

B. Funding Policy

The contribution requirements for the GLI Program are governed by Title 51.1 of the *Code of Virginia* (1950), 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 GLI Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was 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.

Governmental Activities contributions to the GLI Program for the VRS for the years ending June 30, 2024 and 2023 were \$2,051,668 and \$1,839,958, respectively, and are equal to the required contributions for each year. Business-type Activities contributions to the GLI Program for the VRS for the years ended June 30, 2024 and 2023 were \$95,007 and \$81,084 respectively and are equal to the required contributions for each fiscal year. School Board contributions to the GLI Program for the VRS for the years ended June 30, 2024 and 2023 were \$1,959,804 and \$1,785,571 for Teachers, \$187,985 and \$169,322 for School Board C&M and \$3,853 and \$3,578 for the School Board Non-Professional Group, respectively, and are equal to the required contributions for each fiscal year. JRJDC contributions to the GLI Program for the VRS for the years ended June 30, 2024 and 2023 were \$20,202 and \$18,167 respectively and are equal to the required contributions for each fiscal year.

C. Net OPEB Liabilities and OPEB Expense

For purposes of measuring the net GLI OPEB liability, deferred outflows and deferred inflows of resources related to GLI OPEB, GLI OPEB expense and the fiduciary net position of the VRS GLI Plan and the additions to/deductions from the VRS GLI Plan's net fiduciary position have been determined on the same basis as they were reported by 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.

At June 30, 2024, the County's Governmental Activities, Business-type Activities, School Board and JRJDC reported a net GLI OPEB liability of \$12,917,629, \$941,315, \$18,779,273, and \$196,229 respectively. 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 as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The County's Governmental Activities and Business-type Activities proportion of the net GLI OPEB liability and GLI OPEB expense related to the County's GLI plan was based on a projection of long-term share of contributions to the County's GLI plan relative to the projected contributions in the future. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized OPEB expense of \$623,358, \$28,540, \$835,242, and \$6,395 respectively. The total OPEB expense for the County's Primary Government is \$651,898.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

As of June 30, 2024, the County's Primary Government Net GLI OPEB liability is as follows:

<u>Governmental Activities</u>	
Total GLI OPEB liability	\$ 43,106,115
Fiduciary net position	<u>30,188,486</u>
Net GLI OPEB liability	<u>\$ 12,917,629</u>

<u>Business-type Activities</u>	
Total GLI OPEB liability	\$ 2,791,062
Fiduciary net position	<u>1,849,747</u>
Net GLI OPEB liability	<u>\$ 941,315</u>

<u>Total Primary Government</u>	
Total GLI OPEB liability	\$ 45,897,177
Fiduciary net position	<u>32,038,233</u>
Net GLI OPEB liability	<u>\$ 13,858,944</u>

Plan fiduciary net position as a percentage of the total GLI OPEB liability	69.3%
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The School Board's proportion of the net GLI OPEB liability and GLI OPEB expense related to the VRS GLI Program was based on a projection of the School Board's long-term share of contributions to the VRS GLI Program relative to the projected contributions of all participating employers. JRJDC's proportion of the net GLI OPEB liability and GLI OPEB expense related to the County's GLI plan was based on a projection of JRJDC's long-term share of contributions to the County's GLI plan relative to the projected contributions in the future.

The School Board Net GLI OPEB liability of \$18,779,273 is made up of three groups of employees. The Teacher's net GLI OPEB liability of \$16,913,678, the School Board Non-Professional Group net GLI OPEB liability of \$33,701 and the School C&M net GLI OPEB liability of \$1,831,894. The School C&M proportion of the net GLI OPEB liability and expense was based on the School C&M employer contributions as a percentage of the total employer contributions of \$2,070,227 as of the measurement date of June 30, 2023. For the year ended June 30, 2024, the School Board C&M proportion share allocation was 9.66 percent. For the year ended June 30, 2024, the Teacher Plan, School Board Non-Professional Group and Schools C&M Group reported GLI OPEB expense of \$765,967, (\$1,116), and \$70,391, respectively. The total School Board OPEB expense is \$835,242. The School Board's participation in the VRS cost-sharing plan for the Teacher Plan and School Board Non-Professional Group was 1.41% and .0029%, respectively as of June 30, 2024.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

As of June 30, 2024, the School Board's net GLI OPEB liability is as follows:

<u>Teachers</u>	
Total GLI OPEB liability	\$ 55,100,374
Fiduciary net position	<u>38,186,696</u>
Net GLI OPEB liability	<u>\$ 16,913,678</u>
 <u>Schools Non-Professional Group</u>	
Total GLI OPEB liability	\$ 109,788
Fiduciary net position	<u>76,087</u>
Net GLI OPEB liability	<u>\$ 33,701</u>
 <u>Schools C&M</u>	
Total GLI OPEB liability	\$ 5,545,446
Fiduciary net position	<u>3,713,552</u>
Net GLI OPEB liability	<u>\$ 1,831,894</u>
 <u>Total Schools</u>	
Total GLI OPEB liability	\$ 60,755,608
Fiduciary net position	<u>41,976,335</u>
Net GLI OPEB liability	<u>\$ 18,779,273</u>
 Plan fiduciary net position as a percentage of the total net GLI OPEB liability	
	69.3%

JRJDC's proportion of the net GLI OPEB liability and expense was based on JRJDC's employer contributions as a percentage of the total employer contributions of \$2,070,227 as of the measurement date of June 30, 2023. As of June 30, 2024, JRJDC's proportion share was .88 percent. For the year ended June 30, 2024, JRJDC reported Net GLI OPEB liability of \$196,229 and GLI OPEB expense of \$6,395.

D. Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment and mortality. The amounts determined from the actuarial study regarding the total OPEB liability, total fiduciary net position, net OPEB liability and annual OPEB expense of the County are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

The total OPEB 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 actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Discount Rate	6.75%
Inflation	2.5%
Payroll Growth	2.0%
Projected Salary Increases	3.50% to 5.95% per year – Teachers
Projected Salary Increases	3.50% to 5.35% per year – Locality – General Employees
Projected Salary Increases	3.50% to 4.75% per year – Locality – Hazardous Duty Employees
Investment Rate of Return	6.75% net of pension plan investment expense
Cost of Living Adjustment	2.5% per year

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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-2improvement scale that is 75% of the MP-2020 rates

Mortality rates – General Employees

Pre-Retirement:

- Pub-2010 amount weighted safety employee rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

- Pub-2010 amount weighted safety healthy retiree rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

- Pub-2010 amount weighted general disabled rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

- Pub-2010 amount weighted safety contingent annuitant rates projected generationally

Mortality Improvement Scale:

- Rates projected generationally with modified MP-2020 improvement scale that is 75% of the MP-2020 rates

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

E. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the System for use in the last actuarial experience study for the four-year period ending June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return	Weighted Average Long-Term Expected Real 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%

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

* 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. The results provide a range of returns over various time periods that ultimately provide a medial 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%.

F. Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by employers for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined rate. From July 1, 2023 on, employers are assumed to continue to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, the GLI 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

G. Sensitivity of the County's Governmental Activities, Business-type Activities and Component Unit Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate.

The following presents the County's Governmental Activities, Business-type Activities, School Board and JRJDC's proportionate share of the net GLI OPEB liability calculated using the discount rate of 6.75 percent, as well as what the proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75 percent) or 1- percentage point higher (7.75 percent) than the current rate:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
<u>Primary Government</u>			
Governmental Activities proportionate share of the net GLI OPEB liability	\$ 20,145,682	\$ 12,917,629	\$ 8,290,977
Business-type Activities proportionate share of the net GLI OPEB liability	1,172,365	941,315	379,600
Total Primary Government	<u>\$ 21,318,047</u>	<u>\$ 13,858,944</u>	<u>\$ 8,670,577</u>
<u>School Board</u>			
Teachers' proportionate share of the net GLI OPEB liability	\$ 25,071,355	\$ 16,913,678	\$ 10,318,142
School Board Non-Professional Group net GLI OPEB liability	49,955	33,701	20,559
School Board C&M's proportionate share of the net GLI OPEB liability	2,024,890	1,831,894	936,233
Total all Schools	<u>\$ 27,146,200</u>	<u>\$ 18,779,273</u>	<u>\$ 11,274,934</u>
<u>James River Juvenile Detention Center</u>			
James River Juvenile Detention Center proportionate share of the net GLI OPEB liability	\$ 206,658	\$ 196,229	\$ 85,051

H. Deferred Outflows and Inflows of Resources Related to GLI OPEB

The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of \$2,051,668, \$95,007, \$2,151,642, and \$20,202, respectively, resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2025. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of \$464,307, \$23,610, \$348,695, and \$5,260 respectively, resulting from changes in proportionate share. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of \$1,338,147, \$68,884, \$1,900,478, and \$15,521 respectively, resulting from the difference between expected and actual experience. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of \$280,851, \$18,211, \$402,012, and \$4,083 respectively, resulting from the changes in assumptions.

The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred inflows of resources of \$417,390, \$21,629, \$577,753, and \$4,812 respectively, resulting from the difference between expected and actual experience. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred inflows of resources of \$920,011, \$47,763, \$1,291,402, and \$10,971 respectively, resulting from changes of assumptions. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred inflows of resources of \$407,454, \$19,407, \$543,068, and \$4,372 respectively, resulting from changes in proportionate share. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized net deferred inflows of resources of \$497,458, \$23,414, \$711,804, and \$5,968 respectively, resulting from the difference between projected and actual earnings on pension plan investments.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

As of June 30, 2024, the County's Primary Government deferred outflows and inflows of resources is as follows:

Deferred Outflows of Resources

Governmental Activities – employer contributions	\$ 2,051,668
Governmental Activities – proportionate share	464,307
Governmental Activities – difference in experience	1,338,147
Governmental Activities – change of assumptions	280,851
Business-type Activities – employer contributions	95,007
Business-type Activities – proportionate share	23,610
Business-type Activities – difference in experience	68,884
Business-type Activities – change of assumptions	<u>18,211</u>
Total Primary Government	\$ <u>4,340,685</u>

Deferred Inflows of Resources

Governmental Activities – difference in experience	\$ 417,390
Governmental Activities – change of assumptions	920,011
Governmental Activities – difference in earnings	497,458
Governmental Activities – proportionate share	407,454
Business-type Activities – difference in experience	21,629
Business-type Activities – change of assumptions	47,763
Business-type Activities – difference in earnings	23,414
Business-type Activities – proportionate share	<u>19,407</u>
Total Primary Government	\$ <u>2,354,526</u>

These deferred outflows and deferred inflows will be recognized in OPEB expense as follows:

Year Ending June 30:	Governmental Activities	Business-type Activities	Total Primary Government
2025	\$ (61,950)	\$ 3,976	\$ (57,974)
2026	(427,827)	(20,759)	(448,586)
2027	167,878	8,440	176,318
2028	28,324	677	29,001
2029	134,567	6,158	140,725
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>(159,008)</u>	\$ <u>(1,508)</u>	\$ <u>(160,516)</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

As of June 30, 2024, the School Board's deferred outflows and inflows of resources are as follows:

<u>Deferred Outflows of Resources</u>	
Teachers – employer contributions	\$ 1,959,804
Teachers – difference in experience	1,744,357
Teachers – proportionate share	295,242
Teachers – change of assumptions	365,195
Schools Non-Professional Group – employer contributions	3,853
Schools Non-Professional Group – difference in experience	3,588
Schools Non-Professional Group – change of assumptions	840
Schools Non-Professional Group – proportionate share	1,034
Schools C&M – employer contributions	187,985
Schools C&M – difference in experience	152,533
Schools C&M – change of assumptions	35,977
Schools C&M – proportionate share	<u>52,419</u>
Total Deferred Outflows of Resources	\$ <u>4,802,827</u>

<u>Deferred Inflows of Resources</u>	
Teachers – difference in experience	\$ 529,541
Teachers – change of assumptions	1,192,852
Teachers – difference in earnings	672,274
Teachers – proportionate share	490,626
Schools Non-Professional Group – difference in experience	1,037
Schools Non-Professional Group – change of assumptions	2,451
Schools Non-Professional Group – difference in earnings	1,434
Schools Non-Professional Group – proportionate share	7,176
Schools C&M – difference in experience	47,175
Schools C&M – change of assumptions	96,099
Schools C&M – difference in earnings	38,096
Schools C&M – proportionate share	<u>45,266</u>
Total Deferred Inflows of Resources	\$ <u>3,124,027</u>

These deferred outflows and deferred inflows will be recognized in OPEB expense as follows:

Year Ending June 30:	School Board			Total
	Teachers	Non-Professional Group	School Board C&M	
2025	\$ (140,969)	\$ (4,162)	\$ 11,966	\$ (133,165)
2026	(693,797)	(3,070)	(36,793)	(733,660)
2027	154,046	191	20,735	174,972
2028	32,757	70	3,186	36,013
2029	167,464	335	15,199	182,998
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>(480,499)</u>	\$ <u>(6,636)</u>	\$ <u>14,293</u>	\$ <u>(472,842)</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

As of June 30, 2024, the JRJDC's deferred outflows and inflows of resources are as follows:

<u>Deferred Outflows of Resources</u>	
Employer contributions	\$ 20,202
Proportionate share	5,260
Difference in experience	15,521
Change of assumptions	<u>4,083</u>
Total	\$ <u>45,066</u>
<u>Deferred Inflows of Resources</u>	
Difference in experience	\$ 4,812
Change of assumptions	10,971
Difference in earnings	5,968
Proportionate share	<u>4,372</u>
Total	\$ <u>26,123</u>

	James River Juvenile Detention Center
Year Ending June 30:	
2025	\$ 428
2026	(5,032)
2027	1,807
2028	159
2029	1,379
Thereafter	<u>-</u>
	\$ <u>(1,259)</u>

I. Employer Contributions

Employers' proportionate shares were calculated based on historical employer contributions. Although GAAP encourages the use of the employer's projected long-term contribution effort to the Other Post-Employment Benefit plan, allocating based on historical employer contributions is considered acceptable. Employer contributions recognized by the VRS GLI OPEB Plan that are not representative of future contribution efforts are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution efforts are contributions for adjustments for prior periods. The employer contributions used in the determination of employers' proportionate shares of collective OPEB amounts reported in the Schedule of Employer Allocations were based on the total employer contributions using the plan's contribution rates and the employer's covered payroll for June 30, 2023. This total was \$1,793,862, \$1,684,975, and \$3,578 for the Teachers, County and School Board Non-Professional Group, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the VRS GLI OPEB Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The County's proportionate share of this special contribution was \$143,089, \$134,404 and \$285 for the Teachers, County and School Board Non-Professional Group, respectively.

Total employer contributions of \$1,936,951, \$1,819,379 and \$3,863 for the Teachers, County and School Board Non-Professional Group reported in the VRS GLI OPEB Program's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects the calculated amount based on the employer's covered payroll plus the proportionate share of the Commonwealth's special contributions.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS – TEACHER - SCHOOL BOARD NON-PROFESSIONAL GROUP EMPLOYEE HIC PROGRAM

A. Plan Description

The VRS Teacher Employee HIC Program is a multiple-employer, cost-sharing plan. The Teacher Employee HIC (HIC) Program 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. The Teacher Employee HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee HIC Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC Program OPEB, and the Teacher Employee HIC Program OPEB expense, information about the fiduciary net position of the VRS Teacher Employee HIC Program; and the additions to/deductions from the VRS Teacher Employee HIC Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Employee HIC Program. This plan is 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.

Detailed information about the VRS Teacher Employee HIC Program's Fiduciary Net Position is available in the separately issued VRS 2023 ACFR. A copy of that 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.

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

<p>Eligible Employees</p> <p>The Teacher Employee Retiree HIC Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none">• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
<p>Benefit Amounts</p> <p>The Teacher Employee Retiree HIC Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">• <u>At Retirement</u> – 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.• <u>Disability Retirement</u> – 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:<ul style="list-style-type: none">○ \$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.
<p>HIC Program Notes:</p> <ul style="list-style-type: none">• The monthly HIC benefit cannot exceed the individual premium amount.• Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the HIC as a retiree.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The School Non-Professional Group has a total membership of 64 consisting of 28 active members, 34 retirees and beneficiaries and 2 inactive vested members as of the valuation date of June 30, 2022 and measurement date of June 30, 2023.

B. Funding Policy

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted because 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 Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. 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 Program were \$4,001,041 and \$3,568,077 for the measurement dates ending June 30, 2023 and June 30, 2022, respectively.

The employer contributions used in the determination of employers' proportionate shares of collective other postemployment benefit amounts reported in the schedule of employer allocations was based on the total employer contributions using the plan's contribution rates and the employer's covered payroll for June 30, 2023. This total was \$120,650,183. The employer contributions of \$4,001,041 reported in the VRS Teacher HIC OPEB Program's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects the calculated amount.

For the School Board Non-Professional Group net HIC OPEB liability, the projection of cash flows used to determine the discount rate assumed that plan member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS fund policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board and the member rate. The employer projected contributions reflect the funding policy adopted by the Board of Trustees in June 2013, which includes an additional funding contribution, which is the additional contribution rate needed to allow for the use of the 6.75% investment rate of return as the single equivalent investment return assumption to calculate the net HIC OPEB liability as of the measurement date of June 30, 2023.

C. School Division HIC Program OPEB Liabilities and OPEB Expense

At June 30, 2024, the school division reported a net Teacher HIC OPEB liability of \$40,173,387 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Program OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation as of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program 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, 2024, the school division's proportion of the VRS Teacher Employee HIC Program was 3.32% as compared to 3.37% at June 30, 2023.

At June 30, 2024, the school division reported a net School Board Non-Professional Group net HIC OPEB liability of \$68,104 and (\$75,701) OPEB income as of the measurement date of June 30, 2023 and an actuarial valuation date of June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC Program OPEB expense of \$3,130,544. Since there was a change in proportionate share between June 30, 2023 and June 30, 2024, a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The net OPEB liability for the Teacher Employee HIC Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2023, net OPEB liability amounts for the VRS Teacher Employee HIC Program is as follows (in thousands):

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$ 1,475,471
Plan Fiduciary Net Position	<u>264,054</u>
Teacher Employee net HIC OPEB Liability	<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 GAAP in the System's notes to the financial statements and required supplementary information.

The School Division has a total net HIC OPEB liability of \$40,241,491 made up of the Teacher Employee net HIC OPEB liability of \$40,173,387 and the School Board Non-Professional Group net HIC OPEB liability of \$68,104.

D. Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Program 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 - 2.5 percent
- Salary increases, including inflation – Teacher Employees 3.5 percent – 5.95 percent
- Investment rate of return – 6.75 percent, net of plan 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 disable 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

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

rates

The actuarial assumptions used in the June 30, 2022 valuation, were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

E. Long-Term Expected Rate of Return

The long-term expected rate of return on 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Real Rate of Return</u>	<u>Weighted Average Long-Term Expected Real 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 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

inflation of 2.50%.

F. Discount Rate

The discount rate used to measure the total Teacher and School Non-Professional 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 ending June 30, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined 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.

G. Sensitivity of the School Division's Proportionate Share of the Teacher Employee and School Non-Professional HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the VRS Teacher Employee HIC Program and School Non-Professional HIC 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:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Teachers' proportionate share of the net HIC OPEB liability	\$45,440,587	\$40,173,387	\$35,709,893
School non-professional net HIC OPEB liability	\$76,513	\$68,104	\$61,017
Total School HIC OPEB liability	<u>\$45,517,100</u>	<u>\$40,241,491</u>	<u>\$35,770,910</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

H. Deferred Inflows and Outflows of Resources Related to HIC OPEB

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Teachers		
Difference between projected and actual earnings on OPEB		
plan investments	\$ 23,860	\$ -
Changes of assumptions	939,702	-
Changes in proportionate share	644,403	677,251
Difference between expected and actual experience	-	1,784,534
Employer contributions subsequent to the measurement date	4,418,425	-
Total	<u>\$ 6,026,390</u>	<u>\$ 2,461,785</u>
School Non-Professional		
Difference between projected and actual earnings on OPEB		
plan investments	\$ 81	\$ -
Changes of assumptions	39,383	-
Difference between expected and actual experience	-	14,750
Total	<u>\$ 39,464</u>	<u>\$ 14,750</u>
School Board		
Difference between projected and actual earnings on OPEB		
plan investments	\$ 23,941	\$ -
Changes of assumptions	979,085	-
Changes in proportionate share	644,403	677,251
Difference between expected and actual experience	-	1,799,284
Employer contributions subsequent to the measurement date	4,418,425	-
Total	<u>\$ 6,065,854</u>	<u>\$ 2,476,535</u>

The Henrico Teacher plan and School non-professional group recognized deferred outflows of resources of \$4,418,425 and \$0, respectively, resulting from employer contributions subsequent to the measurement date that 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 Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Year Ending June 30:	Teacher Employee	School Board Non-Professional Group
2025	\$ (149,854)	\$ 20,579
2026	(127,432)	4,056
2027	(26,674)	83
2028	(209,315)	(4)
2029	(223,281)	-
Thereafter	(117,264)	-
	<u>\$ (853,820)</u>	<u>\$ 24,714</u>

NOTE 15. DEFINED COMPENSATION PLAN

The School Board participates in an Early Retirement Program (the “Program”) for eligible employees. All full-time employees of the School Board are eligible to participate in the Program at age 50 up to their full Social Security retirement age. Retirees must have the last 10 years of employment with Henrico County Public Schools and at least 16 years of coverage under the Virginia Retirement System. Eligible retirees can be involuntarily taken out of the Program for disability or performance issues. The Program can be terminated for lack of funds.

Eligible retirees receive 20 percent of their final compensation annually for a period not to exceed 7 years or until they reach full, unreduced Social Security retirement age, whichever occurs first. Retirees’ final compensation includes regular pay, including supplements but does not include overtime. Retirement compensation is adjusted pro-rata for the cost-of-living increases or decreases that are approved by the School Board. As a condition of the Program, participants are required to work 28 days per year. The total maximum days worked is limited to 196 days over a 7-year period. During the fiscal year ended June 30, 2024, an expenditure of \$362,579 was recognized in the government-wide financial statements for the compensation paid under the Early Retirement Program during the current year.

NOTE 16. INTERFUND AND COMPONENT UNIT OBLIGATIONS

The Water and Sewer Fund has a receivable due from the Capital Projects Fund for a loan. The Health Care Fund has a receivable due from each of the funds listed below for health care contributions due as of June 30, 2024.

Receivables and payables balances at June 30, 2024, were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ -	\$ 1,412,611
Special Revenue Fund	-	309,339
Water and Sewer Fund	961,899	111,496
Capital Projects Fund	-	961,899
Central Automotive Maintenance	-	29,101
Health Care Fund	1,862,548	-
	<u>\$ 2,824,447</u>	<u>\$ 2,824,447</u>

The General Fund has a receivable of \$736,409 due from JRJDC for operating expenses paid by the General Fund. Component unit receivables and payables balances at June 30, 2024, were as follows:

	<u>Receivables</u>	<u>Payables</u>
Health Care Fund	\$ 23,318	\$ -
JRJDC	-	23,318
	<u>\$ 23,318</u>	<u>\$ 23,318</u>

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 17. FUND TRANSFERS

Transfers within the County are made between the General Fund, Special Revenue Fund, Debt Service Fund and the Capital Projects Fund. The transfers are made primarily for the payment of debt and interest, construction in progress and to support educational and special revenue activities.

Inter-fund transfers for the year ended June 30, 2024 were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
Governmental Funds:		
General Fund	\$ 211,047,219	\$ -
Special Revenue Fund	-	32,688,588
Debt Service Fund	-	77,631,422
Capital Projects Fund	<u>-</u>	<u>100,727,209</u>
	<u>\$ 211,047,219</u>	<u>\$211,047,219</u>

NOTE 18. RELATED-PARTY TRANSACTIONS

During fiscal year 2024, the County contributed \$38,316,798 to the Economic Development Authority (the “Authority”) of Henrico County, Virginia to foster economic development within the County and the County received \$257,859 from the Capital Region Airport Commission for water and sewer services.

During fiscal year 2023, the Authority sold property formerly known as the Best Products Site to Green City. The total sales price was \$6,221,400. Under a memorandum of understanding with Henrico County, all proceeds related to the sale of this property are to be reimbursed to the County. The County received \$500,000 from the Authority during both fiscal years 2024 and 2023. The County should receive the remaining sales proceeds due of \$5,221,400 in fiscal year 2025.

NOTE 19. UNEARNED REVENUES

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unearned revenues related to the County’s governmental funds and the School Board component unit totaling \$93,432,625 are comprised of the following:

A. Advance Grant Funding

This represents a liability incurred by the County for monies accepted from a grantor using an advancement method for payments. The liability is reduced and revenue is recorded when expenditures are made in accordance with the grantor's requirements. Advanced grant funding at June 30, 2024 totaled \$157,545 and \$56,420,958 in the County’s General Fund and Capital Projects Fund, respectively, and \$5,793,738 and \$30,050,668 in the Special Revenue Fund for the County and the School Board, respectively.

B. Other Unearned Revenues

This represents grant monies that the County is entitled to but is not yet an available resource at June 30, 2024. Unearned revenue at June 30, 2024, totaled \$945,753 in the School General Fund for monies received in advance of expenditures being made as of June 30, 2024. Unearned grant revenues for the Schools’ Special Revenue Fund totaled \$63,963 for USDA donated food inventory on hand at June 30, 2024.

Also, the Water and Sewer Revenue Fund recorded unearned revenues in the amount of \$12,043,750, which consists of an advance payment from a customer of \$3,886,943 for water capacity, and amounts held for contractors of \$8,156,807.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 20. SURETY BONDS

Surety bonds covered the following constitutional officers and County employees at June 30, 2024:

Constitutional Officers - Self-Insurance Plan, Commonwealth of Virginia

Heidi S. Barshinger – Clerk of the Circuit Court and Employees of the Clerk of the Circuit Court	\$ 1,120,000
Sheila Minor – Director of Finance and Employees of the Director of Finance	\$ 1,000,000
Alisa Gregory – Sheriff and Employees of the Sheriff's Office	\$ 30,000

Travelers Casualty and Surety Company of America

All County positions	\$ 1,000,000
All School positions	\$ 1,000,000

Fidelity and Deposit Company of Maryland

John Vithoulkas – County Manager	\$ 100,000
Jamie Massey – Director of Department of General Services	\$ 100,000
Monica Smith - Callahan – Deputy County Manager for Community Affairs	\$ 100,000
W. Brandon Hinton – Deputy County Manager for Administration	\$ 100,000
Steve Yob – Deputy County Manager for Community Operations	\$ 100,000
Michael Feinmel – Deputy County Manager for Public Safety	\$ 100,000
Cari Tretina – Chief of Staff	\$ 100,000
Gretchen Brown– Director of Department of Social Services	\$ 100,000
Mark J. Coakley – Registrar	\$ 100,000
Debra Hargrave – School Board Deputy Agent	\$ 10,000
Deborah N. Ward – School Board Clerk	\$ 10,000
Cathy Harris – School Board Deputy Clerk	\$ 10,000
Dr. Amy E. Cashwell – School Superintendent and Deputy Agent	\$ 10,000
John Wack – School Board Agent	\$ 10,000

NOTE 21. JOINT VENTURES

A. The Capital Region Airport Commission

The Capital Region Airport Commission (the "Commission") was created in 1975 pursuant to Virginia statute. On January 1, 1976, the County and the City of Richmond, Virginia (the "City") entered into an intergovernmental joint venture for the operation of the Richmond International Airport (the "Airport") by the Commission. As part of the venture, the City conveyed the Airport property to the Commission and the Commission in turn agreed to reimbursement of the outstanding debt of the City relating to the property. The County also made a contribution to the Commission for an interest in the venture. The Counties of Chesterfield and Hanover became Commission participants in fiscal year 1984 and fiscal year 1986, respectively.

The Commission is comprised of a fourteen-member board of directors, with four members each being appointed by the City, the County of Henrico and the County of Chesterfield governing bodies and two members being appointed by the County of Hanover governing body. The Commission generates its revenues from service charges to users of the Airport facilities to recover the costs of maintaining, repairing and operating the Airport. Virginia statute requires that the Commission annually submit a budget showing estimated revenues and expenditures to the governing bodies of the City and the three counties for their approval. After approval of the proposed budget by the governing bodies, if the Commission's budget contains estimated expenditures, which exceed estimated revenues, then the governing

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

bodies are required to fund the deficit in proportion to their financial interests in the Commission. If, however, actual revenues are less than estimated revenues (resulting in a deficit), the City and the three counties may, at their discretion, appropriate funds necessary to fund the deficit. There was no deficit at the airport for the County to fund at June 30, 2024.

The percentage shares of the jurisdictions involved include the following:

City of Richmond	29.27%
County of Henrico	31.44%
County of Chesterfield	30.17%
County of Hanover	<u>9.12%</u>
	<u>100.00%</u>

This financial interest is determined by applying the percentage of the total approximate population of each jurisdiction to the combined total population of all jurisdictions. The above percentages are based on the final 1990 census figures provided by the Richmond Regional Planning District Commission.

Complete financial statements for the Capital Region Airport Commission can be obtained from its administrative office at South Airport Drive, Richmond, Virginia 23231.

B. The Greater Richmond Convention Center Authority

The Greater Richmond Convention Center Authority ("Convention Authority"), a political subdivision of the Commonwealth of Virginia, was created on January 9, 1998, pursuant to the Public Recreational Facilities Authorities Act, Chapter 56 of Title 15.2 of the Code of Virginia (1950). The political subdivisions participating in the incorporation of the Convention Authority are the City of Richmond and the Counties of Henrico, Chesterfield and Hanover. The Convention Authority is governed by a five-member commission comprised of the chief administrative officer of each of the four incorporating political subdivisions and the President/CEO of the Retail Merchants Association of Greater Richmond.

The Convention Authority was created to acquire, finance, expand, renovate, construct, lease, operate and maintain the facility and grounds of a visitors and convention center or centers including the facility and grounds currently known as the Richmond Centre. The primary purpose of the Convention Authority is to issue revenue bonds to finance the expansion of the Richmond Centre facility and to construct access, streetscape, or other on-site/off-site improvements. Once the expansion is complete, the Convention Authority will have responsibility for the operation and maintenance of the convention center.

The Convention Authority has issued \$158,415,000 in Hotel Tax Revenue Bonds, which are secured by an 8 percent transient occupancy tax imposed and collected by the localities. The County recorded an expenditure of \$17,307,450 for transient occupancy tax to the Convention Authority during the year ended June 30, 2024.

Complete financial statements for the Convention Authority can be obtained from the Chesterfield County Accounting Department, P.O. Box 40, Chesterfield, VA 23832.

NOTE 22. LANDFILL CLOSURE AND POSTCLOSURE CARE LIABILITY

State and Federal laws and regulations require the County to place a final cover on each phase of its Springfield Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the Springfield and Charles City Road Landfill site for thirty years after closure. A balance of \$4,154,094 has been reported as landfill closure and postclosure care liability in the County's financial statements at June 30, 2024. This balance represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the Eastern Phase, Phase I, Phase II, Phase III and Phase IV. The Springfield Landfill is now closed for post-closure costs. This amount includes closure for the transfer station at the Springfield site. These amounts are based on what it would cost to perform all closure and post-closure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The County plans to meet all Federal laws, regulations, and tests of financial assurance related to the financing of closure and post-closure care. The County received a final sanitary landfill certification of full closure on November 2, 2016. The post-closure period begins on this certification date. The transfer station remains in operation.

NOTE 23. JOINTLY GOVERNED ORGANIZATIONS

A. Central Virginia Waste Management Authority

The Central Virginia Waste Management Authority (the “CVWM Authority”) was established under the provision of the Virginia Water and Sewer Authorities Act. The CVWM Authority’s board is comprised of representatives from the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George, the Cities of Colonial Heights, Petersburg and Richmond, and the Town of Ashland. The 20-member board is comprised of no less than one and up to no more than three members from each of the participating jurisdictions, determined on a population basis. The County has three representatives serving. The CVWM Authority is responsible for creating and implementing recycling and solid waste management programs for its local member jurisdictions to meet waste reduction mandates set by the Virginia General Assembly. Except for contribution requirements and direct payments for special projects, no participant has any ongoing financial interest or responsibility in the Waste Authority.

The CVWM Authority entered into a special project service agreement with the Counties of Goochland, Hanover, Henrico, New Kent, and Powhattan, the Cities of Colonial Heights, Hopewell, Petersburg and Richmond, and the Town of Ashland for residential recycling and drop off processing services. The CVWM Authority will perform, through a contract with a Contractor, residential recycling services which consists of residential recycling collection for eligible dwelling units and processing and marketing of recyclable material collected. The agreement is for a ten-year period beginning on July 1, 2023 and ending on June 30, 2033. The CVWM Authority and Participating Local Jurisdictions have two additional options to renew for 5 years commencing on July 1, 2033 if the CVWM Authority extends the existing contract with the Contractor. The County’s contribution and direct payments for special projects was \$5,826,706 for the year ended June 30, 2024.

B. Greater Richmond Partnership

The Greater Richmond Partnership is comprised of members from the City of Richmond and the Counties of Chesterfield, Hanover, and Henrico. Together in partnership with the business leadership of the area, the Greater Richmond Partnership’s purpose is to further economic development of the metropolitan area. The County has one representative serving on the Greater Richmond Partnership’s Board of Directors and the County contributed \$385,000 for the year ended June 30, 2024.

C. Richmond Region Tourism

The Richmond Region Tourism (“RRT”) serves the City of Richmond and the Counties of Chesterfield, Hanover and Henrico by promoting conventions, tourism and development in the metropolitan Richmond area in order to increase revenues, provide increased employment and improve the economic health of all jurisdictions involved. The County has six representatives serving on RRT’s Board of Directors and contributed \$3,397,355 to RRT for the year ended June 30, 2024.

D. Richmond Regional Planning District Commission

The Richmond Regional Planning District Commission (“RRPDC”) is comprised of members from the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, the City of Richmond and the Town of Ashland. The major functions of the RRPDC are to promote regional cooperation; coordinate the activities and policies of member local governments; resolve service delivery problems involving more than one government within the region and provide planning assistance to local governments.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

In accordance with its Charter, the RRPDC promotes the orderly physical, social and economic development of the region through planning and encouraging local governments to plan for future development. The County has six representatives serving on the RRPDC and paid total dues of \$201,736 for the year ended June 30, 2024.

NOTE 24. TAX ABATEMENTS

The Real Estate Assessment Division administers a countywide Partial Real Estate Tax Credit program for qualifying rehabilitated or renovated multifamily, commercial/industrial, and hotel/motel properties to enhance structures with the County for the benefit of citizens, neighborhoods and to provide future tax revenue to the County. Multifamily residential rental real estate, commercial, industrial, hotel and motel real estate shall be deemed to be substantially rehabilitated when the structure, which is at least 26 years old and no more than 39 years old, has been so improved as to increase the assessed value of the structure by no less than 50 percent, but without increasing the total footage of such structure by more than 100 percent. As a requisite for qualifying for the partial tax exemption, the owner of the structure shall, prior to or simultaneously with making application for a building permit to rehabilitate such structure, file with the Director of Finance an application to qualify such structure as a rehabilitated structure. Upon receipt of an application for tax exemption, the Director of Finance shall determine a base fair market value assessment (base value) of the structure prior to commencement of rehabilitation. The assessment of the improvements located upon the qualifying real estate shall be considered in determining the base value. The base value shall serve as a basis for determining whether the rehabilitation increases the assessed value of such structure by at least 50 percent. A total of 38 commercial property owners received \$2,110,262 in tax credits in 2024.

The Real Estate Assessment Division also administers a “Reinvest” residential rehabilitation program, initiated January 1, 2010, for qualifying rehabilitated residential property to enhance homes within the County for the benefit of citizens, neighborhoods and to provide future tax revenue to the County. Reinvest is a partial tax exemption program for residential real estate (excluding multifamily rental units). This residential rehabilitation program encourages rehabilitation, renovation, or replacement of qualifying structures through a property tax incentive. It is designed to protect and preserve mature and settled neighborhoods. By improving the condition and appearance of these properties, Henrico County will continue to be an appealing place for existing and future homeowners to invest. In order to qualify for the Reinvest Program, the home must be a minimum of 40 years old with a maximum assessed value of \$250,000. Any improvement, renovation or addition must increase the base structure value (meaning the structure only, not including the property) by a minimum of 20 percent and may not increase the original square footage of the structure by more than 100 percent. The added assessed value of the improvement, renovation or addition will be tax-free for seven years. A total of 89 properties have been completed with a total tax credit of \$82,716 as of June 30, 2024.

The County’s Economic Development Authority (the “Authority”) and 1420 N Parham Road, LC (“Company”) entered into an agreement on November 18, 2016, to provide economic development incentives to assist in the redevelopment of the property known as Regency Square Mall (the “Site”). The Authority is vitally interested in the economic welfare of County citizens and the creation and maintenance of sustainable jobs, and it wishes to stimulate investment in the County to provide economic growth and development opportunities. The redevelopment of the Site will benefit the County and the Authority has offered economic development incentives to induce the Company to construct road improvements adjacent to the Site. The Company invested approximately \$45 million into the redevelopment of the Site, including \$7.3 million dollars in road improvements. Tax revenues from the Site in the 10 years following the completion of the road project are expected to exceed \$15 million. The road project was completed in 2018. The Authority will pay grants to the Company in the amount equal to the tax revenue up to an aggregate maximum of \$7.3 million, beginning January 1, 2018 through December 2028. The grant payment dates are March 30 and September 30 of each taxable calendar year beginning September 30, 2018, for the tax period January 1 through June 30, 2018. The Authority made a grant payment of \$836,077 on September 30, 2023, for the tax period January 1 through June 2023 and \$697,378 on March 30, 2024, for the tax period July 1 through December 31, 2023, respectively. The grant payment date of September 30, 2024 will be for the tax period January 1 through June 30, 2024.

The Authority and 2001 Maywill LLC (the “Maywill Company”) entered into an agreement on April 29, 2019, to provide economic development incentives to assist the Company in the development of a portion of the property in the Westwood area known as 2013 Maywill Street (the “Site”). The Authority is vitally interested in the economic welfare of County citizens and the creation and maintenance of sustainable jobs, as it wishes to stimulate investment in the County to provide economic growth and development opportunities. The development of the Site will benefit the County and the Authority has offered economic development incentives to induce the Company to build an apartment complex and the construction

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

of an office building and parking facility. The Group will invest approximately \$90 million into the redevelopment of the Site. Tax revenues from the Site in the 10 years following the completion of the parking facility and office and retail space will be approximately \$7.0 million. The project was completed in calendar year 2022. The Authority will pay grants to the Group in the amount equal to eighty-five percent (85%) of the tax revenues up to an aggregate maximum of \$6 million, beginning September 30, 2022 through March 30, 2031. The grant payment dates are March 30 and September 30 of each taxable calendar year beginning September 30, 2022, for the tax period January 1 through June 30, 2022. The Authority made a grant payment of \$463,214 on March 30, 2024, for the tax period July 1 through December 31, 2023. The grant payment date of September 30, 2024 is for the tax period January 1 through June 30, 2024.

The Authority and Central Virginia Investments/Rocketts Landing, LLC (the “Rocketts Company”) entered into an agreement on April 22, 2022 to provide economic development incentives to assist the Company in the development of a portion of the property known as Rocketts Landing (the “Site”). The Authority is vitally interested in the economic welfare of County citizens and the creation and maintenance of sustainable jobs, as it wishes to stimulate investment in the County to provide economic growth and development opportunities. The development of the Site will benefit the County, and the Authority has offered economic development incentives to the Company for the construction of commercial space and a parking facility at the Site. The Company made a capital investment of approximately \$26,800,000 into the development of the Site. Tax revenues from the Site in the 10 years following the completion of the commercial space and the parking facility will be approximately \$2.7 million. The project was completed in calendar year 2021. The Authority will pay grants to the Company in the amount equal to one hundred percent (100%) of the tax revenues up to an aggregate maximum of \$2.15 million, beginning March 1, 2023 through March 1, 2032. The grant payment date is March 1st of each taxable calendar year beginning March 1, 2023, for the tax period January 1 through December 31, 2022. The County made a grant payment of \$234,881 on March 1, 2024 for the tax period January 1 through December 31, 2023. The grant payment date of March 1, 2025 is for the tax period January 1 through December 31, 2024.

The Authority and Lewis Ginter Botanical Garden, Inc (the “Lewis Ginter Company”) entered into an agreement on September 22, 2023 to provide economic development incentives to assist the Lewis Ginter Company with its expansion of the Conservatory at the Lewis Botanical Garden in the County. The Company intends to expand the Conservatory which will entail a \$15 million capital investment. The Authority is vitally interested in the economic welfare of County citizens and the creation and maintenance of sustainable jobs, as it wishes to stimulate investment in the County to provide economic growth and development opportunities. The expansion of the Conservatory will benefit the County and its citizens by enhancing an attraction that is visited by more than 400,000 guests per year and has an estimated economic impact of \$21 million per year. The Authority has offered economic development incentives to assist the Lewis Ginter Company with the completion of its expansion of the Conservatory by mid-2026. The Authority will pay grants to the Lewis Ginter Company to reimburse it for local permit fees for the expansion of the Conservatory not to exceed \$213,195. The Authority will pay grants to the Lewis Ginter Company, not to exceed \$266,598, to reimburse it for water charges incurred due to the use of portable water meters while its irrigation lake is offline during the project.

The Authority and PPD Development, L.P. (the “PPD Company”) entered into an agreement on March 5, 2024 to provide economic development incentives to assist the PPD Company in the expansion of its bio analytics laboratory operations (the “Facility”) within the County. The PPD Company will make a capital investment of at least \$92,316,547, of which approximately \$30,174,800 will be invested in machinery and tools, approximately \$2,909,476 will be invested in furniture, fixtures and business personal property, and approximately \$59,232,271 will be invested in the renovation and upfit of the Facility. The Authority is vitally interested in the economic welfare of County citizens and the creation and maintenance of sustainable jobs, as it wishes to stimulate investment in the County to provide economic growth and development opportunities. The expansion of the Facility will benefit the County by providing approximately 400 new jobs, and the Authority has offered economic development incentives to the Company for the capital investment in the expansion of the bio analytics laboratory operations. The County will waive local permit fees, estimated at \$185,410, for a portion of the project and the Authority will pay a one-time grant to the PPD Company in an amount not to exceed \$255,590 for the reimbursement of local permit fees actually incurred by the PPD Company for the development of another portion of the project. The County plans to provide water main infrastructure improvements to the Site, valued at \$370,000. The Authority will make a one-time grant to reimburse the PPD Company for landscaping at the Site and the installation of a required fire hydrant for the lesser of \$300,000 or actual costs incurred by the PPD Company. The County has reduced the biotechnology equipment tax rate, which will benefit the PPD Company by reducing its business personal property taxes by approximately \$989,000.

HENRICO COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

The Authority and DPR Construction (the “DPR Company”) entered into an agreement on March 21, 2024 to provide economic development incentives to assist the Company in the expansion of its offices at 4305 Cox Road (the “Site”) for its regional corporate headquarters located within the Innsbrook Technology Zone (the “Zone”) within the County. Effective July 1, 2022, the County’s Board of Supervisors established the Innsbrook Technology Zone and made certain incentives available to for-profit businesses that will use real property located entirely within the Zone for certain qualifying uses, or redevelop or rezone such property for such uses, and create at least 10 new full-time jobs in the Zone. The DPR Company is expected to make a capital investment of at least \$3.2 million to expand its offices and create between 10 and 15 new jobs at the Site. The County will waive building permit fees and planning application fees.

Required Supplemental Information Other Than
Management's Discussion and Analysis
(Unaudited)

HENRICO COUNTY, VIRGINIA
EXHIBIT OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit 12
Page 1 of 3

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Current real property taxes	\$ 481,001,000	\$ 481,001,000	\$ 494,186,718	\$ 13,185,718
Current personal property taxes	108,058,217	108,058,217	121,918,733	13,860,516
Delinquent real property taxes	4,000,000	4,000,000	7,915,000	3,915,000
Delinquent personal property taxes	11,000,000	11,000,000	20,903,666	9,903,666
Interest	350,000	350,000	794,805	444,805
Total general property taxes	604,409,217	604,409,217	645,718,922	41,309,705
Other local taxes:				
County recordation taxes	5,000,000	5,000,000	5,583,497	583,497
Local sales and use taxes	88,500,000	88,500,000	93,070,497	4,570,497
Consumer utility taxes	2,000,000	2,000,000	2,856,625	856,625
Business and professional license taxes	46,000,000	46,000,000	51,344,294	5,344,294
Motor vehicle license taxes	7,500,000	7,500,000	7,605,910	105,910
Meals Tax	28,000,000	28,000,000	40,196,892	12,196,892
Hotel and motel taxes	15,000,000	15,000,000	17,419,736	2,419,736
Bank franchise taxes	5,000,000	5,000,000	7,433,315	2,433,315
Grantor's taxes	1,500,000	1,500,000	1,551,122	51,122
Daily and short term rental tax	60,000	60,000	91,921	31,921
Consumption tax	750,000	750,000	1,252,090	502,090
Tourism Improvement District Tax	3,750,000	3,750,000	3,431,234	(318,766)
Total other local taxes	203,060,000	203,060,000	231,837,133	28,777,133
Permits, privilege fees and regulatory licenses:				
Municipal library court fees	100,000	100,000	151,282	51,282
Transfer fees	10,000	10,000	8,362	(1,638)
Zoning application fees	200,000	200,000	225,318	25,318
Structure and equipment permits	5,500,000	5,500,000	14,739,545	9,239,545
Septic tank permits	5,000	5,000	5,900	900
Taxi cab certificates	5,000	5,000	7,505	2,505
Permits to purchase precious metal	6,000	6,000	4,600	(1,400)
Dog licenses	20,000	20,000	26,669	6,669
Other	435,000	435,000	477,590	42,590
Total permits, privilege fees and regulatory licenses	6,281,000	6,281,000	15,646,771	9,365,771
Fines and forfeitures:				
False alarm penalties	65,000	65,000	62,465	(2,535)
Traffic violations	1,500,000	1,500,000	1,538,764	38,764
Parking violations	10,000	10,000	34,976	24,976
Total fines and forfeitures	1,575,000	1,575,000	1,636,205	61,205
Revenue from use of money and property:				
Sale of equipment and publications	100,500	100,500	571,475	470,975
Rented county property	698,500	698,500	1,122,913	424,413
Use of money	2,165,000	2,165,000	46,583,345	44,418,345
Total revenue from use of money and property	2,964,000	2,964,000	48,277,733	45,313,733
Charges for services:				
Public works	200,000	200,000	152,790	(47,210)
Library	221,000	221,000	246,190	25,190
Sheriff fees	1,466,000	1,466,000	1,628,061	162,061
Commonwealth's Attorney fees	20,000	20,000	22,611	2,611
Public safety	20,000	20,000	29,451	9,451
Finance charges	65,000	65,000	127,339	62,339
Recreation	507,000	507,000	546,457	39,457
Information technology	800,000	800,000	806,500	6,500
Total charges for services	3,299,000	3,299,000	3,559,399	260,399

HENRICO COUNTY, VIRGINIA
EXHIBIT OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit 12
Page 2 of 3

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund, continued:				
Miscellaneous	\$ 3,679,000	\$ 3,679,000	\$ 9,869,955	\$ 6,190,955
Total miscellaneous	3,679,000	3,679,000	9,869,955	6,190,955
Recovered costs:				
Finance	2,703,500	2,703,500	2,980,886	277,386
General services	1,205,000	1,205,000	4,029,555	2,824,555
Public works	30,000	30,000	53,865	23,865
Sheriff	1,200,000	1,200,000	1,794,089	594,089
Public safety	1,500,000	1,500,000	1,671,543	171,543
Total recovered costs	6,638,500	6,638,500	10,529,938	3,891,438
Total revenue from local sources	831,905,717	831,905,717	967,076,056	135,170,339
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Rolling stock	160,000	160,000	173,578	13,578
Recovery of central costs	600,000	600,000	660,838	60,838
Mobile home sales and use tax	7,000	7,000	6,339	(661)
Motor vehicle rental tax	3,300,000	3,300,000	5,169,626	1,869,626
PPTRA revenue	37,001,783	37,001,783	37,001,783	-
Communications sales and use tax - HB568	8,500,000	8,500,000	8,573,599	73,599
Total non-categorical aid	49,568,783	49,568,783	51,585,763	2,016,980
Shared expenses:				
Sheriff	14,250,000	14,250,000	18,081,617	3,831,617
Commonwealth's Attorney	2,475,000	2,475,000	2,909,512	434,512
Election commission	100,000	375,000	412,961	37,961
Finance	895,000	895,000	980,786	85,786
Circuit court	1,975,000	2,140,041	2,011,540	(128,501)
Total shared expenses	19,695,000	20,135,041	24,396,416	4,261,375
Categorical aid:				
Library	230,000	230,000	309,266	79,266
Public safety	13,735,000	13,846,440	14,346,154	499,714
Public works	51,287,730	63,976,812	61,351,534	(2,625,278)
Juvenile and domestic relations	700,000	700,000	806,984	106,984
Information Technology	-	-	76,866	76,866
Finance	-	-	154,850	154,850
Total categorical aid	65,952,730	78,753,252	77,045,654	(1,707,598)
Total revenue from the Commonwealth	135,216,513	148,457,076	153,027,833	4,570,757
Revenue from the Federal government:				
Public safety	-	-	64,348	64,348
Total revenue from the Federal government	-	-	64,348	64,348
Total intergovernmental	135,216,513	148,457,076	153,092,181	4,635,105
Total General Fund	\$ 967,122,230	\$ 980,362,793	\$ 1,120,168,237	\$ 139,805,444

HENRICO COUNTY, VIRGINIA
EXHIBIT OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit 12
Page 3 of 3

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
Special Revenue Fund:				
Revenue from use of money and property	\$ 236,000	\$ 240,416	\$ 267,288	\$ 26,872
Charges for services:				
Miscellaneous charges for services	15,307,440	15,508,674	13,773,777	(1,734,897)
Refuse collection billing	12,600,000	12,600,000	11,920,699	(679,301)
Recycle fees	590,000	590,000	362,522	(227,478)
Bulky waste collection fees	1,830,000	1,830,000	2,895,757	1,065,757
Leaf collection	705,388	705,388	705,388	-
Recycling	5,715,521	5,715,521	5,715,521	-
Charges for street lights	100,000	100,000	152,656	52,656
Total charges for services	36,848,349	37,049,583	35,526,320	(1,523,263)
Miscellaneous revenues	1,784,389	2,096,631	795,791	(1,300,840)
Recovered costs:				
Recovered costs	702,518	1,720,059	640,760	(1,079,299)
Recoveries and rebates	66,321	66,321	67,601	1,280
Total recovered costs	768,839	1,786,380	708,361	(1,078,019)
Total revenue from local sources	39,637,577	41,173,010	37,297,760	(3,875,250)
Intergovernmental:				
Revenue from the Commonwealth:				
Division of litter control	50,000	50,000	89,251	39,251
Social services	10,095,397	12,161,803	11,662,665	(499,138)
Mental health and developmental services	12,378,463	15,248,109	15,810,340	562,231
Virginia department of corrections	1,789,100	1,814,150	1,909,365	95,215
Commonwealth's Attorney	318,539	318,539	366,658	48,119
Opioid Abatement	295,838	863,011	304,047	(558,964)
Miscellaneous state grants	240,000	1,183,978	3,331,952	2,147,974
Total revenue from the Commonwealth	25,167,337	31,639,590	33,474,278	1,834,688
Revenue from the Federal government:				
Workforce investment	4,192,671	5,170,972	5,047,791	(123,181)
Social Services	13,223,137	14,420,494	14,144,787	(275,707)
Community development block grants	-	2,677,031	2,957,953	280,922
Public safety	-	524,308	451,236	(73,072)
Mental health and developmental services	1,923,903	2,712,615	2,983,816	271,201
Miscellaneous federal grants	699,042	755,993	1,666,758	910,765
Total revenue from the Federal government	20,038,753	26,261,413	27,252,341	990,928
Total intergovernmental	45,206,090	57,901,003	60,726,619	2,825,616
Total Special Revenue Fund	\$ 84,843,667	\$ 99,074,013	\$ 98,024,379	\$ (1,049,634)
Total Revenues - Governmental Funds	\$ 1,051,965,897	\$ 1,079,436,806	\$ 1,218,192,616	\$ 138,755,810

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
EXHIBIT OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit 13
Page 1 of 4

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund:				
General government:				
Legislative:				
Board of Supervisors	\$ 989,527	\$ 1,057,227	\$ 1,053,544	\$ 3,683
Total legislative	989,527	1,057,227	1,053,544	3,683
General and financial administration:				
County Manager	4,705,480	4,986,716	4,964,070	22,646
County Attorney	3,102,672	3,551,171	3,547,933	3,238
Human Resources	12,121,710	8,092,015	7,348,253	743,762
Finance	18,085,320	18,048,442	18,019,911	28,531
General Services	15,418,941	17,645,272	16,833,832	811,440
Internal Audit	763,490	787,765	787,586	179
Information Technology	17,765,488	20,067,809	17,127,833	2,939,976
Risk Management	10,619,234	15,384,234	16,777,555	(1,393,321)
Total general and financial administration	82,582,335	88,563,424	85,406,973	3,156,451
Board of Elections:				
Election Commission	2,343,364	3,247,364	3,246,800	564
Total Board of Elections	2,343,364	3,247,364	3,246,800	564
Total general government administration	85,915,226	92,868,016	89,707,317	3,160,699
Judicial administration:				
Courts:				
Circuit Court	4,152,012	4,721,550	4,431,250	290,300
General District Court	515,007	521,554	409,858	111,696
Juvenile and Domestic Relations Court	3,179,539	3,431,747	3,428,505	3,242
Total Courts	7,846,558	8,674,852	8,269,613	405,239
Commonwealth's Attorney:				
Commonwealth's Attorney	6,691,869	7,477,135	7,470,936	6,199
Total Commonwealth's Attorney	6,691,869	7,477,135	7,470,936	6,199
Total judicial administration	14,538,427	16,151,987	15,740,549	411,438
Public safety:				
Law enforcement:				
Police Department	94,187,279	99,040,644	98,390,647	649,997
Total law enforcement	94,187,279	99,040,644	98,390,647	649,997
Fire services:				
Fire Department	84,253,277	93,465,388	92,663,071	802,317
Total fire services	84,253,277	93,465,388	92,663,071	802,317
Correction and detention:				
Sheriff	50,920,564	53,961,702	53,921,620	40,082
Juvenile and Domestic Relations District Court	3,805,410	3,805,410	3,805,410	-
Total correction and detention	54,725,974	57,767,112	57,727,030	40,082
Inspections:				
Building	5,741,499	5,564,034	5,213,431	350,603
Total inspections	5,741,499	5,564,034	5,213,431	350,603
Other protection:				
Emergency Management	10,109,695	10,237,024	10,059,406	177,618
Animal Protection	2,545,324	2,833,198	2,833,199	(1)
Building Security	1,232,818	945,461	939,793	5,668
Total other protection	13,887,837	14,015,683	13,832,398	183,285
Total public safety	252,795,867	269,852,861	267,826,577	2,026,284

HENRICO COUNTY, VIRGINIA
EXHIBIT OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit 13
Page 2 of 4

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund, continued:				
Public works:				
Maintenance of highways and streets:				
General Administration	\$ 2,179,423	\$ 2,662,856	\$ 2,550,120	\$ 112,736
Mass Transit	10,327,729	10,494,594	7,067,316	3,427,278
Design	2,985,761	3,685,460	3,021,047	664,413
Construction and Maintenance	35,612,537	46,036,625	38,940,833	7,095,792
Traffic Engineering	4,684,128	6,314,894	5,213,756	1,101,138
Miscellaneous	3,621,971	3,541,885	3,462,042	79,843
Total maintenance of highways and streets	59,411,549	72,736,314	60,255,114	12,481,200
Sanitation and waste removal:				
Solid Waste	6,420,909	6,420,909	6,420,909	-
Total sanitation and waste removal	6,420,909	6,420,909	6,420,909	-
Total public works	65,832,458	79,157,223	66,676,023	12,481,200
Health:				
Public Health Department	3,130,561	3,211,130	3,211,130	-
Total health	3,130,561	3,211,130	3,211,130	-
Parks, recreation and cultural:				
Parks and recreation:				
Department of Recreation and Parks	25,531,139	26,354,441	25,312,475	1,041,966
Sandston Community House	14,000	14,000	12,852	1,148
Total parks and recreation	25,545,139	26,368,441	25,325,327	1,043,114
Library:				
Library Public Services	23,869,681	23,073,178	22,687,474	385,704
Total library	23,869,681	23,073,178	22,687,474	385,704
Total parks, recreation and cultural	49,414,820	49,441,619	48,012,801	1,428,818
Community Development:				
Planning and community development:				
Economic Development	28,044,766	30,000,770	29,829,402	171,368
Planning and Rezoning	5,357,447	5,852,100	4,891,945	960,155
Total planning and community development	33,402,213	35,852,870	34,721,347	1,131,523
Cooperative extension program:				
Agriculture	443,364	316,392	316,018	374
Total cooperative extension program	443,364	316,392	316,018	374
Total community development	33,845,577	36,169,262	35,037,365	1,131,897
Education:				
School Board	310,022,872	310,022,872	310,022,872	-
Total education	310,022,872	310,022,872	310,022,872	-

**EXHIBIT OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Exhibit 13
Page 3 of 4**

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund, continued:				
Miscellaneous:				
Cooperative Projects	\$ 19,517,939	\$ 19,697,216	\$ 19,919,768	\$ (222,552)
Tax Relief	11,498,000	24,498,000	24,036,361	461,639
Total miscellaneous	31,015,939	44,195,216	43,956,129	239,087
Debt service:				
Lease principal	6,063,476	6,063,476	6,063,476	-
Lease interest	527,910	527,910	527,910	-
Total debt service	6,591,386	6,591,386	6,591,386	-
Total General Fund	\$ 853,103,132	\$ 907,661,571	\$ 886,782,149	\$ 20,879,422
Special Revenue Fund:				
General government:				
General and financial administration:				
Finance	\$ -	\$ 100,000	\$ 100,000	\$ -
Workforce Investment	3,805,089	7,056,033	4,721,253	2,334,780
Total general government administration	3,805,089	7,156,033	4,821,253	2,334,780
Judicial administration:				
Courts:				
Circuit Court	-	69,973	37,177	32,796
Commonwealth's Attorney:				
Commonwealth's Attorney	1,546,589	1,747,909	1,639,864	108,045
Total judicial administration	1,546,589	1,817,882	1,677,041	140,841
Public safety:				
Law enforcement:				
Traffic Accident Investigation	602,500	5,520,482	3,451,335	2,069,147
Total law enforcement	602,500	5,520,482	3,451,335	2,069,147
Fire	-	609,604	516,898	92,706
Emergency Management	-	68,204	65,086	3,118
Correction and detention:				
Community Diversion Program	2,818,688	2,924,415	2,841,681	82,734
Juvenile and Domestic Relations District Court	1,033,686	1,658,371	1,159,820	498,551
Sheriff	9,440	388,644	213,882	174,762
Total correction and detention	3,861,814	4,971,429	4,215,383	756,046
Total public safety	4,464,314	11,169,720	8,248,702	2,921,018
Public works:				
General Administration	897,000	963,092	1,220	961,872
Maintenance of Highways and Streets	83,100	83,100	73,685	9,415
Solid Waste Collection and Disposal	24,467,064	27,264,152	21,286,575	5,977,577
Total public works	25,447,164	28,310,344	21,361,480	6,948,864
Health and social services:				
Social Services	33,488,154	40,172,301	35,073,334	5,098,967
Mental health and developmental services:				
Related Services	8,923,237	9,941,722	8,296,249	1,645,473
Mental Health	16,729,711	23,199,352	17,518,898	5,680,454
Developmental Services	15,862,668	16,674,513	14,641,021	2,033,492
Substance Abuse	4,139,051	8,975,271	5,909,110	3,066,161
MH/DS Administration	6,397,020	7,324,431	6,748,738	575,693
Total mental health and developmental services	52,051,687	66,115,288	53,114,016	13,001,272
Total health and social services	85,539,841	106,287,589	88,187,350	18,100,239

**EXHIBIT OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Exhibit 13
Page 4 of 4**

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
Special Revenue Fund, continued:				
Parks, recreation and culture:				
Parks and Recreation grants	\$ -	\$ 69,324	\$ 28,974	\$ 40,350
Total parks, recreation and culture	-	69,324	28,974	40,350
Sports and Entertainment Authority				
Sports and Entertainment Authority	1,079,094	3,843,011	2,745,564	1,097,447
Total Sports and Entertainment Authority	1,079,094	3,843,011	2,745,564	1,097,447
Community development:				
Planning and Community Development	-	10,296,668	3,138,453	7,158,215
Economic Development	-	5,230,547	4,542,400	688,147
Total community development	-	15,527,215	7,680,853	7,846,362
Miscellaneous				
Miscellaneous	-	14,404	14,404	-
Total Non-Departmental	-	14,404	14,404	-
Debt service:				
Lease principal	1,094,197	1,094,197	1,094,197	-
Lease interest	24,319	24,319	24,319	-
Total debt service	1,118,516	1,118,516	1,118,516	-
Total Special Revenue Fund	\$ 123,000,608	\$ 175,314,038	\$ 135,884,137	\$ 39,429,901
Total Expenditures - Governmental Funds	\$ 976,103,740	\$ 1,082,975,610	\$ 1,022,666,286	\$ 60,309,324

Explanation of difference between actual amounts on the budgetary basis and GAAP basis:

Total Expenditures on the Exhibit of Expenditures-Budget and Actual - General Fund	\$ 886,782,149
Right-to-use capital outlay	\$ 4,136,957
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	<u>\$ 890,919,106</u>
Total Expenditures on the Exhibit of Expenditures-Budget and Actual - Special Revenue Fund	\$ 135,884,137
Right-to-use capital outlay	\$ 1,508,788
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Fund	<u>\$ 137,392,925</u>

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)
GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES
LAST TEN FISCAL YEARS

Exhibit 14
Page 1 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Total pension liability										
Service cost	\$ 23,796,971	\$ 23,884,723	\$ 24,801,703	\$ 25,098,225	\$ 26,412,598	\$ 26,669,998	\$ 29,771,676	\$ 29,776,955	\$ 33,036,473	\$ 36,279,547
Interest on total pension liability	65,367,508	69,217,236	71,893,739	75,416,152	78,641,385	81,609,627	84,178,813	88,814,534	97,170,762	102,300,187
Change of assumptions	-	-	-	3,600,205	-	35,221,964	-	55,338,972	-	-
Difference between expected and actual experience	-	(15,888,024)	(3,762,008)	(13,129,434)	(2,495,542)	(5,237,540)	18,002,646	(16,940,177)	13,454,670	31,164,176
Benefit payments, including refunds of employee contributions	(43,077,241)	(47,302,547)	(50,505,930)	(53,593,856)	(57,951,397)	(60,174,533)	(65,005,434)	(70,197,879)	(71,361,150)	(76,398,309)
Other	-	-	-	-	-	-	2,075,678	-	-	-
Net change in total pension liability	46,087,238	29,911,388	42,427,504	37,391,292	44,607,044	78,089,516	69,023,379	86,792,405	72,300,755	93,345,601
Total pension liability - beginning	964,087,706	1,010,174,944	1,040,086,332	1,082,513,836	1,119,905,128	1,164,512,172	1,242,601,688	1,311,625,067	1,398,417,472	1,470,718,227
Total pension liability - ending (a)	\$ 1,010,174,944	\$ 1,040,086,332	\$ 1,082,513,836	\$ 1,119,905,128	\$ 1,164,512,172	\$ 1,242,601,688	\$ 1,311,625,067	\$ 1,398,417,472	\$ 1,470,718,227	\$ 1,564,063,828
Total fiduciary net position										
Contributions - employer	\$ 27,496,460	\$ 28,290,290	\$ 29,374,797	\$ 26,184,817	\$ 26,807,419	\$ 28,277,430	\$ 29,403,784	\$ 31,636,840	\$ 34,721,214	\$ 42,320,302
Contributions - employee	9,281,980	9,452,120	9,798,397	10,254,955	10,318,099	10,537,974	11,048,961	11,138,818	12,048,194	12,678,252
Net investment income	113,606,404	38,115,473	15,148,200	107,128,844	72,308,202	68,371,688	20,632,319	293,769,294	(1,346,899)	85,536,698
Benefit payments	(43,077,241)	(47,302,547)	(50,505,930)	(53,593,856)	(57,951,397)	(60,174,533)	(65,005,434)	(70,197,879)	(71,361,150)	(76,398,309)
Administrative expense	(612,154)	(522,704)	(541,959)	(622,456)	(628,498)	(681,327)	(707,937)	(737,023)	(841,516)	(849,512)
Other	5,986	(8,071)	(6,430)	(95,261)	(64,229)	(43,116)	1,730,042	(27,666)	41,375	32,669
Net change in plan fiduciary net position	106,701,435	28,024,561	3,267,075	89,257,043	50,789,596	46,288,116	(2,898,265)	265,582,384	(26,738,582)	63,320,100
Plan fiduciary net position - beginning	729,182,146	835,883,581	863,908,142	867,175,217	956,432,260	1,007,221,856	1,053,509,972	1,050,611,707	1,316,194,091	1,289,455,509
Plan fiduciary net position - ending (b)	\$ 835,883,581	\$ 863,908,142	\$ 867,175,217	\$ 956,432,260	\$ 1,007,221,856	\$ 1,053,509,972	\$ 1,050,611,707	\$ 1,316,194,091	\$ 1,289,455,509	\$ 1,352,775,609
Net pension liability - ending (a)-(b)	\$ 174,291,363	\$ 176,178,190	\$ 215,338,619	\$ 163,472,868	\$ 157,290,316	\$ 189,091,716	\$ 261,013,360	\$ 82,223,381	\$ 181,262,718	\$ 211,288,219
Plan fiduciary net position as a percentage of total pension liability	82.75%	83.06%	80.11%		86.49%	84.78%	80.10%	94.12%	87.68%	86.49%
Covered payroll	\$ 188,575,531	\$ 191,276,453	\$ 199,857,968	\$ 202,991,663	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875
Net pension liability as a percentage of covered payroll	92.43%	92.11%	107.75%	80.53%	75.19%	87.03%	114.28%	35.94%	72.80%	78.80%
Business-type Activities:										
Total pension liability										
Service cost	\$ 1,715,200	\$ 1,683,447	\$ 1,721,019	\$ 1,727,978	\$ 1,778,119	\$ 1,786,600	\$ 1,921,651	\$ 1,845,156	\$ 2,018,441	\$ 2,086,331
Interest on total pension liability	4,711,454	4,878,582	4,988,789	5,192,297	5,294,205	5,466,957	5,433,428	5,503,473	5,936,876	5,882,985
Change of assumptions	-	-	-	247,869	-	2,359,489	-	3,429,129	-	-
Difference between expected and actual experience	-	(1,119,823)	(261,050)	(903,943)	(168,002)	(350,858)	1,162,004	(1,049,713)	822,045	1,792,161
Benefit payments, including refunds of employee contributions	(3,104,852)	(3,333,987)	(3,504,664)	(3,689,862)	(3,901,338)	(4,031,040)	(4,195,858)	(4,349,875)	(4,359,977)	(4,393,443)
Other	-	-	-	-	-	-	(2,075,678)	-	-	-
Net change in total pension liability	3,321,802	2,108,219	2,944,094	2,574,338	3,002,984	5,231,148	2,245,547	5,378,170	4,417,385	5,368,034
Total pension liability - beginning	68,748,558	72,070,360	74,178,579	77,122,673	79,697,011	82,699,995	87,931,143	90,176,690	95,554,860	99,972,245
Total pension liability - ending (a)	\$ 72,070,360	\$ 74,178,579	\$ 77,122,673	\$ 79,697,011	\$ 82,699,995	\$ 87,931,143	\$ 90,176,690	\$ 95,554,860	\$ 99,972,245	\$ 105,340,279

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)
GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES
LAST TEN FISCAL YEARS

Exhibit 14
Page 2 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total fiduciary net position										
Contributions - employer	\$ 1,981,845	\$ 1,993,960	\$ 2,038,351	\$ 1,802,788	\$ 1,804,698	\$ 1,894,281	\$ 1,897,905	\$ 1,960,405	\$ 2,121,374	\$ 2,433,717
Contributions - employee	669,012	666,206	679,922	706,039	694,623	705,930	713,169	690,227	736,113	729,089
Net investment income	8,188,339	2,686,461	1,051,151	7,375,672	4,867,851	4,580,160	1,331,739	18,203,680	(82,292)	4,918,965
Benefit payments	(3,104,852)	(3,333,987)	(3,504,664)	(3,689,862)	(3,901,338)	(4,031,040)	(4,195,858)	(4,349,875)	(4,359,977)	(4,393,443)
Administrative expense	(44,121)	(36,841)	(37,607)	(42,855)	(42,311)	(45,641)	(45,695)	(45,670)	(51,414)	(48,853)
Other	431	(569)	(446)	(6,559)	(4,324)	(2,888)	(1,759,728)	(1,714)	2,540	1,879
Net change in plan fiduciary net position	7,690,654	1,975,230	226,707	6,145,223	3,419,199	3,100,802	(2,058,468)	16,457,053	(1,633,656)	3,641,354
Plan fiduciary net position - beginning	51,997,574	59,688,228	61,663,458	61,890,165	68,035,388	71,454,587	74,555,389	72,496,921	88,953,974	87,320,318
Plan fiduciary net position - ending (b)	\$ 59,688,228	\$ 61,663,458	\$ 61,890,165	\$ 68,035,388	\$ 71,454,587	\$ 74,555,389	\$ 72,496,921	\$ 88,953,974	\$ 87,320,318	\$ 90,961,672
Net pension liability - ending (a)-(b)	\$ 12,382,132	\$ 12,515,121	\$ 15,232,508	\$ 11,661,623	\$ 11,245,408	\$ 13,375,754	\$ 17,679,769	\$ 6,600,886	\$ 12,651,927	\$ 14,378,607
Plan fiduciary net position as a percentage of total pension liability	82.82%	83.13%	80.25%	85.37%	86.40%	84.79%	80.39%	93.09%	87.34%	86.35%
Covered payroll	\$ 13,395,158	\$ 13,305,310	\$ 13,763,763	\$ 13,845,688	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378
Net pension liability as a percentage of covered payroll	92.44%	94.06%	110.67%	84.23%	79.92%	93.23%	117.97%	46.51%	83.57%	92.69%
Total Activities:										
Total pension liability										
Service cost	\$ 25,512,171	\$ 25,568,170	\$ 26,522,722	\$ 26,826,203	\$ 28,190,717	\$ 28,456,598	\$ 31,693,327	\$ 31,622,111	\$ 35,054,914	\$ 38,365,878
Interest on total pension liability	70,078,962	74,095,818	76,882,528	80,608,449	83,935,590	87,076,584	89,612,241	94,318,007	103,107,638	108,183,172
Change of assumptions	-	(17,007,847)	(4,023,058)	3,848,074	-	37,581,453	-	58,768,101	-	-
Difference between expected and actual experience	-	(17,007,847)	(4,023,058)	(14,033,377)	(2,663,544)	(5,588,398)	(17,989,890)	19,164,650	14,276,715	32,956,337
Benefit payments, including refunds of employee contributions	(46,182,093)	(50,636,534)	(54,010,594)	(57,283,718)	(61,852,735)	(64,205,573)	(69,201,292)	(74,547,754)	(75,721,127)	(80,791,752)
Other	-	-	-	-	-	-	-	-	-	-
Net change in total pension liability	49,409,040	32,019,607	45,371,598	39,965,630	47,610,028	83,320,664	71,268,926	92,170,575	76,718,140	98,713,635
Total pension liability - beginning	1,032,836,264	1,082,245,304	1,114,264,911	1,159,636,509	1,199,602,139	1,247,212,167	1,330,532,831	1,401,801,757	1,493,972,332	1,570,690,472
Total pension liability - ending (a)	\$ 1,082,245,304	\$ 1,114,264,911	\$ 1,159,636,509	\$ 1,199,602,139	\$ 1,247,212,167	\$ 1,330,532,831	\$ 1,401,801,757	\$ 1,493,972,332	\$ 1,570,690,472	\$ 1,669,404,107
Total fiduciary net position										
Contributions - employer	\$ 29,478,305	\$ 30,284,250	\$ 31,413,148	\$ 27,987,605	\$ 28,612,117	\$ 30,171,711	\$ 31,301,689	\$ 33,597,245	\$ 36,842,588	\$ 44,754,019
Contributions - employee	9,950,992	10,118,326	10,478,319	10,960,994	11,012,722	11,243,904	11,762,130	11,829,045	12,784,307	13,407,341
Net investment income	121,794,743	40,801,934	16,199,351	114,504,516	77,176,053	72,951,848	21,964,058	311,972,974	(1,429,191)	90,455,663
Benefit payments	(46,182,093)	(50,636,534)	(54,010,594)	(57,283,718)	(61,852,735)	(64,205,573)	(69,201,292)	(74,547,754)	(75,721,127)	(80,791,752)
Administrative expense	(656,275)	(559,545)	(579,566)	(665,311)	(670,809)	(726,968)	(753,632)	(782,693)	(892,930)	(898,365)
Other	6,417	(8,640)	(6,876)	(101,820)	(68,553)	(46,004)	(29,686)	(29,380)	44,115	34,548
Net change in plan fiduciary net position	114,392,089	29,999,791	3,493,782	95,402,266	54,208,795	49,388,918	(4,956,733)	282,039,437	(28,372,238)	66,961,454
Plan fiduciary net position - beginning	781,179,720	895,571,809	925,571,600	929,065,382	1,024,467,648	1,078,676,443	1,128,065,361	1,123,108,628	1,405,148,065	1,376,775,827
Plan fiduciary net position - ending (b)	\$ 895,571,809	\$ 925,571,600	\$ 929,065,382	\$ 1,024,467,648	\$ 1,078,676,443	\$ 1,128,065,361	\$ 1,123,108,628	\$ 1,405,148,065	\$ 1,376,775,827	\$ 1,443,737,281
Net pension liability - ending (a)-(b)	\$ 186,673,495	\$ 188,693,311	\$ 230,571,127	\$ 175,134,491	\$ 168,535,724	\$ 202,467,470	\$ 278,693,129	\$ 88,824,267	\$ 193,914,645	\$ 225,666,826
Plan fiduciary net position as a percentage of total pension liability	82.75%	83.07%	80.12%	85.40%	86.49%	84.78%	80.12%	94.05%	87.65%	86.48%
Covered payroll	\$ 201,970,689	\$ 204,581,763	\$ 213,621,731	\$ 216,837,351	\$ 223,252,733	\$ 231,629,477	\$ 243,379,087	\$ 242,954,301	\$ 264,138,040	\$ 283,636,253
Net pension liability as a percentage of covered payroll	92.43%	92.23%	107.93%	80.77%	75.49%	87.41%	114.51%	36.56%	73.41%	79.56%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)
SCHOOL BOARD NON-PROFESSIONAL GROUP
LAST TEN FISCAL YEARS

Exhibit 15

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Board Non-Professional Group										
Total pension liability										
Service cost	\$ 72,260	\$ 69,746	\$ 67,970	\$ 58,711	\$ 56,131	\$ 56,136	\$ 45,896	\$ 59,644	\$ 54,568	\$ 64,277
Interest on total pension liability	582,852	580,111	567,282	571,638	554,959	539,048	534,571	539,205	569,590	547,636
Change of assumptions	-	-	-	44,778	-	182,613	-	383,505	-	-
Difference between expected and actual experience	-	(139,895)	108,818	(226,614)	(134,067)	157,842	216,758	119,836	(284,130)	(759,873)
Benefit payments, including refunds of employee contributions	(689,613)	(698,924)	(687,530)	(676,153)	(697,423)	(711,216)	(722,303)	(734,835)	(678,391)	(671,562)
Net change in total pension liability	(34,501)	(188,962)	56,540	(227,640)	(220,400)	224,423	74,922	367,355	(338,363)	(819,522)
Total pension liability - beginning	8,671,261	8,636,760	8,447,798	8,504,338	8,276,698	8,056,298	8,280,721	8,355,643	8,722,998	8,384,635
Total pension liability - ending (a)	<u>\$ 8,636,760</u>	<u>\$ 8,447,798</u>	<u>\$ 8,504,338</u>	<u>\$ 8,276,698</u>	<u>\$ 8,056,298</u>	<u>\$ 8,280,721</u>	<u>\$ 8,355,643</u>	<u>\$ 8,722,998</u>	<u>\$ 8,384,635</u>	<u>\$ 7,565,113</u>
Total fiduciary net position										
Contributions - employer	\$ 372,141	\$ 238,475	\$ 237,503	\$ 199,298	\$ 209,478	\$ 165,901	\$ 182,491	\$ 193,314	\$ 192,256	\$ 246,434
Contributions - employee	31,303	31,253	30,289	30,785	31,431	26,749	29,681	25,221	25,398	28,922
Net investment income	804,061	251,841	85,861	614,333	387,642	334,328	95,468	1,230,914	2,323	307,757
Benefit payments	(689,613)	(698,924)	(687,530)	(676,153)	(697,423)	(711,216)	(722,303)	(734,835)	(678,391)	(671,562)
Administrative expense	(4,544)	(3,822)	(3,655)	(3,892)	(3,645)	(3,782)	(3,624)	(3,466)	(3,528)	(3,305)
Other	43	(54)	(39)	(534)	(335)	(208)	(108)	113	118	123
Net change in plan fiduciary net position	513,391	(181,231)	(337,571)	163,837	(72,852)	(188,228)	(418,395)	711,261	(461,824)	(91,631)
Plan fiduciary net position - beginning	5,309,719	5,823,110	5,641,879	5,304,308	5,468,145	5,395,293	5,207,065	4,788,670	5,499,931	5,038,107
Plan fiduciary net position - ending (b)	<u>\$ 5,823,110</u>	<u>\$ 5,641,879</u>	<u>\$ 5,304,308</u>	<u>\$ 5,468,145</u>	<u>\$ 5,395,293</u>	<u>\$ 5,207,065</u>	<u>\$ 4,788,670</u>	<u>\$ 5,499,931</u>	<u>\$ 5,038,107</u>	<u>\$ 4,946,476</u>
Net pension liability - ending (a)-(b)	<u>\$ 2,813,650</u>	<u>\$ 2,805,919</u>	<u>\$ 3,200,030</u>	<u>\$ 2,808,553</u>	<u>\$ 2,661,005</u>	<u>\$ 3,073,656</u>	<u>\$ 3,566,973</u>	<u>\$ 3,223,067</u>	<u>\$ 3,346,528</u>	<u>\$ 2,618,637</u>
Plan fiduciary net position as a percentage of total pension liability	67.42%	66.79%	62.37%	66.07%	66.97%	62.88%	57.31%	63.05%	60.09%	65.39%
Covered payroll	\$ 627,880	\$ 602,637	\$ 632,258	\$ 658,947	\$ 701,134	\$ 716,437	\$ 789,037	\$ 652,343	\$ 649,714	\$ 689,164
Net pension liability as a percentage of covered payroll	448.12%	465.61%	506.13%	426.22%	379.53%	429.02%	452.07%	494.08%	515.08%	379.97%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)
JRJDC
LAST TEN FISCAL YEARS

Exhibit 16

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
JRJDC										
Total pension liability										
Service cost	\$ 369,875	\$ 364,654	\$ 370,481	\$ 360,293	\$ 404,395	\$ 391,959	\$ 418,389	\$ 427,973	\$ 447,299	\$ 466,736
Interest on total pension liability	1,016,003	1,056,757	1,073,928	1,082,622	1,204,053	1,199,387	1,182,989	1,276,498	1,315,648	1,316,091
Change of assumptions	-	-	-	51,682	-	517,644	-	795,366	-	-
Difference between expected and actual experience	-	(242,566)	(56,196)	(188,477)	(38,208)	(76,974)	252,996	(243,475)	182,170	400,927
Benefit payments, including refunds of employee contributions	(669,547)	(722,180)	(754,443)	(769,356)	(887,275)	(884,363)	(913,539)	(1,008,928)	(966,198)	(982,864)
Net change in total pension liability	716,331	456,665	633,770	536,764	682,965	1,147,653	940,835	1,247,434	978,919	1,200,890
Total pension liability - beginning	14,730,311	15,446,642	15,903,307	16,537,077	17,073,841	17,756,806	18,904,459	19,845,294	21,092,728	22,071,647
Total pension liability - ending (a)	<u>\$ 15,446,642</u>	<u>\$ 15,903,307</u>	<u>\$ 16,537,077</u>	<u>\$ 17,073,841</u>	<u>\$ 17,756,806</u>	<u>\$ 18,904,459</u>	<u>\$ 19,845,294</u>	<u>\$ 21,092,728</u>	<u>\$ 22,071,647</u>	<u>\$ 23,272,537</u>
Total fiduciary net position										
Contributions - employer	\$ 427,376	\$ 431,915	\$ 438,793	\$ 375,891	\$ 410,440	\$ 415,583	\$ 413,219	\$ 454,705	\$ 470,109	\$ 544,450
Contributions - employee	144,269	144,308	146,365	147,213	157,977	154,873	155,274	160,094	163,127	163,106
Net investment income	1,765,778	581,918	226,279	1,537,867	1,107,087	1,004,834	289,952	4,222,237	(18,236)	1,100,429
Benefit payments	(669,547)	(722,180)	(754,443)	(769,356)	(887,275)	(884,363)	(913,539)	(1,008,928)	(966,198)	(982,864)
Administrative expense	(9,514)	(7,980)	(8,095)	(8,935)	(9,623)	(10,013)	(9,949)	(10,593)	(11,394)	(10,929)
Other	93	(123)	(96)	(1,368)	(983)	(634)	(392)	(398)	563	420
Net change in plan fiduciary net position	1,658,455	427,858	48,803	1,281,312	777,623	680,280	(65,435)	3,817,117	(362,029)	814,612
Plan fiduciary net position - beginning	11,141,185	12,799,640	13,227,498	13,276,301	14,557,613	15,335,236	16,015,516	15,950,081	19,767,198	19,405,169
Plan fiduciary net position - ending (b)	<u>\$ 12,799,640</u>	<u>\$ 13,227,498</u>	<u>\$ 13,276,301</u>	<u>\$ 14,557,613</u>	<u>\$ 15,335,236</u>	<u>\$ 16,015,516</u>	<u>\$ 15,950,081</u>	<u>\$ 19,767,198</u>	<u>\$ 19,405,169</u>	<u>\$ 20,219,781</u>
Net pension liability - ending (a)-(b)	<u>\$ 2,647,002</u>	<u>\$ 2,675,809</u>	<u>\$ 3,260,776</u>	<u>\$ 2,516,228</u>	<u>\$ 2,421,570</u>	<u>\$ 2,888,943</u>	<u>\$ 3,895,213</u>	<u>\$ 1,325,530</u>	<u>\$ 2,666,478</u>	<u>\$ 3,052,756</u>
Plan fiduciary net position as a percentage of total pension liability	82.86%	83.17%	80.28%	85.26%	86.36%	84.72%	80.37%	93.72%	87.92%	86.88%
Covered payroll	\$ 2,827,621	\$ 2,895,657	\$ 2,933,358	\$ 2,873,696	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,603	\$ 3,347,370	\$ 3,461,244
Net pension liability as a percentage of covered payroll	93.61%	92.41%	111.16%	87.56%	76.52%	92.72%	123.56%	41.43%	79.66%	88.20%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS (VRS PLAN)
PENSION PLAN
LAST TEN FISCAL YEARS

Exhibit 17

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Contractually determined contribution of employer	\$ 27,496,460	\$ 28,290,290	\$ 29,374,797	\$ 26,184,817	\$ 28,477,541	\$ 29,700,868	\$ 29,403,784	\$ 31,636,840	\$ 34,721,215	\$ 42,320,302
Contribution in relation to determined contributions	27,496,460	28,290,290	29,374,797	26,184,817	28,477,541	29,700,868	29,403,784	31,636,840	34,721,215	42,320,302
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	191,276,453	199,857,968	202,991,663	209,182,401	217,281,758	228,391,980	228,761,767	248,997,875	268,122,875	293,494,713
Contributions as a percentage of covered payroll	14.38%	14.16%	14.47%	12.52%	13.11%	13.00%	12.85%	12.71%	12.95%	14.42%
Business-type Activities:										
Contractually determined contribution of employer	\$ 1,981,845	\$ 1,993,960	\$ 2,038,351	\$ 1,802,788	\$ 1,894,281	\$ 1,940,247	\$ 1,897,905	\$ 1,960,405	\$ 2,121,374	\$ 2,433,717
Contribution in relation to determined contributions	1,981,845	1,993,960	2,038,351	1,802,788	1,894,281	1,940,247	1,897,905	1,960,405	2,121,374	2,433,717
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	13,305,310	13,763,763	13,845,688	14,070,332	14,347,719	14,987,107	14,192,534	15,140,165	15,513,378	18,077,788
Contributions as a percentage of covered payroll	14.90%	14.49%	14.72%	12.81%	13.20%	12.95%	13.37%	12.95%	13.67%	13.46%
Total Primary Government:										
Contractually determined contribution of employer	\$ 29,478,305	\$ 30,284,250	\$ 31,413,148	\$ 27,987,605	\$ 30,371,822	\$ 31,641,115	\$ 31,301,689	\$ 33,597,245	\$ 36,842,589	\$ 44,754,019
Contribution in relation to determined contributions	29,478,305	30,284,250	31,413,148	27,987,605	30,371,822	31,641,115	31,301,689	33,597,245	36,842,589	44,754,019
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	204,581,763	213,621,731	216,837,351	223,252,733	231,629,477	243,379,087	242,954,301	264,138,040	283,636,253	311,572,501
Contributions as a percentage of covered payroll	14.41%	14.18%	14.49%	12.54%	13.11%	13.00%	12.88%	12.72%	12.99%	14.36%
School Board Non-Professional Group:										
Contractually determined contribution of employer	\$ 372,141	\$ 238,475	\$ 237,503	\$ 199,298	\$ 156,828	\$ 172,720	\$ 182,491	\$ 193,314	\$ 192,256	\$ 246,434
Contribution in relation to determined contributions	372,141	238,475	237,503	199,298	156,828	172,720	182,491	193,314	192,256	246,434
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 602,637	\$ 632,258	\$ 658,947	\$ 701,134	\$ 716,437	\$ 789,037	\$ 652,343	\$ 649,714	\$ 689,164	\$ 767,686
Contributions as a percentage of covered payroll	61.75%	37.72%	36.04%	28.43%	21.89%	21.89%	27.97%	29.75%	27.90%	32.10%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOLS' PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHERS' PENSION PLAN
LAST TEN FISCAL YEARS

Exhibit 18

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Schools' proportion of the net pension liability	3.29%	3.28%	3.30%	3.28%	3.29%	3.31%	3.34%	3.32%	3.36%	3.31%
Schools' proportionate share of the net pension liability	\$ 398,595,000	\$ 413,109,000	\$ 463,076,000	\$ 403,402,000	\$ 386,870,000	\$ 435,169,982	\$ 485,351,912	\$ 257,587,334	\$ 319,896,875	\$ 334,166,426
Schools' covered payroll	\$ 268,691,850	\$ 273,853,673	\$ 281,366,433	\$ 288,681,379	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952
Schools' proportionate share of the net pension liability as a percentage of its covered payroll	148.35%	150.85%	164.58%	139.74%	130.99%	141.96%	150.53%	80.16%	92.98%	92.12%
Plan fiduciary net position	\$ 970,083,754	\$ 995,953,131	\$ 996,863,280	\$ 1,086,397,116	\$ 1,144,446,408	\$ 1,195,470,062	\$ 1,193,017,414	\$ 1,497,247,875	\$ 1,483,604,332	\$ 1,558,234,633
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.74%	73.51%	71.08%	85.32%	82.26%	82.34%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOLS' CONTRIBUTIONS
TEACHERS' PENSION PLAN
LAST TEN FISCAL YEARS

Exhibit 19

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 28,125,017	\$ 35,384,284	\$ 35,423,318	\$ 37,325,862	\$ 42,535,556	\$ 42,356,571	\$ 44,283,188	\$ 46,988,755	\$ 49,915,832	\$ 52,190,637
Contribution in relation to the contractually required contribution	\$ 28,125,017	\$ 35,384,284	\$ 35,423,318	\$ 37,325,862	\$ 42,535,556	\$ 42,356,571	\$ 44,283,188	\$ 46,988,755	\$ 49,915,832	\$ 52,190,637
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Schools' covered payroll	\$ 273,853,673	\$ 281,366,433	\$ 288,681,379	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250
Contributions as a percentage of covered payroll	10.27%	12.58%	12.27%	12.64%	13.88%	13.14%	13.78%	13.66%	13.76%	12.88%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS (VRS PLAN)
JRJDC PENSION PLAN
LAST TEN FISCAL YEARS

Exhibit 20

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually determined contribution of employer	\$ 427,376	\$ 431,915	\$ 438,793	\$ 375,891	\$ 410,440	\$ 415,583	\$ 413,219	\$ 454,705	\$ 470,109	\$ 544,450
Contribution in relation to determined contributions	427,376	431,915	438,793	375,891	410,440	415,583	413,219	454,705	470,109	544,450
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,895,657	2,933,358	\$ 2,873,696	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,603	\$ 3,347,370	\$ 3,461,244	3,752,863
Contributions as a percentage of covered payroll	14.76%	14.72%	15.27%	11.88%	13.17%	13.18%	12.91%	13.58%	13.58%	14.51%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA

Notes to Required Supplementary Pension Information

For the Year Ended June 30, 2024

Defined Benefit Pension Plans

The following assumptions apply to both the VRS Plan and the Teacher Retirement Plan.

Changes of benefit terms - There have been no material changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component was adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits.

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

Largest 10 - Non-LEOS:

- Update mortality table
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service

Largest 10-LEOS:

- Update mortality table
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decreased withdrawal rates

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET HEALTHCARE OPEB LIABILITY (ASSET) AND RELATED RATIOS
HEALTHCARE OPEB TRUST FUND
LAST EIGHT FISCAL YEARS*

Exhibit 21

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	\$ 4,146,771	\$ 3,781,739	\$ 4,627,235	\$ 4,858,597	\$ 4,522,411	\$ 4,827,674	\$ 5,928,591	\$ 6,343,592
Interest on total OPEB liability	7,708,898	7,990,226	6,187,930	6,605,248	7,032,983	7,485,426	8,242,662	8,897,693
Differences between expected and actual experience	-	(28,205,844)	-	449,044	-	29,381,155	-	(22,338,836)
Change of assumptions	-	(5,679,980)	-	-	-	(26,256,505)	-	(12,647,969)
Benefit payments, including refunds of employee contributions	(6,538,795)	(4,146,968)	(4,478,725)	(5,084,837)	(5,466,200)	(5,397,181)	(5,721,012)	(5,228,676)
Net change in total OPEB liability	5,316,874	(26,260,827)	6,336,440	6,828,052	6,089,194	10,040,569	8,450,241	(24,974,196)
Total OPEB liability - beginning	109,194,437	114,511,311	88,250,484	94,586,924	101,414,976	107,504,170	117,544,739	125,994,980
Total OPEB liability - ending (a)	\$ 114,511,311	\$ 88,250,484	\$ 94,586,924	\$ 101,414,976	\$ 107,504,170	\$ 117,544,739	\$ 125,994,980	\$ 101,020,784
Total plan fiduciary net position								
Contributions - employer	\$ 7,765,131	\$ 6,846,584	\$ 7,303,945	\$ 5,823,822	\$ 7,824,778	\$ 8,077,011	\$ 9,604,420	\$ 7,913,006
Net investment income	7,296,432	5,272,202	4,390,670	346,106	4,955,612	5,207,141	6,072,090	8,098,731
Benefit payments	(6,538,795)	(4,146,968)	(4,478,725)	(5,084,837)	(5,466,200)	(5,397,181)	(5,721,012)	(5,228,676)
Administrative expense	-	(500)	(500)	(500)	(500)	(500)	(500)	(1,197)
Net change in plan fiduciary net position	8,522,768	7,971,318	7,215,390	1,084,591	7,313,690	7,886,471	9,954,998	10,781,864
Plan fiduciary net position - beginning	44,841,294	53,364,062	61,335,380	68,550,770	69,635,361	76,949,051	84,835,522	94,790,520
Plan fiduciary net position - ending (b)	\$ 53,364,062	\$ 61,335,380	\$ 68,550,770	\$ 69,635,361	\$ 76,949,051	\$ 84,835,522	\$ 94,790,520	\$ 105,572,384
Net OPEB liability (asset) - ending (a)-(b)	\$ 61,147,249	\$ 26,915,104	\$ 26,036,154	\$ 31,779,615	\$ 30,555,119	\$ 32,709,217	\$ 31,204,460	\$ (4,551,600)
Plan fiduciary net position as a percentage of total OPEB liability	46.60%	69.50%	72.47%	68.66%	71.58%	72.17%	75.23%	104.51%
Covered-employee payroll	\$ 536,071,713	\$ 526,206,301	\$ 539,361,459	\$ 552,845,495	\$ 566,666,632	\$ 629,542,342	\$ 645,280,901	\$ 760,463,980
Net OPEB liability (asset) as a percentage of covered-employee payroll	11.41%	5.11%	4.83%	5.75%	5.39%	5.20%	4.84%	-0.60%

See accompanying independent auditor's report.

* Fiscal year 2017 was the first year of GASB 74 implementation; therefore, only eight years are shown herein.

** Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

**COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS
HEALTHCARE OPEB TRUST FUND
LAST EIGHT FISCAL YEARS***

Exhibit 22

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially determined contribution	\$ 10,161,876	\$ 9,491,736	\$ 7,303,945	\$ 7,527,997	\$ 7,824,778	\$ 8,120,688	\$ 9,604,420	\$ 10,011,248
Contributions in relation to the actuarially determined contribution	\$ 7,765,131	\$ 6,846,584	\$ 7,172,948	\$ 5,823,822	\$ 5,403,719	\$ 8,077,011	\$ 9,604,420	\$ 7,913,006
Contribution deficiency	\$ 2,396,745	\$ 2,645,152	\$ 130,997	\$ 1,704,175	\$ 2,421,059	\$ 43,677	\$ -	\$ 2,098,242
Covered-employee payroll	\$ 536,071,713	\$ 526,206,301	\$ 539,361,459	\$ 552,845,495	\$ 566,666,632	\$ 629,542,342	\$ 645,280,901	\$ 760,463,980
Contributions as a percentage of covered-employee payroll	1.45%	1.30%	1.33%	1.05%	0.95%	1.28%	1.49%	1.04%

*Fiscal year 2017 was the first year of GASB 74 implementation; therefore, only four years are shown herein.

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in the actuarial assumptions are amortized over the average working lifetime of all participants.
Amortization period	20 years
Asset valuation method	Fair value
Inflation	3 percent
Healthcare cost trend rates	7% initial, decreasing down to 5.6% over 3 years following the Getzen mode thereafter.
Salary increases	2.5 percent per annum
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	In the 2018 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 Healthy Annuitant Mortality Table. In prior years, those assumptions were based on the 1994 Group Annuity Mortality Table and the RP-2000 Healthy Annuitant Mortality Table.

See accompanying independent auditor's report.

* Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF INVESTMENT RETURNS
HEALTHCARE OPEB TRUST FUND
LAST EIGHT FISCAL YEARS*

Exhibit 23

	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return on investments, net of investment expense	12.87%	9.52%	4.50%	3.00%	30.08%	-9.23%	7.64%	9.49%

See accompanying independent auditor's report.

* Fiscal year 2017 was the first year of GASB 74 implementation; therefore, only eight years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET HEALTHCARE OPEB LIABILITY (ASSET) AND RELATED RATIOS
GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES
LAST FIVE FISCAL YEARS*

Exhibit 24

	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:							
Total OPEB liability							
Service cost	\$ 1,917,454	\$ 1,487,911	\$ 2,736,312	\$ 2,079,053	\$ 2,199,555	\$ 1,937,493	\$ 2,853,443
Interest on total pension liability	4,051,282	3,137,464	3,242,279	3,911,751	4,129,440	3,661,768	3,910,482
Change of assumptions	(2,879,919)	-	-	-	(11,962,830)	-	(5,689,247)
Difference between expected and actual experience	(14,301,201)	-	7,555,337	-	2,396,411	-	(8,644,596)
Benefit payments, including refunds of employee contributions	(2,102,636)	(1,313,667)	(4,534,813)	(3,312,789)	(3,001,453)	(3,181,541)	(2,962,158)
Other	-	-	59,447	-	-	-	-
Net change in total OPEB liability	(13,315,020)	3,311,708	9,058,562	2,678,015	(6,238,877)	2,417,720	(10,532,076)
Total OPEB liability - beginning	58,060,636	44,745,616	48,057,324	57,115,886	59,793,901	53,555,024	55,972,744
Total OPEB liability - ending (a)	\$ 44,745,616	\$ 48,057,324	\$ 57,115,886	\$ 59,793,901	\$ 53,555,024	\$ 55,972,744	\$ 45,440,668
Total fiduciary net position							
Contributions - employer	\$ 3,471,421	\$ 3,217,843	\$ 3,279,917	\$ 3,922,813	\$ 4,013,239	\$ 3,585,977	\$ 4,169,610
Net investment income	2,673,123	2,226,200	194,923	10,511,695	(12,698,676)	3,053,837	4,170,840
Benefit payments	(2,102,636)	(1,313,667)	(4,534,813)	(3,312,789)	(3,001,453)	(3,181,541)	(2,962,158)
Administrative expense	(254)	(254)	(282)	(282)	(228)	(228)	(539)
Other	-	-	5,049,203	-	-	-	-
Net change in plan fiduciary net position	4,041,695	4,130,122	3,988,948	11,121,437	(11,687,118)	3,458,045	5,377,753
Plan fiduciary net position - beginning	27,057,164	31,098,859	35,228,981	39,217,929	50,339,366	38,652,248	42,110,293
Plan fiduciary net position - ending (b)	\$ 31,098,859	\$ 35,228,981	\$ 39,217,929	\$ 50,339,366	\$ 38,652,248	\$ 42,110,293	\$ 47,488,046
Net OPEB liability (asset) - ending (a)-(b)	\$ 13,646,757	\$ 12,828,343	\$ 17,897,957	\$ 9,454,535	\$ 14,902,776	\$ 13,862,451	\$ (2,047,378)
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	73.31%	68.66%	84.19%	72.17%	75.23%	104.51%
Covered-employee payroll	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875	\$ 293,494,713
Net OPEB liability (asset) as a percentage of covered-employee payroll	6.52%	5.90%	7.84%	4.13%	5.99%	5.17%	-0.70%
Business-type Activities:							
Total OPEB liability							
Service cost	\$ 102,559	\$ 154,943	\$ 129,858	\$ 200,345	\$ 94,733	\$ 180,437	\$ 89,681
Interest on total pension liability	216,691	167,814	189,621	200,314	217,738	170,667	186,389
Change of assumptions	(154,039)	-	-	-	(515,228)	-	(178,808)
Difference between expected and actual experience	(764,929)	-	(73,468)	-	(506,486)	-	(1,242,119)
Benefit payments, including refunds of employee contributions	(112,464)	(205,678)	(45,840)	(49,278)	(46,137)	(48,905)	(35,570)
Net change in total OPEB liability	(712,182)	117,079	200,171	351,381	(755,380)	302,199	(1,180,607)
Total OPEB liability - beginning	3,105,497	2,393,315	2,510,394	2,710,565	3,061,946	2,306,566	2,608,765
Total OPEB liability - ending (a)	\$ 2,393,315	\$ 2,510,394	\$ 2,710,565	\$ 3,061,946	\$ 2,306,566	\$ 2,608,765	\$ 1,428,158
Total fiduciary net position							
Contributions - employer	\$ 185,676	\$ 194,738	\$ 155,656	\$ 291,343	\$ 308,618	\$ 254,773	\$ 73,699
Net investment income	142,981	119,073	9,251	474,566	(1,175,549)	92,092	(508,094)
Benefit payments	(112,464)	(205,678)	(45,840)	(49,278)	(46,137)	(48,905)	(35,750)
Administrative expense	(14)	(13)	(13)	(13)	(10)	(10)	(17)
Other	-	-	(29,386)	-	-	-	-
Net change in plan fiduciary net position	216,179	108,120	89,668	716,618	(913,078)	297,950	(470,162)
Plan fiduciary net position - beginning	1,447,210	1,663,389	1,771,509	1,861,177	2,577,795	1,664,717	1,962,667
Plan fiduciary net position - ending (b)	\$ 1,663,389	\$ 1,771,509	\$ 1,861,177	\$ 2,577,795	\$ 1,664,717	\$ 1,962,667	\$ 1,492,505
Net OPEB liability (asset) - ending (a)-(b)	\$ 729,926	\$ 738,885	\$ 849,388	\$ 484,151	\$ 641,849	\$ 646,098	\$ (64,347)
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	70.57%	68.66%	84.19%	72.17%	75.23%	104.51%
Covered-employee payroll	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378	\$ 18,077,788
Net OPEB liability (asset) as a percentage of covered-employee payroll	5.19%	5.15%	5.67%	3.41%	4.24%	4.16%	-0.36%
Total Primary Government:							
Total OPEB liability							
Service cost	\$ 2,020,013	\$ 1,642,854	\$ 2,866,170	\$ 2,279,398	\$ 2,294,288	\$ 2,117,930	\$ 2,943,124
Interest on total pension liability	4,267,973	3,305,278	3,431,900	4,112,065	4,347,178	3,832,435	4,096,871
Change of assumptions	(3,033,958)	-	-	-	(12,478,058)	-	(5,868,055)
Difference between expected and actual experience	(15,066,130)	-	7,481,869	-	1,889,925	-	(9,886,715)
Benefit payments, including refunds of employee contributions	(2,215,100)	(1,519,345)	(4,580,653)	(3,362,067)	(3,047,590)	(3,230,446)	(2,997,908)
Other	-	-	59,447	-	-	-	-
Net change in total OPEB liability	(14,027,202)	3,428,787	9,258,733	3,029,396	(6,994,257)	2,719,919	(11,712,683)
Total OPEB liability - beginning	61,166,133	47,138,931	50,567,718	59,826,451	62,855,847	55,861,590	58,581,509
Total OPEB liability - ending (a)	\$ 47,138,931	\$ 50,567,718	\$ 59,826,451	\$ 62,855,847	\$ 55,861,590	\$ 58,581,509	\$ 46,868,826
Total fiduciary net position							
Contributions - employer	\$ 3,657,097	\$ 3,412,581	\$ 3,435,573	\$ 4,214,156	\$ 4,321,857	\$ 3,840,750	\$ 4,243,309
Net investment income	2,816,144	2,345,273	204,174	10,986,261	(13,874,225)	3,145,929	3,662,746
Benefit payments	(2,215,100)	(1,519,345)	(4,580,653)	(3,362,067)	(3,047,590)	(3,230,446)	(2,997,908)
Administrative expense	(268)	(267)	(295)	(295)	(238)	(238)	(556)
Other	-	-	5,019,817	-	-	-	-
Net change in plan fiduciary net position	4,257,874	4,238,242	4,078,616	11,838,055	(12,600,196)	3,755,995	4,907,591
Plan fiduciary net position - beginning	28,504,374	32,762,248	37,000,490	41,079,106	52,917,161	40,316,965	44,072,960
Plan fiduciary net position - ending (b)	\$ 32,762,248	\$ 37,000,490	\$ 41,079,106	\$ 52,917,161	\$ 40,316,965	\$ 44,072,960	\$ 48,980,551
Net OPEB liability (asset) - ending (a)-(b)	\$ 14,376,683	\$ 13,567,228	\$ 18,747,345	\$ 9,938,686	\$ 15,544,625	\$ 14,508,549	\$ (2,111,725)
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	73.17%	68.66%	84.19%	72.17%	75.23%	104.51%
Covered-employee payroll	\$ 223,252,733	\$ 231,629,477	\$ 243,379,087	\$ 242,954,301	\$ 264,138,040	\$ 283,636,253	\$ 311,572,501
Net OPEB liability (asset) as a percentage of covered-employee payroll	6.44%	5.86%	7.70%	4.09%	5.89%	5.12%	-0.68%

See accompanying independent auditor's report.

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

** Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET HEALTHCARE OPEB LIABILITY AND RELATED RATIOS
COMPONENT UNITS
LAST SEVEN FISCAL YEARS*

Exhibit 25

	2018	2019	2020	2021	2022	2023	2024
School Board							
Total OPEB liability							
Service cost	\$ 1,742,334	\$ 2,954,189	\$ 1,963,746	\$ 2,210,314	\$ 2,511,478	\$ 3,781,399	\$ 3,384,569
Interest on total pension liability	3,681,281	2,850,922	3,136,097	2,877,314	3,090,765	4,371,588	4,758,687
Change of assumptions	(2,616,898)	-	-	-	(13,659,293)	-	(6,748,214)
Difference between expected and actual experience	(12,995,083)	-	(6,947,615)	-	27,564,463	-	(12,092,960)
Benefit payments, including refunds of employee contributions	(1,910,604)	(2,917,809)	(708,700)	(2,095,688)	(2,339,492)	(2,479,861)	(2,226,169)
Net change in total OPEB liability	(12,098,970)	2,887,302	(2,556,472)	2,991,940	17,167,921	5,673,126	(12,924,087)
Total OPEB liability - beginning	52,758,001	40,659,031	43,546,333	40,989,861	43,981,801	61,149,722	66,822,848
Total OPEB liability - ending (a)	\$ 40,659,031	\$ 43,546,333	\$ 40,989,861	\$ 43,981,801	\$ 61,149,722	\$ 66,822,848	\$ 53,898,761
Total fiduciary net position							
Contributions - employer	\$ 3,154,379	\$ 3,854,690	\$ 2,353,870	\$ 3,558,222	\$ 3,699,958	\$ 5,717,646	\$ 3,658,370
Net investment income	2,429,025	2,022,883	139,889	7,419,932	5,745,907	2,902,121	4,622,452
Benefit payments	(1,910,604)	(2,917,809)	(708,700)	(2,095,688)	(2,339,492)	(2,479,861)	(2,226,169)
Administrative expense	(230)	(230)	(202)	(202)	(260)	(260)	(638)
Other	-	-	(4,857,825)	-	-	-	-
Net change in plan fiduciary net position	3,672,570	2,959,534	(3,072,968)	8,882,264	7,106,113	6,139,646	6,054,015
Plan fiduciary net position - beginning	24,586,054	28,258,624	31,218,158	28,145,190	37,027,454	44,133,567	50,273,213
Plan fiduciary net position - ending (b)	\$ 28,258,624	\$ 31,218,158	\$ 28,145,190	\$ 37,027,454	\$ 44,133,567	\$ 50,273,213	\$ 56,327,228
Net OPEB liability (asset) - ending (a)-(b)	\$ 12,400,407	\$ 12,328,175	\$ 12,844,671	\$ 6,954,347	\$ 17,016,155	\$ 16,549,635	\$ (2,428,467)
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	71.69%	68.66%	84.19%	72.17%	75.23%	104.51%
Covered-employee payroll	\$ 321,499,476	\$ 342,940,655	\$ 359,974,886	\$ 356,201,760	\$ 381,512,006	\$ 401,342,565	\$ 447,640,856
Net OPEB liability (asset) as a percentage of covered-employee payroll	3.86%	3.59%	3.57%	1.95%	4.46%	4.12%	-0.54%
JR/JDC							
Total OPEB liability							
Service cost	\$ 19,392	\$ 30,192	\$ 28,681	\$ 32,699	\$ 21,908	\$ 29,262	\$ 15,899
Interest on total pension liability	40,971	31,730	37,251	43,604	47,483	38,639	42,135
Change of assumptions	(29,125)	-	-	-	(119,154)	-	(31,701)
Difference between expected and actual experience	(144,631)	-	29,254	-	(73,233)	-	(359,160)
Benefit payments, including refunds of employee contributions	(21,264)	(41,571)	30,607	(8,445)	(10,099)	(10,705)	(4,599)
Net change in total OPEB liability	(134,657)	20,351	125,793	67,858	(133,095)	57,196	(337,426)
Total OPEB liability - beginning	587,177	452,520	472,871	598,664	666,522	533,427	590,623
Total OPEB liability - ending (a)	\$ 452,520	\$ 472,871	\$ 598,664	\$ 666,522	\$ 533,427	\$ 590,623	\$ 253,197
Total fiduciary net position							
Contributions - employer	\$ 35,107	\$ 36,672	\$ 34,379	\$ 52,400	\$ 55,196	\$ 46,024	\$ 11,327
Net investment income	27,034	22,514	2,043	106,115	(221,237)	24,040	(186,467)
Benefit payments	(21,264)	(41,571)	30,607	(8,445)	(10,099)	(10,705)	(4,599)
Administrative expense	(3)	(3)	(3)	(3)	(2)	(2)	(3)
Other	-	-	11,919	-	-	-	-
Net change in plan fiduciary net position	40,874	17,612	78,945	150,067	(176,142)	59,357	(179,742)
Plan fiduciary net position - beginning	273,634	314,508	332,120	411,065	561,132	384,990	444,347
Plan fiduciary net position - ending (b)	\$ 314,508	\$ 332,120	\$ 411,065	\$ 561,132	\$ 384,990	\$ 444,347	\$ 264,605
Net OPEB liability (asset) - ending (a)-(b)	\$ 138,012	\$ 140,751	\$ 187,599	\$ 105,390	\$ 148,437	\$ 146,276	\$ (11,408)
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	70.23%	68.66%	84.19%	72.17%	75.23%	104.51%
Covered-employee payroll	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,604	\$ 3,347,370	\$ 3,461,244	\$ 3,752,863
Net OPEB liability (asset) as a percentage of covered-employee payroll	4.36%	4.52%	5.95%	3.29%	4.43%	4.23%	-0.30%

See accompanying independent auditor's report.

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

** Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

**COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS
HEALTHCARE OPEB TRUST FUND
LAST SEVEN FISCAL YEARS***

Exhibit 26

	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:							
Actuarially determined contribution of employer	\$ 2,639,247	\$ 2,815,552	\$ 3,497,853	\$ 3,922,813	\$ 4,013,239	\$ 3,585,977	\$ 4,169,610
Contributions in relation to the actuarially determined contributions	2,639,247	2,815,552	3,497,853	3,922,813	4,013,239	3,585,977	4,169,610
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875	\$ 293,494,713
Contributions as a percentage of covered-employee payroll	1.26%	1.30%	1.53%	1.71%	1.61%	1.34%	1.42%
Business-type Activities:							
Actuarially determined contribution of employer	\$ 214,237	\$ 228,548	\$ 65,591	\$ 291,343	\$ 308,618	\$ 254,773	\$ 73,699
Contributions in relation to the actuarially determined contributions	214,237	228,548	65,591	291,343	308,618	254,773	73,699
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378	\$ 18,077,788
Contributions as a percentage of covered-employee payroll	1.56%	1.59%	0.44%	2.05%	2.04%	1.64%	0.41%
Total Primary Government:							
Actuarially determined contribution of employer	\$ 2,853,484	\$ 3,044,100	\$ 3,563,444	\$ 4,214,156	\$ 4,321,857	\$ 3,840,750	\$ 4,243,309
Contributions in relation to the actuarially determined contributions	2,853,484	3,044,100	3,563,444	4,214,156	4,321,857	3,840,750	4,243,309
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 223,252,733	\$ 231,629,477	\$ 243,379,087	\$ 242,954,301	\$ 264,138,040	\$ 283,636,253	\$ 311,572,501
Contributions as a percentage of covered-employee payroll	1.28%	1.31%	1.46%	1.73%	1.64%	1.35%	1.36%
School Board:							
Actuarially determined contribution of employer	\$ 3,951,724	\$ 4,215,705	\$ 2,248,160	\$ 3,558,222	\$ 3,699,958	\$ 5,717,646	\$ 3,658,370
Contributions in relation to the actuarially determined contributions	3,951,724	4,215,705	2,248,160	3,558,222	3,699,958	5,717,646	3,658,370
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 321,499,476	\$ 342,940,655	\$ 359,974,886	\$ 356,201,760	\$ 381,512,006	\$ 401,342,565	\$ 447,640,856
Contributions as a percentage of covered-employee payroll	1.23%	1.23%	0.62%	1.00%	0.97%	1.42%	0.82%
JR/JDC:							
Actuarially determined contribution of employer	\$ 41,376	\$ 44,140	\$ 12,218	\$ 52,400	\$ 55,196	\$ 46,024	\$ 11,327
Contributions in relation to the actuarially determined contributions	41,376	44,140	12,218	52,400	55,196	46,024	11,327
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,604	\$ 3,347,370	\$ 3,461,244	\$ 3,752,863
Contributions as a percentage of covered-employee payroll	1.31%	1.42%	0.39%	1.64%	1.65%	1.33%	0.30%

See accompanying independent auditor's report.

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

** Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE TOTAL LINE OF DUTY OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS*

Exhibit 27

	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:							
Total OPEB liability							
Service cost	\$ 1,292,690	\$ 1,357,325	\$ 1,425,191	\$ 1,623,389	\$ 1,666,571	\$ 1,186,670	\$ 1,235,205
Interest on total pension liability	769,784	809,350	758,199	866,437	909,559	994,711	1,039,582
Difference between expected and actual experience	-	-	2,644,505	-	(4,170,646)	-	(842,080)
Change of assumptions	-	-	-	-	(6,832,397)	-	685,460
Benefit payments, including refunds of employee contributions	(740,191)	(799,406)	(890,219)	(956,985)	(911,867)	(966,579)	(1,132,823)
Net change in total OPEB liability	1,322,283	1,367,269	3,937,676	1,532,841	(9,338,780)	1,214,802	985,344
Total OPEB liability - beginning	25,279,187	26,601,470	27,968,739	31,906,415	33,439,256	24,100,476	25,315,278
Total OPEB liability - ending (a)	<u>\$ 26,601,470</u>	<u>\$ 27,968,739</u>	<u>\$ 31,906,415</u>	<u>\$ 33,439,256</u>	<u>\$ 24,100,476</u>	<u>\$ 25,315,278</u>	<u>\$ 26,300,622</u>
 Covered-employee payroll	 \$ 83,876,238	 \$ 87,761,787	 \$ 91,192,626	 \$ 92,984,632	 \$ 102,951,245	 \$ 109,437,812	 \$ 114,712,322
Total OPEB liability as a percentage of covered-employee payroll	31.72%	31.87%	34.99%	35.96%	23.41%	23.13%	22.93%

See accompanying independent auditor's report.

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

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS FOR THE LINE OF DUTY OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 28

	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:							
Actuarially determined contribution of employer	\$ 2,983,108	\$ 3,204,246	\$ 3,446,814	\$ 3,971,611	\$ 4,315,460	\$ 3,146,159	\$ 3,623,205
Contributions in relation to the actuarially determined contributions	<u>740,191</u>	<u>799,406</u>	<u>890,219</u>	<u>956,985</u>	<u>911,867</u>	<u>966,579</u>	<u>1,132,823</u>
Contribution deficiency	\$ <u>2,242,917</u>	\$ <u>2,404,840</u>	\$ <u>2,556,595</u>	\$ <u>3,014,626</u>	\$ <u>3,403,593</u>	\$ <u>2,179,580</u>	\$ <u>2,490,382</u>
Covered-employee payroll	\$ 83,876,238	\$ 87,761,787	\$ 91,192,626	\$ 92,984,632	\$ 102,951,245	\$ 109,437,812	\$ 114,712,322
Contributions as a percentage of covered-employee payroll	0.88%	0.91%	0.98%	1.03%	0.89%	0.88%	0.99%

See accompanying independent auditor's report.

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
SCHOOLS HEALTH INSURANCE CREDIT OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 29

	2018	2019	2020	2021	2022	2023	2024
School's proportion of the net OPEB liability	3.28%	3.29%	3.31%	3.33%	3.32%	3.37%	3.32%
School's proportionate share of the net OPEB liability	\$ 41,657,000	\$ 41,825,000	\$ 43,352,981	\$ 43,567,329	\$ 42,836,769	\$ 42,288,313	\$ 40,173,387
School's covered payroll	\$ 288,681,379	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	14.43%	14.16%	14.14%	13.51%	13.33%	12.29%	11.07%
Plan fiduciary net position as a percentage of the total OPEB liability	7.04%	8.08%	8.95%	9.83%	13.15%	15.08%	17.90%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S CONTRIBUTIONS
HEALTH INSURANCE CREDIT OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 30

	2018	2019	2020	2021	2022	2023	2024
Teachers:							
Contractually required contribution	\$ 2,876,495	\$ 3,330,461	\$ 3,333,265	\$ 3,513,433	\$ 3,513,433	\$ 3,568,077	\$ 4,001,041
Contributions in relation to the contractually required contribution	\$ 2,876,495	\$ 3,330,461	\$ 3,333,265	\$ 3,513,433	\$ 3,513,433	\$ 3,568,077	\$ 4,001,041
Contribution deficiency (excess)	-	-	-	-	-	-	-
School's covered payroll	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250
Contributions as a percentage of covered payroll	0.97%	1.09%	1.03%	1.09%	1.02%	0.98%	0.99%
School Board Non-Professional Group:							
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ 5,628	\$ 5,569	\$ 15,364
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ 5,628	\$ 5,569	\$ 15,364
Contribution deficiency (excess)	-	-	-	-	-	-	-
School's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 218,535	\$ 592,489	\$ 637,529
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	2.58%	0.94%	2.41%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

**For fiscal year ending June 30 2022, the school non-professional group had a new OPEB HIC plan with a measurement date of June 2021.

**COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
GROUP LIFE INSURANCE OPEB PLAN
LAST SEVEN FISCAL YEARS***

Exhibit 31

	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:							
Proportion of the net OPEB liability	82.37%	82.45%	82.71%	82.91%	85.59%	85.01%	85.55%
Proportionate share of the net OPEB liability	\$ 16,472,124	\$ 16,449,312	\$ 17,736,413	\$ 18,082,979	\$ 12,216,735	\$ 13,219,455	\$ 12,917,629
Covered payroll	\$ 202,991,663	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875
Proportionate share of the net OPEB liability as a percentage of its covered payroll	8.11%	7.86%	8.16%	7.92%	5.34%	5.31%	4.82%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.71%	52.18%	52.99%	68.72%	67.51%	70.03%
Business-type Activities:							
Proportion of the net OPEB liability	5.64%	5.55%	5.48%	5.39%	4.44%	4.40%	3.92%
Proportionate share of the net OPEB liability	\$ 1,128,296	\$ 1,126,760	\$ 1,211,970	\$ 1,207,724	\$ 903,176	\$ 955,134	\$ 941,315
Covered payroll	\$ 13,845,688	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378
Proportionate share of the net OPEB liability as a percentage of its covered payroll	8.15%	8.01%	8.45%	8.06%	6.36%	6.31%	6.07%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.66%	52.12%	52.92%	65.21%	64.37%	66.27%
Schools' C&M Activities:							
Proportion of the net OPEB liability	10.81%	10.73%	10.61%	10.55%	8.94%	9.61%	9.66%
Proportionate share of the net OPEB liability	\$ 2,162,379	\$ 2,159,409	\$ 2,324,485	\$ 2,365,393	\$ 1,752,639	\$ 1,865,976	\$ 1,831,894
Covered payroll	\$ 25,507,180	\$ 25,445,827	\$ 35,671,866	\$ 36,750,912	\$ 34,217,262	\$ 36,829,694	\$ 37,887,449
Proportionate share of the net OPEB liability as a percentage of its covered payroll	8.48%	8.49%	6.52%	6.44%	5.12%	5.07%	4.84%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	50.86%	52.15%	52.94%	65.56%	64.61%	66.97%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS
GROUP LIFE INSURANCE OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 32

	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:							
Contractually determined contribution of employer	\$ 1,049,923	\$ 1,504,688	\$ 1,567,194	\$ 1,807,124	\$ 1,993,592	\$ 1,839,958	\$ 2,051,668
Contribution in relation to the determined contributions	<u>1,049,923</u>	<u>1,504,688</u>	<u>1,567,194</u>	<u>1,807,124</u>	<u>1,993,592</u>	<u>1,839,958</u>	<u>2,051,668</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875	\$ 293,494,713
Contributions as a percentage of covered payroll	0.50%	0.69%	0.69%	0.79%	0.80%	0.69%	0.70%
Business-type Activities:							
Contractually determined contribution of employer	\$ 71,917	\$ 71,947	\$ 75,690	\$ 72,763	\$ 80,174	\$ 81,084	\$ 95,007
Contribution in relation to the determined contributions	<u>71,917</u>	<u>71,947</u>	<u>75,690</u>	<u>72,763</u>	<u>80,174</u>	<u>81,084</u>	<u>95,007</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378	\$ 18,077,788
Contributions as a percentage of covered payroll	0.51%	0.50%	0.51%	0.51%	0.53%	0.52%	0.53%
Total Primary Government:							
Contractually determined contribution of employer	\$ 1,121,840	\$ 1,576,635	\$ 1,642,884	\$ 1,879,887	\$ 2,073,766	\$ 1,921,042	\$ 2,146,675
Contribution in relation to the determined contributions	<u>1,121,840</u>	<u>1,576,635</u>	<u>1,642,884</u>	<u>1,879,887</u>	<u>2,073,766</u>	<u>1,921,042</u>	<u>2,146,675</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 223,252,733	\$ 231,629,477	\$ 243,379,087	\$ 242,954,301	\$ 264,138,040	\$ 283,636,253	\$ 311,572,501
Contributions as a percentage of covered payroll	0.50%	0.68%	0.68%	0.77%	0.79%	0.68%	0.69%
School's C&M:							
Contractually determined contribution of employer	\$ 137,829	\$ 139,114	\$ 143,049	\$ 146,399	\$ 159,206	\$ 169,322	\$ 187,985
Contribution in relation to the determined contributions	<u>137,829</u>	<u>139,114</u>	<u>143,049</u>	<u>146,399</u>	<u>159,206</u>	<u>169,322</u>	<u>187,985</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 25,445,827	\$ 35,671,866	\$ 36,750,912	\$ 34,217,262	\$ 36,829,694	\$ 37,887,449	\$ 41,690,920
Contributions as a percentage of covered payroll	0.54%	0.39%	0.39%	0.43%	0.43%	0.45%	0.45%

See accompanying independent auditor's report.

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHERS' GROUP LIFE INSURANCE OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 33

	2018	2019	2020	2021	2022	2023	2024
School's proportion of the net OPEB liability	1.42%	1.41%	1.42%	1.43%	1.43%	1.45%	1.41%
School's proportionate share of the net OPEB liability	\$ 21,300,000	\$ 21,416,000	\$ 23,180,788	\$ 23,883,217	\$ 16,713,814	\$ 17,514,425	\$ 16,913,678
School's covered payroll	\$ 288,681,379	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	7.38%	7.25%	7.56%	7.41%	5.20%	5.09%	4.66%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S CONTRIBUTIONS
TEACHERS' GROUP LIFE INSURANCE OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 34

	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 1,357,662	\$ 1,394,307	\$ 1,452,146	\$ 1,550,249	\$ 1,678,408	\$ 1,785,571	\$ 1,959,804
Contribution in relation to the contractually required contribution	\$ 1,357,662	\$ 1,394,307	\$ 1,452,146	\$ 1,550,249	\$ 1,678,408	\$ 1,785,571	\$ 1,959,804
Contribution deficiency (excess)	-	-	-	-	-	-	-
School's covered payroll	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250
Contributions as a percentage of covered payroll	0.46%	0.45%	0.45%	0.48%	0.49%	0.49%	0.48%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
NON-PROFESSIONAL GROUP LIFE OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 35

	2018	2019	2020	2021	2022	2023	2024
School's proportion of the net OPEB liability	.0038%	.0032%	.0033%	.0034%	0.0029%	0.0029%	0.0029%
School's proportionate share of the net OPEB liability	\$ 57,000	\$ 59,000	\$ 53,212	\$ 57,741	\$ 34,346	\$ 34,317	\$ 33,701
School's covered payroll	\$ 658,947	\$ 701,134	\$ 716,437	\$ 789,037	\$ 652,343	\$ 649,714	\$ 689,164
Schools' proportionate share of the net OPEB liability as a percentage of its covered payroll	8.65%	8.41%	7.43%	7.32%	5.27%	5.28%	4.89%
Plan fiduciary net position as a percentage of the total OPEB liability	49.11%	51.24%	52.06%	52.64%	67.45%	67.21%	69.30%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S CONTRIBUTIONS
NON-PROFESSIONAL GROUP LIFE OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 36

	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 3,670	\$ 3,834	\$ 3,335	\$ 3,237	\$ 3,350	\$ 3,578	\$ 3,853
Contributions in relation to the contractually required contribution	\$ 3,670	\$ 3,834	\$ 3,335	\$ 3,237	\$ 3,350	\$ 3,578	\$ 3,853
Contribution deficiency (excess)	-	-	-	-	-	-	-
School's covered payroll	\$ 701,134	\$ 716,437	\$ 789,037	\$ 652,343	\$ 649,714	\$ 689,164	\$ 767,686
Contributions as a percentage of covered payroll	0.52%	0.54%	0.42%	0.50%	0.52%	0.52%	0.50%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JRJDC GROUP LIFE OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 37

	2018	2019	2020	2021	2022	2023	2024
Proportion of the net OPEB liability	1.17%	1.26%	1.20%	1.15%	1.02%	0.98%	0.88%
Proportionate share of the net OPEB liability	\$ 234,869	\$ 234,519	\$ 253,260	\$ 257,727	\$ 187,766	\$ 199,326	\$ 196,229
Covered payroll	\$ 2,873,696	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,604	\$ 3,347,370	\$ 3,347,370
Proportionate share of the net OPEB liability as a percentage of its covered payroll	8.17%	7.41%	8.13%	8.18%	5.87%	5.95%	5.86%
Plan fiduciary net position as a percentage of the total OPEB liability	48.92%	54.96%	55.17%	54.39%	67.18%	65.04%	68.13%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS
JRJDC GROUP LIFE OPEB PLAN
LAST SEVEN FISCAL YEARS*

Exhibit 38

	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 16,388	\$ 16,240	\$ 16,185	\$ 16,715	\$ 17,837	\$ 18,167	\$ 20,202
Contributions in relation to the contractually required contribution	\$ 16,388	\$ 16,240	\$ 16,185	\$ 16,715	\$ 17,837	\$ 18,167	\$ 20,202
Contribution deficiency (excess)	-	-	-	-	-	-	-
Covered payroll	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,604	\$ 3,347,370	\$ 3,347,370	\$ 3,461,244
Contributions as a percentage of covered payroll	0.52%	0.52%	0.51%	0.52%	0.53%	0.54%	0.58%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
Notes to Required Supplementary OPEB Information
For the Year Ended June 30, 2024

Other Postemployment Benefits

Plan Description

Plan administration. The County provides other postemployment health care benefits ("OPEB") for all retired permanent full-time employees through a single-employer defined benefit plan ("Plan"). The County participates in the Virginia Pooled OPEB Trust Fund ("Trust Fund"), an irrevocable trust established for the purpose of accumulating assets to fund OPEB.

The Trust Fund is governed by a Board of Trustees ("Board") composed of nine members. Trustees are elected by participants in the Pooled Trust, whose votes are weighted according to each Participating Employer's share of total Trust Fund assets.

Plan membership. At June 30, 2024 plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	1,062
Active plan members	11,205
	<u>12,267</u>

Benefits provided. The Plan provides health and dental insurance during retirement for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. The benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County.

Contributions. The Board of the Trust establishes rates based on an actuarially determined rate. For the year ended June 30, 2024, the County's average contribution rate was 1.1 percent of covered-employee payroll.

Investments

Investment policy. The Board has the responsibility for managing the investment process. In fulfilling this responsibility, the Board will establish and maintain investment policies and objectives. Within this framework, the Board will monitor and evaluate the investment managers, bank custodian, and other parties, to monitor whether operations conform to the guidelines and actual results meet objectives. If necessary, the Board is responsible for making changes to achieve this.

The investment objective is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The following was the Board's adopted asset allocation policy as June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Bonds	5%
Core Plus	11%
Liquid Absolute Return	4%
U.S. Large Cap Equity	21%
U.S. Small Cap Equity	10%
International Developed Equity	13%
Emerging Market Equity	5%
Long/Short Equity	6%
Private Equity	10%
Core Real Estate	10%
Opportunistic Real Estate	5%
Total	<u>100%</u>

Rate of return. For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 9.49 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at June 30, 2024, were as follows:

Total OPEB liability	\$ 101,020,784
Plan fiduciary net position	(105,572,384)
County's net OPEB liability	<u>\$ (4,551,600)</u>

Plan fiduciary net position as a percentage of the total OPEB liability	104.51%
---	---------

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent
Salary increases	2.5 percent
Investment rate of return	6.75 percent
Healthcare cost trend rates	7.00% for 2024, graded to 5.60% over 3 years and following the Getzen model thereafter reaching an ultimate rate of 4.04% in the year 2075

Mortality rates were based on the Pub-2010 Government Healthy Annuitant Headcount Weighted Tables for Males, Females, as appropriate, with adjustments for mortality improvements based on 75% MP-2021 Improvement Scale.

The capital market assumptions use the building-block method to help calculate the OPEB Trust's long-term rate of return. The long-term rates of return are arithmetic; they are used as inputs for the model to arrive at the median returns for the portfolio which are geometric. When calculating the median rates, which are used to set the target rates, the intermediate term rates are used for the first 10 years and the long-term rates for all years thereafter. Best estimates of arithmetic real rates of return for each major asset class included in the target

asset allocation as of June 30, 2024 (see the discussion of the Board of Trustees investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Core Bonds	2.56%
Core Plus	2.87
Liquid Absolute Return	3.25
U.S. Large Cap Equity	7.15
U.S. Small Cap Equity	8.58
International Developed Equity	8.03
Emerging Market Equity	9.29
Long/Short Equity	5.55
Private Equity	10.51
Core Real Estate	6.49
Opportunistic Real Estate	9.49

Discount rate. The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Net OPEB liability	\$ 5,466,935	\$ (4,551,600)	\$ (13,295,201)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 6.00% decreasing to 4.60% over 3 years and following the Getzen mode after	Healthcare Cost Current Rate 7.00% decreasing to 5.60% over 3 years and following the Getzen mode after	1% Increase 8.00% decreasing to 6.60% over 3 years and following the Getzen mode after
Net OPEB liability	\$ (12,667,234)	\$ (4,551,600)	\$ 4,877,455

OTHER SUPPLEMENTARY INFORMATION

HENRICO COUNTY, VIRGINIA

DEBT SERVICE FUND

Debt Service Fund - To account for the accumulation of financial resources for payment of interest and principal on long-term governmental debt. Provided here to demonstrate compliance at the legal level of budgetary control.

HENRICO COUNTY, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 1

Function, Activity, Element	Original	Revised	Actual	Variance
Primary Government:				
Debt Service Fund:				
Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 2

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
Debt Service Fund:				
Miscellaneous	\$ 50,000	\$ 350,000	\$ 1,060,321	\$ (710,321)
Debt Service:				
Principal payments	54,035,000	54,035,001	54,035,000	1
Interest payments	23,850,922	22,904,652	21,564,488	1,340,164
Total Debt Service	77,885,922	76,939,653	75,599,488	1,340,165
Total Debt Service Fund	<u>\$ 77,935,922</u>	<u>\$ 77,289,653</u>	<u>\$ 76,659,809</u>	<u>\$ 629,844</u>

See accompanying independent auditor's report.

COUNTY OF HENRICO

VIRGINIA

INTERNAL SERVICE FUNDS

Financial Statements

Central Automotive Maintenance Fund - To account for the operating activities of the Central Motor Pool and Central Automotive Maintenance of County vehicles.

Technology Replacement Fund - To centralize the purchasing of computer equipment for participating County Agencies.

Healthcare Fund - To account for the health and dental care benefits provided to employees, retirees, and dependents.

HENRICO COUNTY, VIRGINIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

Schedule 3

	Governmental Activities - Internal Service Funds			
	Central Automotive Maintenance	Technology Replacement Fund	Healthcare Fund	Total
Assets:				
Cash and cash equivalents	\$ 1,682,361	\$ 4,472,114	\$ 43,971,848	\$ 50,126,323
Receivables, net	21,948	-	2,518,667	2,540,615
Due from other funds	-	-	1,862,548	1,862,548
Due from component unit	-	-	23,318	23,318
Inventories	856,530	-	-	856,530
Total current assets	2,560,839	4,472,114	48,376,381	55,409,334
Capital and intangible assets:				
Right to use assets, net	1,145	-	-	1,145
Other capital assets, net	14,584,001	-	-	14,584,001
Capital and intangible assets, net	14,585,146	-	-	14,585,146
Total assets	17,145,985	4,472,114	48,376,381	69,994,480
Deferred Outflows of Resources:				
Change in proportionate share allocation	21,742	-	-	21,742
Change of assumptions	175,802	-	-	175,802
Difference between expected and actual experience	389,542	-	-	389,542
Contributions after measurement date	619,505	-	-	619,505
Total deferred outflows of resources	1,206,591	-	-	1,206,591
Total assets and deferred outflows of resources	18,352,576	4,472,114	48,376,381	71,201,071
Liabilities:				
Current liabilities:				
Accounts payable	573,322	64,640	-	637,962
Accrued liabilities	196,974	358,812	18,338,012	18,893,798
Due to other funds	29,101	-	-	29,101
Long-term liabilities due within one year	309,289	-	-	309,289
Total current liabilities	1,108,686	423,452	18,338,012	19,870,150
Noncurrent liabilities:				
Net pension liability	3,122,151	-	-	3,122,151
Net OPEB liability	175,665	-	-	175,665
Total non-current liabilities	3,297,816	-	-	3,297,816
Total liabilities	4,406,502	423,452	18,338,012	23,167,966
Deferred Inflows of Resources:				
Change in proportionate share allocation	49,649	-	-	49,649
Difference between actual and expected experience	240,627	-	-	240,627
Difference between projected and actual earnings	280,456	-	-	280,456
Change of assumptions	109,802	-	-	109,802
Total deferred inflows of resources	680,534	-	-	680,534
Total liabilities and deferred inflows of resources	5,087,036	423,452	18,338,012	23,848,500
Net Position:				
Net investment in capital assets	14,585,146	-	-	14,585,146
Unrestricted (deficit)	(1,319,606)	4,048,662	30,038,369	32,767,425
Total net position	\$ 13,265,540	\$ 4,048,662	\$ 30,038,369	\$ 47,352,571

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 4

	Governmental Activities - Internal Service Funds			
	Central Automotive Maintenance	Technology Replacement Fund	Healthcare Fund	Total
Operating Revenues:				
Charges for services:				
Interdepartmental charges	\$ 23,715,692	\$ -	\$ -	\$ 23,715,692
Contributions:				
Employer	-	-	121,913,533	121,913,533
Employee	-	-	28,933,009	28,933,009
Other	765,069	3,500,000	905,550	5,170,619
Total operating revenues	24,480,761	3,500,000	151,752,092	179,732,853
Operating Expenses:				
Utility charges	182,068	-	-	182,068
Personnel services and benefits	5,409,349	-	157,079,405	162,488,754
Professional services	5,357	-	62,583	67,940
Materials and supplies	10,326,643	3,275,598	-	13,602,241
Maintenance and repairs	4,336,331	-	-	4,336,331
Other expenses	306,847	-	1,455,003	1,761,850
Amortization	1,643	-	-	1,643
Depreciation	3,388,410	-	-	3,388,410
Total operating expenses	23,956,648	3,275,598	158,596,991	185,829,237
Operating (loss) income	524,113	224,402	(6,844,899)	(6,096,384)
Nonoperating Revenues:				
Gain on sale of equipment	225,084	-	-	225,084
Investment income	-	-	2,281,849	2,281,849
Total nonoperating revenues	225,084	-	2,281,849	2,506,933
Income (loss) before capital contributions	749,197	224,402	(4,563,050)	(3,589,451)
Change in net position	749,197	224,402	(4,563,050)	(3,589,451)
Total net position - June 30, 2023	12,516,343	3,824,260	34,601,419	50,942,022
Total net position - June 30, 2024	\$ 13,265,540	\$ 4,048,662	\$ 30,038,369	\$ 47,352,571

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 5

	Governmental Activities - Internal Service Funds			
	Central Automotive Maintenance	Technology Replacement Fund	Healthcare Fund	Total
Cash Flows From Operating Activities:				
Receipts from customers	\$ 24,479,150	\$ 3,500,000	\$ 151,242,059	\$ 179,221,209
Payments to suppliers	(15,651,002)	(2,862,794)	(152,151,230)	(170,665,026)
Payments to employees	(4,833,426)	-	-	(4,833,426)
Net cash provided by (used in) operating activities	3,994,722	637,206	(909,171)	3,722,757
Cash Flows From Capital and Related Financing Activities:				
Purchase of capital assets	(4,004,734)	-	-	(4,004,734)
Proceeds from sale of capital assets	260,115	-	-	260,115
Net cash used in capital and related financing activities	(3,744,619)	-	-	(3,744,619)
Cash Flows From Investing Activities:				
Investment income received	-	-	2,281,849	2,281,849
Net Increase in Cash and Cash Equivalents	250,103	637,206	1,372,678	2,259,987
Cash and cash equivalents - June 30, 2023	1,432,258	3,834,908	42,599,170	47,866,336
Cash and cash equivalents - June 30, 2024	<u>\$ 1,682,361</u>	<u>\$ 4,472,114</u>	<u>\$ 43,971,848</u>	<u>\$ 50,126,323</u>
Reconciliation of Operating (Loss) Income to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 524,113	\$ 224,402	\$ (6,844,899)	\$ (6,096,384)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,388,410	-	-	3,388,410
Amortization	1,643	-	-	1,643
Change in assets and liabilities:				
Increase in accounts receivable	(1,611)	-	(413,860)	(415,471)
Increase in inventories	(13,712)	-	-	(13,712)
Increase in due from other funds	-	-	(98,655)	(98,655)
Decrease in due from component unit	-	-	2,482	2,482
Decrease in deferred outflows of resources	89,880	-	-	89,880
Increase (decrease) in accounts payable	169,122	53,992	(11,899)	211,215
Increase in accrued liabilities	8,973	358,812	6,457,660	6,825,445
Decrease in accrued compensated absences	(1,665)	-	-	(1,665)
Increase in due to other funds	3,321	-	-	3,321
Increase in net pension liability	386,377	-	-	386,377
Decrease in net opeb liability	(146,053)	-	-	(146,053)
Decrease in deferred outflows/inflows of resources	(414,076)	-	-	(414,076)
Net cash provided by (used in) operating activities	<u>\$ 3,994,722</u>	<u>\$ 637,206</u>	<u>\$ (909,171)</u>	<u>\$ 3,722,757</u>

See accompanying independent auditor's report.

COUNTY OF HENRICO

VIRGINIA

CUSTODIAL FUNDS

Financial Statements

Jail Inmate Funds - To account for the receipt and disbursement of funds in the inmate canteen fund.

Special Welfare - To account for receipts and disbursements of monies maintained in individual accounts for certain County welfare recipients.

Mental Health and Developmental Services - To account for receipts and disbursements of monies maintained for individual clients.

Non-Judicial Tax Sales - To account for receipts and disbursements of monies received from delinquent tax sales.

Code RVA - To account for receipts and disbursements of monies received from School Boards and State Agencies to operate Code RVA as fiscal agent.

HENRICO COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024

Schedule 6

	Jail Inmate Fund	Special Welfare	Mental Health and Developmental Services	Non-Judicial Tax Sales	Code RVA	Total
Assets:						
Cash and cash equivalents	\$ 88,360	\$ 38,071	\$ 153,001	\$ 278,620	\$ 1,293,765	\$ 1,851,817
Accounts receivable	-	84	-	-	68,687	68,771
Prepaid	-	-	-	-	459	459
Due from other Governments	-	-	-	-	323	323
Deferred outflows	-	-	-	-	1,264,203	1,264,203
Right to use asset, net	-	-	-	-	16,769	16,769
Total Assets	<u>88,360</u>	<u>38,155</u>	<u>153,001</u>	<u>278,620</u>	<u>2,644,206</u>	<u>3,202,342</u>
Liabilities:						
Accounts payable	-	-	-	-	18,354	18,354
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,354</u>	<u>18,354</u>
Fiduciary Net Position:						
Funds restricted for others	88,360	38,155	153,001	278,620	2,625,852	3,183,988
Total Net Position	<u>\$ 88,360</u>	<u>\$ 38,155</u>	<u>\$ 153,001</u>	<u>\$ 278,620</u>	<u>\$ 2,625,852</u>	<u>\$ 3,183,988</u>

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 7

	Jail Inmate Fund	Special Welfare Fund	Mental Health and Developmental Services	Non-Judicial Tax Sales	Code RVA	Totals
Additions:						
Contributions						
Members	\$ 1,330,150	\$ -	\$ -	\$ 223,943	\$ -	\$ 1,554,093
Total contributions	1,330,150	-	-	223,943	-	1,554,093
Tuition income	-	-	-	-	3,634,587	3,634,587
State and federal grants	-	-	-	-	241,831	241,831
Pass-through funds	-	134,811	278,469	-	-	413,280
Investment income	-	-	-	10	-	10
Total additions	1,330,150	134,811	278,469	223,953	3,876,418	5,843,801
Deductions:						
Benefit payments/refunds	1,384,475	100,914	285,646	51,408	-	1,822,443
School operations	-	-	-	-	3,547,637	3,547,637
Total deductions	1,384,475	100,914	285,646	51,408	3,547,637	5,370,080
Net (decrease) increase in fiduciary net position	(54,325)	33,897	(7,177)	172,545	328,781	473,721
Net fiduciary net position restricted for the benefit of others:						
Total Fiduciary Net Position at June 30, 2023	142,685	4,258	160,178	106,075	2,297,071	2,710,267
Total Fiduciary Net Position at June 30, 2024	\$ 88,360	\$ 38,155	\$ 153,001	\$ 278,620	\$ 2,625,852	\$ 3,183,988

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

COUNTY OF HENRICO

VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT -
SCHOOL BOARD

Financial Statements

**HENRICO COUNTY, VIRGINIA
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
JUNE 30, 2024**

Schedule 8

	Governmental Funds			Totals
	School General Fund	School Special Revenue Fund	School Capital Projects Fund	
Assets:				
Cash and cash equivalents	\$ 83,620,322	\$ 14,447,534	\$ 67,620,531	\$ 165,688,387
Inventories	-	63,963	-	63,963
Receivables, net	37	-	-	37
Other assets	-	87,001	-	87,001
Due from other governmental units	6,090,414	32,361,432	29,360,275	67,812,121
Total assets	<u>\$ 89,710,773</u>	<u>\$ 46,959,930</u>	<u>\$ 96,980,806</u>	<u>\$ 233,651,509</u>
Liabilities:				
Accounts payable	\$ 2,881,462	\$ 236,203	\$ 9,162	\$ 3,126,827
Accrued liabilities	55,615,157	7,775,098	14,098,003	77,488,258
Amounts held for others	83,866	-	-	83,866
Unearned revenues	945,753	30,114,631	-	31,060,384
Total liabilities	<u>\$ 59,526,238</u>	<u>\$ 38,125,932</u>	<u>\$ 14,107,165</u>	<u>\$ 111,759,335</u>
Deferred Inflows of Resources:				
Other - leases	-	108,218	-	108,218
Fund balances:				
Restricted	-	8,725,780	-	8,725,780
Committed	-	-	82,873,641	82,873,641
Assigned	30,184,535	-	-	30,184,535
Unassigned	-	-	-	-
Total fund balances	<u>30,184,535</u>	<u>8,725,780</u>	<u>82,873,641</u>	<u>121,783,956</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 89,710,773</u>	<u>\$ 46,959,930</u>	<u>\$ 96,980,806</u>	<u>\$ 233,651,509</u>

Adjustments for the Statement of Net Position:

Internal service fund net profit allocation to the School Board is included in the Statement of Net Position as accounts payable, but is not included in the governmental funds.	\$ (3,789,975)
Capital assets used in School Board activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	351,487,851
Right to use assets, are not current financial resources, therefore, are not reported as assets in governmental funds.	30,268,819
Deferred outflows - change in proportionate share allocation	5,355,836
Deferred outflows - contributions after measurement date are not current financial resources and, therefore, are not reported as assets in the governmental funds.	73,242,487
Deferred outflows - changes of assumptions are not current financial resources and, therefore, are not reported as assets in the governmental funds.	17,906,642
Deferred outflows - differences between expected and actual experience are not current financial resources and, therefore, are not reported as assets in the governmental funds.	50,825,809
Pension liability is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds.	(363,495,556)
OPEB liability is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds.	(56,592,297)
Deferred inflows - change in proportionate share allocation	(6,756,226)
Deferred inflows - differences between expected and actual experience are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(26,069,186)
Deferred inflows - differences between projected and actual earnings are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(24,453,190)
Deferred inflows - changes of assumptions are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(15,451,973)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(44,319,094)</u>

Net Position of Discretely Presented Component Unit - School Board \$ 109,943,903

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 9

	Governmental Funds			Total
	School General Fund	School Special Revenue Fund	School Capital Projects Fund	
Revenues:				
Permits, privilege fees and regulatory licenses	\$ 263,132	\$ -	\$ -	\$ 263,132
Charges for services	33,644	4,365,191	-	4,398,835
Miscellaneous	11,645,756	3,110,226	-	14,755,982
Recovered costs	558,547	-	-	558,547
Intergovernmental:				
Federal	137,571	78,138,674	33,591,505	111,867,750
State	377,489,818	33,834,946	-	411,324,764
Total revenues	<u>390,128,468</u>	<u>119,449,037</u>	<u>33,591,505</u>	<u>543,169,010</u>
Expenditures:				
Education	676,128,267	119,816,948	-	795,945,214
Capital projects	-	-	66,031,924	66,031,924
Debt service:				
Principal retirement	12,519,350	161,547	-	12,680,897
Interest	441,119	155	-	441,275
Total expenditures	<u>689,088,736</u>	<u>119,978,650</u>	<u>66,031,924</u>	<u>875,099,310</u>
Deficiency of revenues under expenditures	<u>(298,960,268)</u>	<u>(529,613)</u>	<u>(32,440,419)</u>	<u>(331,930,300)</u>
Other Financing Sources (Uses):				
Lease obligations incurred	19,944,739	1,608,787	-	21,553,526
Transfers in	-	-	16,859,790	16,859,790
Transfers out	(16,859,790)	-	-	(16,859,790)
Payment from Primary Government	291,272,872	6,000,000	12,750,000	310,022,872
Total other financing sources, net	<u>294,357,821</u>	<u>7,608,787</u>	<u>29,609,790</u>	<u>331,576,398</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(4,602,447)</u>	<u>7,079,174</u>	<u>(2,830,629)</u>	<u>(353,902)</u>
Total Fund Balances - June 30, 2023	<u>34,786,982</u>	<u>1,646,606</u>	<u>85,704,270</u>	<u>122,137,858</u>
Total Fund Balances - June 30, 2024	<u>\$ 30,184,535</u>	<u>\$ 8,725,780</u>	<u>\$ 82,873,641</u>	<u>\$ 121,783,956</u>

Adjustments for the Statement of Activities:

Excess of revenues and other sources over expenditures and other uses	\$ (353,902)
Repayment of debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	12,680,897
Depreciation expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(18,026,984)
Amortization expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(11,849,952)
Governmental funds report capital outlays as expenditures while School Board activities capitalize those outlays to allocate those expenditures over the life of the assets.	93,513,280
Lease proceeds are recorded as other financing source in governmental funds, but are not reported as revenues in the Statement of Activities.	(21,553,526)
Internal service funds are used to charge the costs of maintenance to governmental funds and are a reduction of related expense in the Statement of Activities.	191,490
Pension/OPEB expense is recorded as an expense in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	34,469,017
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.	<u>(767,526)</u>
Change in Net Position of Discretely Presented Component Unit - School Board	<u>\$ 88,302,794</u>

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
COMPONENT UNIT - SCHOOL BOARD
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 10
Page 1 of 2

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Component Unit - School Board:				
General Fund:				
Revenue from local sources:				
Permits, privilege fees and regulatory licenses:				
High school parking fees	\$ 100,000	\$ 100,000	\$ 94,739	\$ (5,261)
Facilities rental	100,000	100,000	168,393	68,393
Total permits, privilege fees and regulatory licenses	<u>200,000</u>	<u>200,000</u>	<u>263,132</u>	<u>63,132</u>
Charges for services:				
School fees and tuitions	15,000	15,000	33,644	18,644
Total charges for services	<u>15,000</u>	<u>15,000</u>	<u>33,644</u>	<u>18,644</u>
Recovered cost:				
Sale of vehicles, textbooks and equipment	100,000	100,000	371,995	271,995
Recovered cost - student activities	180,000	180,000	186,552	6,552
Total recovered cost	<u>280,000</u>	<u>280,000</u>	<u>558,547</u>	<u>278,547</u>
Miscellaneous revenues	11,645,756	11,645,756	11,645,756	-
Total revenue from local sources	<u>12,140,756</u>	<u>12,140,756</u>	<u>12,501,079</u>	<u>360,323</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Talented and gifted program	1,500,000	1,500,000	1,539,553	39,553
English as a second language	4,700,000	4,700,000	4,488,983	(211,017)
General appropriation - basic aid	155,400,000	155,400,000	157,482,233	2,082,233
Foster child reimbursement	650,000	650,000	299,230	(350,770)
Textbooks	3,700,000	3,700,000	3,705,564	5,564
Social security reimbursement	9,000,000	9,000,000	8,957,398	(42,602)
Retirement reimbursement	21,000,000	21,000,000	20,881,935	(118,065)
Life insurance reimbursement	645,000	645,000	643,813	(1,187)
Remedial education	5,150,000	5,150,000	5,150,504	504
Share of State sales tax - schools	76,300,000	76,300,000	79,059,029	2,759,029
SOQ - basic special education	18,000,000	18,000,000	18,026,764	26,764
Special education - homebound	275,000	275,000	115,662	(159,338)
Vocational education - local administrative and supervisory	1,000,000	1,000,000	1,013,307	13,307
Vocational education - SOQ occupational	2,500,000	2,500,000	2,491,276	(8,724)
Handicapped - foster home	250,000	250,000	1,927,529	1,677,529
Salary incentive K-3	6,250,000	6,250,000	6,266,850	16,850
R.O.T.C.	385,000	385,000	492,784	107,784
At risk	12,400,000	12,400,000	12,519,344	119,344
Education State Compensation	24,000,000	24,000,000	23,474,351	(525,649)
All In Implementation	-	17,240,560	17,493,084	252,524
Other categorical aid	100,000	100,000	126,161	26,161
State lottery proceeds	11,275,000	11,275,000	11,334,464	59,464
Total categorical aid	<u>354,480,000</u>	<u>371,720,560</u>	<u>377,489,818</u>	<u>5,769,258</u>
Total revenue from the Commonwealth	<u>354,480,000</u>	<u>371,720,560</u>	<u>377,489,818</u>	<u>5,769,258</u>
Revenue from the Federal Government:				
Categorical aid:				
Miscellaneous	-	-	137,571	137,571
Total categorical aid	<u>-</u>	<u>-</u>	<u>137,571</u>	<u>137,571</u>
Total revenue from the Federal government	<u>-</u>	<u>-</u>	<u>137,571</u>	<u>137,571</u>
Total Component Unit - General Fund	<u>\$ 366,620,756</u>	<u>\$ 383,861,316</u>	<u>\$ 390,128,468</u>	<u>\$ 6,267,152</u>

HENRICO COUNTY, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
COMPONENT UNIT - SCHOOL BOARD
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 10
Page 2 of 2

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria receipts	\$ 7,000,000	\$ 7,000,000	\$ 4,298,136	\$ (2,701,864)
School fees and tuitions	-	-	67,055	67,055
Total charges for services	<u>7,000,000</u>	<u>7,000,000</u>	<u>4,365,191</u>	<u>(2,634,809)</u>
Miscellaneous:				
Miscellaneous	601,091	601,091	391,325	(209,766)
Recoveries and rebates	7,543,786	7,543,786	2,718,901	(4,824,885)
Total miscellaneous	<u>8,144,877</u>	<u>8,144,877</u>	<u>3,110,226</u>	<u>(5,034,651)</u>
Total revenue from local sources	<u>15,144,877</u>	<u>15,144,877</u>	<u>7,475,417</u>	<u>(7,669,460)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Juvenile detention center	1,791,234	1,791,234	1,701,204	(90,030)
Technology	1,800,000	1,800,000	4,852,148	3,052,148
Summer school	2,536,331	2,536,331	331,004	(2,205,327)
General adult education	136,736	136,736	843,915	707,179
At Risk	10,006,273	10,006,273	12,883,023	2,876,750
Other state educational grants	20,126,073	20,126,073	13,223,652	(6,902,421)
Total revenue from the Commonwealth	<u>36,396,647</u>	<u>36,396,647</u>	<u>33,834,946</u>	<u>(2,561,701)</u>
Revenue from the Federal Government:				
Title I	15,437,917	15,437,917	12,392,589	(3,045,328)
Title VI-B	12,420,220	12,420,220	16,401,833	3,981,613
Vocational federal act	-	-	625,243	625,243
Head start	2,130,550	2,130,550	1,849,922	(280,628)
Pre-school	602,188	602,188	116,814	(485,374)
School lunch program	14,040,229	19,040,229	16,964,634	(2,075,595)
School breakfast program	4,500,000	4,500,000	5,752,745	1,252,745
Other Federal educational grants	<u>11,075,215</u>	<u>11,075,215</u>	<u>24,034,894</u>	<u>12,959,679</u>
Total revenue from the Federal government	<u>60,206,319</u>	<u>65,206,319</u>	<u>78,138,674</u>	<u>12,932,355</u>
Total intergovernmental	<u>96,602,966</u>	<u>101,602,966</u>	<u>111,973,620</u>	<u>10,370,654</u>
Total Component Unit - Special Revenue Fund	<u>\$ 111,747,843</u>	<u>\$ 116,747,843</u>	<u>\$ 119,449,037</u>	<u>\$ 2,701,194</u>
Total Revenues - Component Unit - School Board	<u>\$ 478,368,599</u>	<u>\$ 500,609,159</u>	<u>\$ 509,577,505</u>	<u>\$ 8,968,346</u>

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMPONENT UNIT - SCHOOL BOARD
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule 11

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Component Unit - School Board:				
General Fund:				
Education:				
Administration of schools:				
Administration	\$ 79,862,771	\$ 103,487,972	\$ 84,447,310	\$ 19,040,662
Instructional	453,254,145	461,020,242	469,341,022	(8,320,780)
Transportation	37,423,009	37,292,131	36,841,979	450,152
Operation and maintenance	56,722,488	70,815,005	65,553,217	5,261,788
Total administration of schools	627,262,413	672,615,350	656,183,528	16,431,822
Debt Service:				
Principal retirement	12,519,350	12,519,350	12,519,350	-
Interest	441,119	441,119	441,119	-
Total debt service	12,960,469	12,960,469	12,960,469	-
Total education	640,222,882	685,575,820	669,143,997	16,431,822
Total Component Unit - General Fund	\$ 640,222,882	\$ 685,575,820	\$ 669,143,997	\$ 16,431,822
Special Revenue Fund:				
Education:				
Instruction	\$ 66,179,491	\$ 112,045,430	\$ 70,378,042	\$ 41,667,388
Other educational programs	7,244,900	20,757,613	252,587	20,505,026
Transportation	-	984,381	450,238	534,143
Operation and maintenance	16,148,076	31,028,061	18,434,459	12,593,602
Total administration of schools	89,572,467	164,815,484	89,515,326	75,300,158
Debt Service:				
Principal retirement	161,547	161,547	161,547	-
Interest	155	155	155	-
Total debt service	161,702	161,702	161,702	-
Total education	89,734,169	164,977,186	89,677,028	75,300,158
School food service	28,013,829	33,584,963	28,692,835	4,892,128
Total Component Unit - Special Revenue Fund	\$ 117,747,998	\$ 198,562,149	\$ 118,369,863	\$ 80,192,286
Total Component Unit - School Board	\$ 757,970,880	\$ 884,137,969	\$ 787,513,860	\$ 96,624,108

Explanation of difference between actual amounts on the budgetary basis and GAAP basis:

Total Expenditures on the Schedule of Expenditures - Budget and Actual - General Fund	\$ 669,143,997
Right-to-use capital outlay	19,944,739
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	\$ 689,088,736
Total Expenditures on the Schedule of Expenditures - Budget and Actual - Special Revenue Fund	\$ 118,369,863
Right-to-use capital outlay	1,608,787
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Fund	\$ 119,978,650

See accompanying independent auditor's report.

Statistical Section

This component of the County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information indicate about the County's financial health over an extended period of time.

The goal of the statistical section is to be the chief source of information regarding the County's economic condition. For a more complete understanding of the data summarized herein, please refer to the County's previous Annual Comprehensive Financial Reports as well as the accompanying transmittal letter, management's discussion and analysis and the aforementioned basic financial statements, in their entirety (including the note disclosures and required supplementary information).

Contents

Financial Trends

Tables I-V

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

Revenue Capacity

Tables V - VIII

These schedules contain information to help the reader assess the County's most significant local revenue sources, the real and personal property tax.

Debt Capacity

Tables IX - X

These schedules present information which help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

Tables XI - XII

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

Tables XIII - XV

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

HENRICO COUNTY, VIRGINIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)
(\$ in thousands)

Table I

	2015 (1)	2016	2017	2018 (2)	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	\$ 1,082,833	\$ 1,093,486	\$ 1,102,415	\$ 1,168,862	\$ 1,208,373	\$ 1,245,252	\$ 1,284,958	\$ 1,272,215	\$ 1,428,128	\$ 1,545,933
Restricted For:										
Highways, Streets and Buildings	65,924	74,460	128,255	75,065	120,048	76,830	107,047	241,224	154,767	-
Debt Service	35,729	35,283	33,318	38,889	42,912	771	320	1,179	1,198	-
Grants	47,142	51,010	51,309	44,380	49,044	50,673	61,632	66,129	74,461	47,377
Unrestricted	(75,487)	(99,933)	(76,034)	(78,587)	(66,470)	23,622	116,735	97,984	219,911	411,500
Total Governmental Activities Net Position	\$ 1,156,141	\$ 1,154,306	\$ 1,239,263	\$ 1,248,609	\$ 1,353,908	\$ 1,397,148	\$ 1,570,692	\$ 1,678,730	\$ 1,878,465	\$ 2,004,809
Business-type Activities:										
Net Investment in Capital Assets	\$ 1,006,550	\$ 1,045,556	\$ 1,049,633	\$ 1,040,062	\$ 1,059,884	\$ 1,026,920	\$ 1,030,014	\$ 1,088,419	\$ 1,137,997	\$ 1,196,934
Debt Service	17,002	21,532	21,532	27,247	30,421	30,376	30,353	29,649	29,664	29,664
Unrestricted	47,360	27,843	58,476	89,177	94,644	167,398	209,377	203,822	212,398	220,058
Total Business-type Activities Net Position	\$ 1,070,912	\$ 1,094,931	\$ 1,129,641	\$ 1,156,486	\$ 1,184,949	\$ 1,224,694	\$ 1,269,744	\$ 1,321,890	\$ 1,380,058	\$ 1,446,655
Primary Government:										
Net Investment in Capital Assets	\$ 2,089,383	\$ 2,139,042	\$ 2,152,048	\$ 2,208,923	\$ 2,268,258	\$ 2,272,173	\$ 2,314,972	\$ 2,360,634	\$ 2,566,125	\$ 2,742,867
Restricted For:										
Highways, Streets, and Buildings	65,924	74,460	128,255	75,065	120,048	76,830	107,047	241,224	154,767	-
Debt Service	52,731	56,815	54,850	66,136	73,333	31,147	30,673	30,828	30,862	29,664
Grants	47,142	51,010	51,309	44,380	49,044	50,673	61,632	66,129	74,461	47,377
Unrestricted	(28,127)	(72,091)	(17,558)	10,590	28,174	191,020	326,112	301,806	432,309	631,558
Total Primary Government Net Position	\$ 2,227,053	\$ 2,249,236	\$ 2,368,904	\$ 2,405,094	\$ 2,538,857	\$ 2,621,842	\$ 2,840,436	\$ 3,000,620	\$ 3,258,523	\$ 3,451,465

Note: Table may not foot due to rounding

Source: County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit I

(1) The County adopted GASB Statement Nos. 68 and 71 in fiscal year 2015. Fiscal years prior to the year ended June 30, 2015 have not been restated for the effects of GASB Statement Nos. 68 and 71.

(2) The County adopted GASB Statement No. 75 in fiscal year 2018. Fiscal years prior to the year ended June 30, 2018 have not been restated for the effects of GASB Statement No. 75.

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
SCHEDULE OF CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)
(\$ in thousands)

Table II

	2015 (1)	2016	2017	2018 (2)	2019	2020	2021	2022	2023	2024
<u>Expenses</u>										
Governmental Activities:										
General Government	\$ 101,642	\$ 129,491	\$ 97,783	\$ 91,002	\$ 94,497	\$ 157,135	\$ 137,237	\$ 132,424	\$ 145,091	\$ 183,729
Judicial Administration	11,215	11,298	11,889	12,267	12,845	13,143	13,671	14,342	15,934	17,641
Public Safety	181,590	186,839	198,047	198,269	205,319	212,937	218,442	242,851	248,058	284,483
Public Works	82,583	80,918	89,386	87,221	91,603	87,460	78,804	89,729	92,020	126,914
Health and Welfare	61,796	66,956	70,840	74,941	79,862	82,090	68,770	73,514	80,815	92,379
Education	217,148	251,840	249,223	235,170	239,957	269,087	215,144	307,955	331,606	329,494
Parks, Recreation and Culture	35,058	37,434	40,309	42,123	43,429	45,451	44,371	48,759	46,168	63,378
Community Development	31,813	29,868	28,640	30,396	28,681	28,518	24,735	32,263	35,284	43,951
Interest on Long-term Debt	17,195	11,941	12,302	12,069	13,623	12,496	15,075	14,428	13,118	13,878
Total Governmental Activities Expenses	740,040	806,585	798,419	783,458	809,815	908,317	816,249	956,265	1,008,095	1,155,845
Business-type Activities:										
Water and Sewer	102,977	107,950	105,919	108,696	112,548	113,127	115,833	115,145	124,789	135,649
Belmont Park Golf Course (3)	965	1,082	1,001	926	896	552	-	-	-	-
Total Business-type Activities Expenses	103,942	109,032	106,920	109,622	113,444	113,678	115,833	115,145	124,789	135,649
Total Primary Government Expenses	\$ 843,982	\$ 915,617	\$ 905,339	\$ 893,080	\$ 923,259	\$ 1,021,995	\$ 932,082	\$ 1,071,409	\$ 1,132,884	\$ 1,291,494
<u>Program Revenues</u>										
Governmental Activities:										
Charges for services:										
General Government	\$ 13,164	\$ 11,969	\$ 13,659	\$ 16,613	\$ 14,225	\$ 16,202	\$ 15,703	\$ 18,633	\$ 16,176	\$ 23,493
Judicial Administration	185	957	982	972	1,015	955	913	781	1,076	294
Public Safety	3,197	2,878	5,029	3,142	3,791	3,434	4,980	3,616	4,520	4,316
Public Works	3,392	3,464	3,085	2,572	2,693	2,487	1,836	2,659	2,719	15,457
Health and Welfare	10,764	11,317	11,096	11,223	12,231	11,741	11,311	13,819	10,754	14,246
Parks, Recreation and Culture	1,360	1,250	1,249	1,208	1,237	761	382	646	741	891
Community Development	7,561	7,843	8,615	9,853	9,872	8,945	6,747	4,917	12,011	12,302
Operating grants and contributions	137,434	152,903	155,163	148,000	157,835	178,550	185,025	152,361	194,709	170,337
Total Governmental Activities Revenues	177,057	192,581	198,878	193,583	202,899	223,076	226,898	197,431	242,707	241,336
Business-type Activities:										
Water and Sewer	121,201	128,219	133,724	134,199	123,057	131,878	133,294	149,797	156,576	166,663
Belmont Park Golf Course (3)	853	823	694	697	782	459	-	-	-	-
Total Business-type Activities Revenues	122,054	129,042	134,418	134,896	123,839	132,336	133,294	149,797	156,576	166,663
Total Primary Government Revenues	\$ 299,111	\$ 321,623	\$ 333,296	\$ 328,479	\$ 326,738	\$ 355,412	\$ 360,192	\$ 347,228	\$ 399,283	\$ 407,999

Note: Table may not foot due to rounding

Source: County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 2

(1) The County adopted GASB Statement Nos. 68 and 71 in fiscal year 2015. Fiscal years prior to the year ended June 30, 2015 have not been restated for the effects of GASB Statement Nos. 68 and 71.

(2) The County adopted GASB Statement No. 75 in fiscal year 2018. Fiscal years prior to the year ended June 30, 2018 have not been restated for the effects of GASB Statement No. 75.

(3) The First Tee of Greater Richmond is leasing Belmont Golf Course for twenty years, effective January 1, 2020.

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
SCHEDULE OF CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)
(\$ in thousands)

Table II (Cont'd)

	2015 (1)	2016	2017	2018 (2)	2019	2020	2021	2022	2023	2024
<u>Net (Expense) Revenue</u>										
Governmental Activities:										
General Government	\$ (86,565)	\$ (115,290)	\$ (82,401)	\$ (71,887)	\$ (76,100)	\$ (139,463)	\$ (120,048)	\$ (112,337)	\$ (127,425)	\$ (158,511)
Judicial Administration	(5,454)	(4,694)	(4,906)	(5,297)	(5,776)	(6,271)	(7,770)	(8,322)	(9,711)	(11,251)
Public Safety	(150,739)	(155,208)	(163,389)	(166,276)	(172,147)	(164,262)	(159,316)	(209,336)	(205,774)	(241,282)
Public Works	(14,734)	(3,916)	(12,399)	(20,316)	(22,168)	(11,734)	(7,495)	(15,275)	6,952	(43,597)
Health and Welfare	(16,612)	(21,119)	(24,174)	(25,558)	(26,640)	(25,637)	(11,145)	(23,609)	(27,009)	(30,735)
Education	(217,148)	(251,840)	(249,223)	(235,170)	(239,957)	(269,087)	(215,144)	(307,955)	(331,606)	(329,494)
Parks, Recreation and Culture	(33,359)	(35,984)	(38,845)	(40,701)	(39,077)	(43,503)	(43,757)	(47,850)	(45,120)	(62,177)
Community Development	(21,178)	(14,010)	(11,901)	(12,600)	(11,427)	(12,788)	(9,600)	(19,722)	(12,577)	(23,583)
Interest on Long-term Debt	(17,195)	(11,941)	(12,302)	(12,069)	(13,623)	(12,496)	(15,075)	(14,428)	(13,118)	(13,878)
Total Governmental Activities Net Expense	(562,984)	(614,002)	(599,540)	(589,874)	(606,916)	(685,241)	(589,351)	(758,834)	(765,388)	(914,509)
Business-type Activities:										
Water and Sewer	18,224	20,270	27,805	25,503	10,509	18,751	17,462	34,653	31,787	31,014
Belmont Park Golf Course (3)	(112)	(259)	(307)	(229)	(114)	(93)	-	-	-	-
Total Business-type Activities Net Revenue	18,112	20,011	27,498	25,274	10,395	18,658	17,462	34,653	31,787	31,014
Total Primary Government Net Expense	\$ (544,872)	\$ (593,991)	\$ (572,042)	\$ (564,600)	\$ (596,521)	\$ (666,583)	\$ (571,890)	\$ (724,181)	\$ (733,601)	\$ (883,495)
<u>General Revenues and Other Changes in Net Position</u>										
Governmental Activities:										
Taxes										
Property	\$ 377,406	\$ 387,744	\$ 403,164	\$ 420,886	\$ 446,944	\$ 468,650	\$ 489,264	\$ 543,940	\$ 606,671	\$ 646,492
Local Sales and Use	58,095	62,286	64,666	68,256	68,775	69,908	75,613	87,994	92,752	93,070
Business License	32,086	33,521	35,432	35,618	38,308	39,627	38,591	46,330	51,162	51,344
Hotel and Motel	12,193	13,169	13,448	13,898	14,045	11,275	8,890	14,944	16,430	17,420
Bank Franchise	11,482	12,133	17,318	17,775	18,241	16,508	18,148	17,980	4,755	7,433
Other	46,344	48,614	49,828	50,948	52,026	50,229	51,465	61,157	63,335	68,580
Interest and Investment Earnings	2,271	2,945	2,045	5,305	18,052	15,303	2,127	911	34,829	55,000
Grants and Contributions	50,727	50,633	55,243	50,576	50,983	51,918	77,944	92,460	93,482	99,828
Miscellaneous/Donated Assets	2,591	1,121	4,976	1,685	4,840	5,063	1,148	1,155	1,707	1,685
Total Governmental Activities	593,195	612,166	646,120	664,947	712,215	728,481	763,190	866,872	965,123	1,040,853
Business-type Activities:										
Interest and Investment Earnings	799	1,020	975	1,122	1,037	3,684	339	94	3,123	5,958
Grants and Contributions	1,608	1,650	1,608	1,609	15,336	16,548	24,961	16,800	22,650	28,949
Miscellaneous/Donated Assets	1,214	1,340	1,923	1,712	1,695	855	1,184	599	608	677
Total Business-type Activities	3,621	4,010	4,506	4,443	18,069	21,087	26,484	17,493	26,381	35,584
Total Primary Government	\$ 596,816	\$ 616,176	\$ 650,626	\$ 669,390	\$ 730,283	\$ 749,568	\$ 789,675	\$ 884,365	\$ 991,504	\$ 1,076,437
<u>Change in Net Position</u>										
Governmental Activities	\$ 30,211	\$ (1,836)	\$ 46,580	\$ 75,073	\$ 105,299	\$ 43,240	\$ 173,839	\$ 108,038	\$ 199,735	\$ 126,344
Business-type Activities	21,733	24,021	32,004	29,717	28,464	39,745	43,946	52,146	58,168	66,598
Total Primary Government Net Position	\$ 51,944	\$ 22,185	\$ 78,584	\$ 104,790	\$ 133,763	\$ 82,985	\$ 217,785	\$ 160,184	\$ 257,903	\$ 192,942

Note: Table may not foot due to rounding

Source: County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 2

(1) The County adopted GASB Statement Nos. 68 and 71 in fiscal year 2015. Fiscal years prior to the year ended June 30, 2015 have not been restated for the effects of GASB Statement Nos. 68 and 71.

(2) The County adopted GASB Statement No. 75 in fiscal year 2018. Fiscal years prior to the year ended June 30, 2018 have not been restated for the effects of GASB Statement No. 75.

(3) The First Tee of Greater Richmond is leasing Belmont Golf Course for twenty years, effective January 1, 2020.

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)
(\$ in thousands)

Table III

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113	\$ -	\$ -	\$ -	\$ -
Restricted	7,321	5,277	6,886	3,966	1,692	3,308	7,192	7,761	9,904	4,700
Committed	28,204	33,206	35,454	65,937	56,630	8,579	28,201	41,750	36,400	56,250
Assigned	61,511	62,420	77,076	69,467	75,745	115,498	213,844	191,415	216,077	207,336
Unassigned	117,489	119,346	123,934	127,744	133,163	138,252	134,164	154,451	165,536	181,969
Total General Fund	<u>214,638</u>	<u>220,362</u>	<u>243,463</u>	<u>267,227</u>	<u>267,342</u>	<u>265,750</u>	<u>383,401</u>	<u>395,377</u>	<u>427,917</u>	<u>450,256</u>
All Other Governmental Funds:										
Restricted	28,973	29,018	26,844	20,853	25,137	28,482	43,441	45,663	49,153	47,377
Committed	119,743	140,570	242,931	211,810	280,751	355,128	338,363	346,889	289,676	404,009
Assigned	19,298	23,139	24,668	24,705	24,150	22,961	18,511	21,645	26,506	24,790
Total All Other Governmental Funds	<u>168,014</u>	<u>192,727</u>	<u>294,443</u>	<u>257,368</u>	<u>330,037</u>	<u>406,572</u>	<u>400,315</u>	<u>414,197</u>	<u>365,335</u>	<u>476,176</u>
Total Fund Balances	<u>\$ 382,652</u>	<u>\$ 413,089</u>	<u>\$ 537,906</u>	<u>\$ 524,595</u>	<u>\$ 597,380</u>	<u>\$ 672,322</u>	<u>\$ 783,717</u>	<u>\$ 809,575</u>	<u>\$ 793,252</u>	<u>\$ 926,432</u>

Notes: The Governmental Funds Fund Balances do not include the School Board or JRJDC component units to be consistent with the ACFR Financial Section.
GASB 54 classification of fund balances was implemented in fiscal year 2011.

Source: County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 3

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)
(\$ in thousands)

Table IV

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
General Property Taxes	\$ 375,685	\$ 387,388	\$ 402,026	\$ 420,786	\$ 447,469	\$ 466,198	\$ 487,532	\$ 538,135	\$ 607,588	\$ 645,719
Other Local Taxes	158,824	165,920	176,154	182,032	186,844	183,291	188,049	222,553	222,618	231,837
Licenses and Permits	6,052	4,744	5,385	9,811	7,368	8,221	8,611	11,136	9,760	15,647
Fines and Forfeitures	2,523	1,945	2,110	2,161	2,147	1,885	1,679	1,675	1,683	1,636
Use of Money and Property	3,534	4,194	3,295	6,286	19,023	15,739	3,523	2,516	35,375	54,680
Charges for Services	28,383	29,317	31,325	29,196	30,451	29,885	27,581	34,480	31,931	39,086
Miscellaneous	9,360	10,681	12,628	12,306	16,549	13,617	6,753	5,405	12,946	10,994
Recovered Costs	5,821	5,599	7,617	6,313	6,670	7,444	8,228	7,052	8,380	11,238
Intergovernmental Revenue	172,485	180,066	188,030	184,786	189,626	209,132	247,742	229,143	251,976	271,503
Total Government Revenues	762,667	789,854	828,570	853,677	906,146	935,412	979,699	1,052,093	1,182,257	1,282,340
Expenditures:										
General Government	71,123	71,692	82,816	77,501	76,033	76,231	77,318	79,632	96,828	94,529
Judicial Administration	11,125	11,212	11,801	12,182	12,755	13,255	13,701	14,175	15,941	17,418
Public Safety	175,250	178,206	187,857	192,828	201,996	211,279	216,505	239,074	252,531	276,075
Public Works	63,621	61,463	66,543	69,029	70,318	70,176	61,188	66,504	77,260	88,038
Health and Welfare	61,614	66,583	70,532	74,643	79,599	82,336	68,710	72,637	80,683	91,398
Parks, Recreation and Culture	30,520	32,431	35,962	36,546	37,094	37,788	36,149	40,576	46,198	50,787
Community Development	31,497	29,648	28,412	30,185	28,517	28,406	24,560	32,021	35,157	42,718
Education	205,157	211,399	223,786	223,845	228,648	266,525	207,841	274,331	319,339	310,023
Miscellaneous	16,987	18,373	8,146	20,141	24,991	22,691	25,225	45,755	49,006	45,031
Debt Service - Principal	38,670	38,935	41,963	40,305	44,493	49,642	48,202	54,922	57,199	61,193
Debt Service - Interest	19,077	17,488	16,765	17,167	19,728	21,143	24,472	25,351	24,097	22,117
Capital Outlay	54,864	56,145	45,478	75,029	117,730	165,577	184,370	137,300	168,704	238,072
Total Government Expenditures	779,505	793,575	820,061	869,401	941,902	1,045,049	988,243	1,082,278	1,222,944	1,337,398
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(16,838)	(3,721)	8,509	(15,724)	(35,755)	(109,636)	(8,544)	(30,184)	(40,687)	(55,058)
Other Financing Sources (Uses):										
Transfers-in	107,121	123,971	109,542	123,601	161,744	146,589	113,816	154,464	147,110	211,047
Transfers-out	(107,121)	(123,971)	(109,542)	(123,601)	(161,744)	(146,589)	(113,816)	(154,464)	(147,110)	(211,047)
Issuance of Bonds	50,485	-	156,010	-	99,395	195,690	135,085	48,115	-	162,575
Issuance of Bond Premiums	9,645	-	20,766	-	9,065	22,558	17,903	6,268	-	20,017
Loan Financing	-	34,000	-	-	-	-	-	-	-	-
Lease Obligations Incurred	95	158	913	2,415	80	535	322	1,660	24,364	5,646
Payments to Escrow Agent	(59,758)	-	(61,386)	-	-	(34,204)	(32,414)	-	-	-
Total Other Financing Sources, Net	467	34,158	116,303	2,415	108,540	184,579	120,896	56,042	24,364	188,238
Net Change in Fund Balances	<u>\$ (16,371)</u>	<u>\$ 30,437</u>	<u>\$ 124,812</u>	<u>\$ (13,309)</u>	<u>\$ 72,785</u>	<u>\$ 74,943</u>	<u>\$ 112,352</u>	<u>\$ 25,858</u>	<u>\$ (16,323)</u>	<u>\$ 133,180</u>
Debt service as a percentage of noncapital expenditures	<u>8.07%</u>	<u>7.37%</u>	<u>7.54%</u>	<u>7.36%</u>	<u>7.86%</u>	<u>7.84%</u>	<u>9.13%</u>	<u>8.47%</u>	<u>8.18%</u>	<u>7.21%</u>

Note: Table may not foot due to rounding

Source: County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 4

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)
(\$ in thousands)

Table V

Year	Real Property					Personal Property					Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value of Taxable Property
	Residential Property	Commercial Property (1)	Public (3) Service Corp.	Total Real Property	Real Property Tax Rate (2)	Personal Property	Public (3) Service Corp.	Total Personal Property	Personal Property Tax Rate (2)				
	Property	Property (1)	Service Corp.	Real Property	Tax Rate (2)	Property	Service Corp.	Property	Tax Rate (2)				
2015	\$ 22,810,890	\$ 10,292,187	\$ 962,217	\$ 34,065,294	\$ 0.87	\$ 3,766,963	\$ 2,529	\$ 3,769,492	\$ 3.50	\$ 37,834,786	\$ 6.57 (4)	\$ 37,834,786	
2016	23,518,182	10,657,341	1,004,054	35,179,577	0.87	4,013,147	2,222	4,015,369	3.50	39,194,946	5.47 (5)	39,194,946	
2017	24,611,556	11,130,742	1,129,400	36,871,698	0.87	4,087,035	2,130	4,089,165	3.50	40,960,863	5.47 (5)	40,960,863	
2018	26,117,583	11,776,171	1,162,001	39,055,755	0.87	4,241,370	1,994	4,243,364	3.50	43,299,119	5.47 (5)	43,299,119	
2019	27,424,613	12,779,275	1,195,272	41,399,160	0.87	4,610,809	2,225	4,613,034	3.50	46,012,194	5.47 (5)	46,012,194	
2020	28,778,727	13,879,253	1,229,029	43,887,009	0.87	4,557,328	1,796	4,559,124	3.50	48,446,133	5.47 (5)	48,446,133	
2021	30,410,639	13,707,745	1,212,770	45,331,154	0.87	5,345,993	1,716	5,347,709	3.50	50,678,863	5.47 (5)	50,678,863	
2022	33,930,579	15,628,350	1,273,603	50,832,533	0.85	6,586,172	1,411	6,587,583	3.50	57,420,116	5.45 (5)	57,420,116	
2023	38,995,183	17,125,970	1,460,793	57,581,947	0.85	6,985,525	1,764	6,987,289	3.50	64,569,236	5.45 (5)	64,569,236	
2024	41,480,526	17,734,763	1,584,150	60,799,439	0.85	7,188,574	1,498	7,190,072	3.50	67,989,511	5.45 (5)	67,989,511	

Source: County of Henrico Director of Finance

Notes: The County assesses property annually. Property is assessed at market value in accordance with State law, except as noted below in Virginia's Land Use Code.

(1) Includes commercial, industrial, manufacturing and agriculture

(2) Per \$100 of assessed value

(3) Source: State Corporation Commission and Department of Taxation

(4) Includes Machinery and Tools (\$.30), Aircraft (\$1.60) and Semi-Conductor (\$.30)

(5) Includes Machinery and Tools (\$.30), Aircraft (\$.50) and Semi-Conductor (\$.30)

Title 58.1-3201 of the Code of Virginia provides for the assessment of real property at 100% of fair market value.

Title 58.1-3230 through 3244 of the Code of Virginia provides for the assessment of land based on use value rather than market value.

Use value is the assessment of the land for a specific purpose and is generally lower than market value. This is a local option statute adopted by Henrico County in 1976.

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
DIRECT TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)
(rate per \$100 of assessed value)

Table VI

Tax Year	Real Property	Tangible Personal Property	Vehicles	Machinery and Tools	Aircraft	Semi-Conductor	Total Direct Rate
2024	\$ 0.85	\$ 3.50	\$ 3.40	\$ 0.30	\$ 0.50	\$ 0.30	\$ 5.45
2023	0.85	3.50	3.40 (1)	0.30	0.50	0.30	5.45
2022	0.85	3.50	3.50	0.30	0.50	0.30	5.45
2021	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2020	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2019	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2018	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2017	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2016	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2015	0.87	3.50	3.50	0.30	1.60	0.30	6.57

Source: County of Henrico Director of Finance

Notes: There are no overlapping tax rates within County of Henrico.

Qualifying volunteer rescue squad and fire department vehicles are taxed at the rate of \$1.00 per \$100 of assessed value.

Specially equipped vehicles for disabled veterans and for the handicapped are taxed at the rate of \$.01 per \$100 of assessed value.

(1) The County approved a vehicle tax levy decrease of \$0.10 per \$100 of assessed valuation in 2023.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR, PRIOR YEAR AND TEN YEARS AGO
(Unaudited)**

Table VII

Taxpayer	Type of Business	Calendar Year 2024			Calendar Year 2023			Calendar Year 2015		
		Real/Personal Property Assessed Valuation	Rank	Percent of Total Valuation	Real/Personal Property Assessed Valuation	Rank	Percent of Total Valuation	Real/Personal Property Assessed Valuation	Rank	Percent of Total Valuation
Scout Development LLC (2)	Data Center	\$ 2,045,241,378	1	3.01%	\$ 1,902,671,844	1	2.95%	\$ -	N/A	-
Virginia Power Company	Utility	1,115,843,135	2	1.64%	1,013,976,824	2	1.57%	525,513,203	1	1.39%
Raceway Commerce Center Project LLC (4)	Distribution Center	349,790,303	3	0.51%	193,322,100	5	0.30%	-	N/A	-
Short Pump Town Centers LLC (Queensland) (1)	Mall	315,477,900	4	0.46%	311,500,800	3	0.48%	-	N/A	-
Verizon	Telecommunication	185,359,913	5	0.27%	180,355,130	6	0.28%	222,685,067	6	0.59%
HCA Health Services of VA	Hospital & Medical Offices	160,438,183	6	0.24%	151,979,387	7	0.24%	172,426,474	8	0.46%
QTS Richmond I DC 3 LLC (3)	Data Center	148,667,600	7	0.22%	241,684,600	4	0.37%	-	N/A	-
Highwoods Properties	Offices and Warehouses	135,363,500	8	0.20%	151,843,500	8	0.24%	232,434,600	4	0.61%
PFI VPN Portfolio	Offices	133,225,400	9	0.20%	132,436,900	10	0.21%	-	N/A	-
Bank of America	Data Center & Bank	132,731,600	10	0.20%	132,661,200	9	0.21%	-	N/A	-
Forest City (Short Pump TC, White Oak, etc) (1)	Retail and Offices	-	N/A	-	-	N/A	-	294,292,900	2	0.78%
The Wilton Companies	Offices, Retail and Warehouses	-	N/A	-	-	N/A	-	224,576,100	5	0.59%
General Services Corporation	Apartments	-	N/A	-	-	N/A	-	234,071,500	3	0.62%
Weinstein Family	Apartments	-	N/A	-	-	N/A	-	184,265,700	7	0.49%
Gumenick	Apartments and Retail	-	N/A	-	-	N/A	-	143,760,200	9	0.38%
United Dominion Realty Trust	Apartments	-	N/A	-	-	N/A	-	137,650,600	10	0.36%
Totals		<u>\$ 4,722,138,912</u>		<u>6.95%</u>	<u>\$ 4,412,432,285</u>		<u>6.83%</u>	<u>\$ 2,371,676,344</u>		<u>6.27%</u>
Total Assessed Values		<u><u>\$ 67,989,510,987</u></u>			<u><u>\$ 64,569,235,699</u></u>			<u><u>\$ 37,834,785,481</u></u>		

Source: County of Henrico Director of Finance

(1) Short Pump Town Centers LLC bought Forest City in July 2018.

(2) Scout Development LLC bought and developed the site that is home to the Facebook, Inc. data center.

(3) Quality Technology Services(QTS), previously reported as Quality Investment Prop Richmond is QTS Richmond I DC3 LLC and QTS Richmond II LLC

(4) Raceway Commerce Center Project LLC includes the new Amazon fulfillment center near the Richmond Raceway.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Table VIII

Year	Original Fiscal Year Levy		Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2015	\$	373,457,423	\$ 357,897,136	95.8%	\$ 14,263,496	\$ 372,160,632	99.7%
2016		376,051,530	370,592,134	98.5%	5,220,897	375,813,031	99.9%
2017		389,341,072	384,815,669	98.8%	4,288,915	389,104,584	99.9%
2018		409,079,914	404,970,529	99.0%	3,002,249	407,972,778	99.7%
2019		433,549,534	429,914,099	99.2%	1,516,567	431,430,666	99.5%
2020		455,725,784	433,994,901	95.2%	19,385,830	453,380,731	99.5%
2021		479,221,598	463,357,848	96.7%	13,226,643	476,584,491	99.4%
2022		529,024,451	502,526,040	95.0%	14,346,441	516,872,481	97.7%
2023		589,480,761	566,810,027	96.2%	7,267,691	574,077,718	97.4%
2024		627,479,544	605,406,704	96.5%	N/A (1)	605,406,704	96.5%

Notes:

(1) PPTRA amounts are no longer included in Levy or Collections as of FY2007.

(1) Fiscal year 2024 collections in subsequent years will be available as of the next reporting period.

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE (1)
LAST TEN FISCAL YEARS
(Unaudited)

Table IX

Fiscal Year	General Bonded Debt						Percentage of					Component Units			
	General Obligation Bonds (2)	EDA Lease Revenue Bonds	VRA Special Revenue Bonds	Less, Amounts Designated for Principal Payments	Net Bonded Debt	Percentage of Personal Income (3)	Estimated Actual Value of Taxable Property	Per Capita Debt	Lease Liability	SBITA Liability	School Board		JRJDC		
											Lease Liability	SBITA Liability	Facility Bond	Lease Liability	
2015	\$ 424,098,966	\$ -	\$ -	\$ 1,129,065	\$ 422,969,901	2.3%	1.1%	\$ 1,300	\$ 23,515,198	\$ -	\$ 31,573,304	\$ -	\$ 650,000	\$ 8,244	
2016	384,048,359	-	-	1,148,179	382,900,180	2.0%	1.0%	1,163	53,336,713	-	25,965,793	-	-	6,508	
2017	461,714,254	-	-	202,833	461,511,421	2.3%	1.1%	1,389	46,420,396	-	26,086,650	-	-	4,333	
2018	421,919,118	-	-	1,178,658	420,740,460	2.0%	1.0%	1,255	41,643,906	-	14,835,498	-	-	1,610	
2019	485,511,538	-	-	242,103	485,269,435	2.2%	1.1%	1,431	34,939,140	-	26,976,897	-	-	-	
2020	558,035,689	-	-	770,870	557,264,819	2.4%	1.2%	1,623	88,116,739	-	16,651,291	-	-	-	
2021	632,990,481	-	13,560,000	319,820	646,230,661	2.6%	1.3%	1,908	61,844,395	-	6,946,638	-	-	10,411	
2022	632,466,561	54,485,000	11,080,000	1,179,213	696,852,348	2.7%	1.2%	2,041	12,814,473	-	19,055,430	-	-	7,704	
2023	573,390,554	51,675,000	8,520,000	1,197,897	632,387,657	2.3%	1.0%	1,829	10,466,489	18,896,504	13,095,622	6,190,809	-	4,505	
2024	657,128,494	90,040,000	5,825,000	2,877,532	750,115,962	2.7%	1.1%	2,156	9,166,151	18,684,914	13,065,672	15,093,388	-	702	

Fiscal Year	Governmental-Type Activities						Business-Type Activities		Total Primary Government	Percentage of Personal Income (3)	Percentage of Estimated Actual Value of Taxable Property	
	General Obligation Bonds (2)	EDA Lease Revenue Bonds	VRA Special Revenue Bonds	Lease Liability	SBITA Liability	Water & Sewer Revenue Bonds (2)	Lease Liability	Per Capita Debt				
2015	\$ 424,098,966	\$ -	\$ -	\$ 23,515,198	\$ -	\$ 231,360,899	\$ 35,173	\$ 679,010,236	3.6%	1.8%	\$ 2,087	
2016	384,048,359	-	-	53,336,713	-	321,833,554	20,769	759,239,395	3.9%	1.9%	2,306	
2017	461,714,254	-	-	46,420,396	-	310,040,991	25,885	818,201,526	4.0%	2.0%	2,462	
2018	421,919,118	-	-	41,643,906	-	404,656,626	13,303	868,232,953	4.1%	2.0%	2,590	
2019	485,511,538	-	-	34,939,140	-	463,978,992	15,285	984,444,955	4.4%	2.1%	2,902	
2020	558,035,689	-	-	88,116,739	-	448,256,027	13,155	1,094,421,610	4.7%	2.3%	3,188	
2021	632,990,481	-	13,560,000	61,844,395	-	474,903,035	15,140	1,183,313,051	4.8%	2.3%	3,495	
2022	632,466,561	54,485,000	11,080,000	12,814,473	-	467,749,780	10,112	1,178,605,926	4.6%	2.1%	3,453	
2023	573,390,554	51,675,000	8,520,000	10,466,489	18,896,504	447,944,759	5,095	1,110,898,401	4.1%	1.7%	3,213	
2024	657,128,494	90,040,000	5,825,000	9,166,151	18,684,914	427,404,738	2,175	1,208,251,472	4.3%	1.8%	3,473	

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

(1) There are no limitations imposed by State Law or Local Ordinance on the amount of general obligation debt that may be issued either directly or indirectly.

However, with certain exceptions, all debt, which is secured by the general obligation of a county, must be approved at public referendum prior to issuance.

(2) The Bond (plus Literary Loans, if applicable), net of related premium and discounts.

(3) Calculations based on calculated trend (see Table XI Sources).

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
PLEDGED REVENUE COVERAGE ⁽¹⁾
LAST TEN FISCAL YEARS
(Unaudited)

Table X

Fiscal Year	Operating Revenues	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2015	\$ 104,597,706	\$ 60,062,988	\$ 44,534,718	\$ 7,230,000	\$ 9,767,118	\$ 16,997,118	2.62
2016	107,480,177	66,069,889	41,410,288	7,705,000	9,300,077	17,005,077	2.44
2017	112,157,060	62,813,358	49,343,702	9,740,000	11,578,096	21,318,096	2.31
2018	115,946,048	64,393,573	51,552,475	9,460,000	12,069,272	21,529,272	2.39
2019	119,911,922	65,281,033	54,630,889	11,630,000	15,616,588	27,246,588	2.01
2020	127,586,484	67,089,381	60,497,103	13,385,000	17,035,992	30,420,992	1.99
2021	128,450,586	69,202,142	59,248,444	15,610,000	14,311,305	29,921,305	1.98
2022	137,065,315	70,425,114	66,640,201	17,265,000	12,389,660	29,654,660	2.25
2023	144,250,176	78,817,807	65,432,369	17,325,000	12,320,998	29,645,998	2.21
2024	159,568,567	89,588,620	69,979,947	18,060,000	11,588,861	29,648,861	2.36

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

(1) Water and Sewer Fund only.

(2) The calculation of bond coverage operating expenses has been reduced by depreciation.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Table XI

Year	County Population (1)	Total Personal Income (2) (\$000)	Per Capita Income	Average Daily Student Enrollment (3)	Unemployment Rate (4)
2015	325,283	\$ 18,796,988	\$ 57,787	50,370	4.5%
2016	329,227	19,467,155	59,130	50,173	3.7%
2017	332,368	20,458,315	61,553	50,330	3.7%
2018	335,283	21,170,015	63,141	50,182	3.2%
2019	339,191	22,493,998	66,317	50,406	2.9%
2020	343,258	23,159,228	67,469	50,486	8.7%
2021	338,620	24,781,249	73,183	48,702	4.6%
2022	341,365	25,706,948	75,306	48,977	3.0%
2023	345,734	26,911,548 (5)	77,839	48,936	2.8%
2024	347,938	28,172,593 (5)	80,970	48,831	2.9%

Sources:

- (1) Henrico County 3-C Reports. Estimates from these reports are as of December 31 of the previous year.
- (2) U.S. Department of Commerce (Bureau of Economic Analysis in Henrico County, Annual)
- (3) Henrico County Public Schools Adopted/Approved Annual Financial Plan
- (4) Virginia Employment Commission (Henrico County Economic Profile 6/30/2024)
- (5) Based on a trend average 2018 - 2022

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
TOP TWENTY PRINCIPAL EMPLOYERS
LAST FIVE FISCAL YEARS
(Unaudited)

Table XII

Employer	2024 (1)			2023			2022			2021			2020		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Henrico County School Board	5,000-9,999	1	4.1%	5,000-9,999	1	4.0%	5,000-9,999	1	3.9%	5,000-9,999	1	4.0%	5,000-9,999	1	3.7%
County of Henrico	1,000-4,999	2	2.4%	1,000-4,999	2	2.3%	1,000-4,999	2	2.3%	1,000-4,999	2	2.4%	1,000-4,999	3	2.2%
Bon Secours Richmond Health System (2)	1,000-4,999	3	1.6%	1,000-4,999	3	1.6%	1,000-4,999	3	1.6%	1,000-4,999	3	1.7%	1,000-4,999	2	1.6%
Henrico Doctors' Hospital (HCA)	1,000-4,999	4	1.6%	1,000-4,999	4	1.6%	1,000-4,999	4	1.6%	1,000-4,999	4	1.7%	1,000-4,999	4	1.6%
Ppd Development	1,000-4,999	5	1.6%	1,000-4,999	5	1.6%	1,000-4,999	8	1.6%	500-999	11	0.4%	500-999	12	0.4%
United States Postal Service	1,000-4,999	6	1.6%	1,000-4,999	7	1.6%	1,000-4,999	6	1.6%	1,000-4,999	8	1.7%	1,000-4,999	9	1.6%
Walmart	1,000-4,999	7	1.6%	1,000-4,999	6	1.6%	1,000-4,999	5	1.6%	1,000-4,999	7	1.7%	1,000-4,999	7	1.6%
Bank of America	1,000-4,999	8	1.6%	1,000-4,999	8	1.6%	1,000-4,999	11	1.6%	1,000-4,999	10	1.7%	500-999	11	0.4%
Amazon	1,000-4,999	9	1.6%	1,000-4,999	12	1.6%	500-999	19	0.4%	-	N/A	-	-	N/A	-
Ensemble Rcm, LLC	1,000-4,999	10	1.6%	1,000-4,999	11	1.6%	500-999	14	0.4%	500-999	12	0.4%	-	N/A	-
Markel Service, Inc	500-999	11	0.4%	500-999	18	0.4%	500-999	17	0.4%	500-999	18	0.4%	500-999	17	0.4%
Publix No Employee Services, LLC	500-999	12	0.4%	1,000-4,999	14	1.6%	500-999	16	0.4%	500-999	14	0.4%	500-999	14	0.4%
Kroger	500-999	13	0.4%	500-999	15	0.4%	500-999	15	0.4%	500-999	13	0.4%	500-999	13	0.4%
Abacus Corporation	500-999	14	0.4%	500-999	16	0.4%	500-999	13	0.4%	500-999	16	0.4%	-	N/A	-
American Infrastructure Inc	500-999	15	0.4%	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	-
Virginia Department of Social Services	500-999	16	0.4%	500-999	19	0.4%	500-999	20	0.4%	-	N/A	-	500-999	19	0.4%
ALCS LLC	500-999	17	0.4%	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	-
Wells Fargo Bank NA	500-999	18	0.4%	1,000-4,999	13	1.6%	1,000-4,999	12	1.6%	1,000-4,999	9	1.7%	1,000-4,999	8	1.6%
Dominion Virginia Power	500-999	19	0.4%	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	-
Security Forces, Inc.	500-999	20	0.4%	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	-
Anthem (Blue Cross & Blue Shield)	-	N/A	-	1,000-4,999	9	1.6%	1,000-4,999	7	1.6%	1,000-4,999	6	1.7%	1,000-4,999	5	1.6%
Apex Systems, Inc.	-	N/A	-	1,000-4,999	10	1.6%	1,000-4,999	10	1.6%	500-999	15	0.4%	1,000-4,999	10	1.6%
Capital One Bank	-	N/A	-	500-999	17	0.4%	1,000-4,999	9	1.6%	1,000-4,999	5	1.7%	1,000-4,999	6	1.6%
Access America	-	N/A	-	500-999	20	0.4%	-	N/A	-	-	N/A	-	500-999	20	0.4%
T Mobile USA, Inc.	-	N/A	-	-	N/A	-	500-999	18	0.4%	500-999	20	0.4%	500-999	18	0.4%
GNA Corporation	-	N/A	-	-	N/A	-	-	N/A	-	500-999	17	0.4%	500-999	16	0.4%
Truist Financial (BB&T & SunTrust Banks)	-	N/A	-	-	N/A	-	-	N/A	-	500-999	19	0.4%	500-999	15	0.4%
Totals			23.3%			28.0%			25.7%			23.8%			22.3%
Total County Employment (3)	<u>186,866</u>			<u>186,931</u>			<u>185,186</u>			<u>180,323</u>			<u>192,305</u>		

Source: Virginia Employment Commission

Employees and percentage of employment based on size code as published by VEC

(1) 2024 Data as of 2nd Qtr 2024

(2) Non-Resident Employer of Henrico County Citizens

(3) VEC Monthly (June) Not Seasonally Adjusted Labor Force

See accompanying independent auditors' report.

HENRICO COUNTY, VIRGINIA
GOVERNMENT EMPLOYEES BY DEPARTMENT (1)
LAST TEN FISCAL YEARS
(Unaudited)

Table XIII

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Agriculture & Home Extension	2	2	2	2	2	2	2	2	2	2
Belmont Golf Course	8	8	8	8	8	-	-	-	-	-
Board of Supervisors	4	4	4	4	4	4	4	4	4	4
Building Inspections	52	53	55	55	58	58	58	58	58	58
Central Automotive Maintenance	67	67	67	70	71	71	71	71	72	72
Circuit Court Services	8	8	8	8	10	48	50	50	50	50
Commonwealth's Attorney	56	56	56	57	57	62	61	62	62	63
Community Corrections	2	2	2	2	2	2	4	4	5	5
Community Revitalization	16	17	18	18	19	19	19	20	20	22
County Attorney	19	20	20	20	21	21	21	22	23	23
County Manager	13	14	13	13	12	12	12	12	12	12
Electoral Board	8	8	8	9	9	10	10	9	10	10
Emergency Communications (7)	-	-	-	-	-	-	-	-	-	91
Emergency Management (3)	-	-	-	-	-	-	8	8	8	8
Finance	168	168	163	163	163	170	163	165	163	170
Fire	548	548	562	589	596	606	621	626	638	658
General Services	119	119	118	118	118	118	118	111	104	104
Human Resources	56	57	57	58	58	47	48	48	51	52
Hold Complement (2)	22	6	3	7	1	7	2	4	3	8
Information Technology	90	90	97	97	98	99	107	113	114	112
Internal Audit	4	4	4	4	4	6	6	6	6	7
Juvenile Detention & VJCCCA	33	33	33	33	34	34	34	34	34	34
Library	171	197	206	206	210	228	228	228	227	227
Mental Health	219	219	219	219	222	222	222	216	218	217
Permit Centers	16	16	16	16	16	16	16	16	15	15
Planning	44	45	45	45	45	45	45	45	44	43
Police	817	827	842	852	855	864	864	872	894	817
Public Relations & Media Services	19	19	19	19	20	20	20	20	19	20
Public Utilities	306	307	307	309	312	314	309	307	316	322
Public Works	257	259	259	262	263	269	269	288	295	300
Real Property (6)	7	7	7	7	7	7	7	-	-	-
Recreation & Parks	172	170	170	177	177	186	183	181	190	192
Risk Management (4)	-	-	-	-	-	-	7	7	8	8
Sheriff	373	390	390	394	394	396	396	396	397	401
Social Services	172	177	185	192	201	213	213	216	216	219
Solid Waste	69	69	69	67	66	69	69	69	71	71
Sports and Entertainment Authority (5)	-	-	-	-	-	-	-	4	6	7
Sub-total General Government	3,937	3,986	4,032	4,100	4,133	4,245	4,267	4,294	4,355	4,424
Education	6,686	6,762	6,832	6,868	6,972	7,116	7,146	7,288	7,441	7,620
Total Government Employees	10,623	10,748	10,864	10,968	11,105	11,361	11,413	11,582	11,796	12,044

Source: County of Henrico, Virginia Department of Human Resources (Education complement verified by School Finance Office)

(1) The County's personnel complement reflected here includes only those positions funded either wholly or in part with County funds. Positions funded 100% by other agencies (384 as of March 4, 2024) are not included. General Government positions are based on headcount while Education positions are measured using FTE.

(2) Certain approved, vacant and frozen positions have been removed from the department where previously assigned and are being held in the Hold Complement until reassignment is made.

(3) Prior to 2021, Emergency Management and Workplace Safety fell under the Division of Fire.

(4) Prior to 2021, Risk Management fell under the Department of Finance.

(5) The Sports & Entertainment Authority was established in April 2021.

(6) Real Property was absorbed by Public Works in November 2021.

(7) Emergency Communications became a Department on July 1, 2023.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Table XIV

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)
General Government										
Finance:										
Standard & Poor's G.O. Bond Rating	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Moody's Investor Service G.O. Bond Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Fitch IBCA G.O. Bond Rating	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Land Parcels Reviewed	114,370	114,840	115,532	116,482	117,845	118,300	119,000	120,550	120,742	121,476
Vehicles Assessed	363,776	364,000	389,491	383,083	398,815	405,798	397,458	403,824	403,196	401,448
GFOA Award Budget - # of Years	26	27	28	29	30	31	32	33	34	35
GFOA Award ACFR - # of Years (2)	33	34	36	37	38	39	40	41	42	43
GFOA Award PAFR - # of Years (9)	-	-	-	-	-	1	2	3	4	5
General Services:										
Fleet Annual Miles Driven	25,119,814	24,262,178	25,273,320	17,956,232	24,805,401	22,527,054	18,352,586	20,557,130	20,557,130	24,662,962
Gallons of Fuel Consumed	2,901,549	2,974,784	3,045,532	2,982,165	3,029,706	2,612,758	2,030,793	2,762,704	2,762,704	2,793,762
Total Work Orders Completed	21,253	20,676	20,782	21,995	22,729	26,500	22,997	23,893	21,795	25,250
Information Technology (4)										
Support Desk - Tickets	4,589	5,035	7,419	8,859	10,402	10,823	13,729	17,782	17,782	19,000
Support Desk - Call Queue	-	-	-	6,322	6,127	5,286	6,227	6,976	6,976	9,000
Systems - Virtual Servers	273	310	375	354	348	331	486	507	552	549
Systems - Physical Servers	96	99	104	77	78	78	60	202	182	169
Systems - Onsite Storage in TB	224	310	451	318	322	550	1,182	1,500	1,500	1,149
Systems - Cloud Storage in TB	5	6	6	7	8	16	17	20	20	43
Judicial Administration										
Clerk of Circuit Court:										
Deed Book Entries	36,443	43,000	42,752	43,000	40,194	42,750	57,027	64,339	41,520	30,530
Civil Cases	3,475	4,000	4,659	4,100	5,493	2,467	2,383	4,909	4,971	5,078
Criminal Cases	5,073	5,650	6,650	5,600	5,554	5,551	4,660	5,450	6,075	6,023
General District Courts:										
New Criminal Cases Filed	14,289	14,574	15,573	15,402	16,962	16,851	13,481	13,130	13,027	13,139
New Civil Cases Filed	34,114	34,411	36,935	36,223	38,862	38,497	24,553	27,711	34,958	37,152
New Traffic Cases Filed	62,844	54,325	53,817	54,784	56,173	54,785	36,244	46,481	47,699	49,127
Commonwealth's Attorney:										
Criminal Cases	40,597	41,890	45,037	45,284	46,175	50,108	47,538	47,538	41,640	42,000
Traffic Cases	88,907	79,778	76,134	77,622	77,022	92,375	78,521	78,521	71,089	72,000
Public Safety										
Police:										
Calls for Service	203,330	211,832	212,154	217,971	208,950	194,591	187,276	195,368	196,265	192,432
Criminal Arrests	20,059	20,111	22,689	20,969	21,519	21,188	36,283	25,444	26,833	25,937
Traffic Arrests	49,195	43,149	44,613	40,931	47,191	41,786	31,354	32,942	33,703	31,963
Fire Protection:										
Calls For Service	46,233	47,948	49,235	50,287	48,004	46,006	48,080	48,080	54,542	57,050
EMS and Rescue Calls	38,408	39,660	41,216	41,688	39,965	38,296	40,259	40,259	45,775	48,002
Fire Incidents	809	764	768	774	637	806	7,821	7,821	8,767	9,048
Sheriff:										
Civil Papers Served	112,078	117,462	122,337	123,896	120,566	121,907	68,588	89,124	132,000	132,000
Annual Commitments to Jail	16,143	15,613	15,049	14,516	14,741	13,368	11,275	11,796	12,500	13,000
Average Daily Inmate Population	1,221	1,177	1,350	1,436	1,403	1,337	1,178	1,037	1,200	1,300
Building Inspections:										
Total Permits Issued	13,577	13,700	15,773	16,322	15,998	15,724	16,624	11,252	15,493	15,127
Total Inspections	68,861	69,931	81,983	92,685	96,611	87,157	91,157	65,489	73,423	74,080
Public Works										
Public Works:										
Lane Miles Maintained	3,468	3,498	3,516	3,524	3,533	3,547	3,555	3,563	3,575	3,583
Traffic Signals Maintained	150	150	154	155	156	161	169	175	179	190
Development Plans Reviewed	1,568	1,828	1,922	2,315	1,929	1,606	882	1,404	1,325	1,400
Health and Social Services										
Public Health:										
Nursing Home Screening (5)	666	707	729	703	663	700	606	622	625	715
WIC Average Monthly Participation (6)	N/A	5,099	4,776	4,671	4,583	4,800	5,279	5,113	5,282	5,000
Patient Visits	15,258	13,787	15,117	14,259	14,472	14,100	7,033	8,334	9,259	9,000
Social Services:										
Clients Entering Employment	694	436	511	527	414	292	161	197	219	391
Family Foster Child Home Recruitment (10)	13	10	8	12	21	31	28	30	31	33
Education										
Schools:										
Cost Per Student	\$ 9,305	\$ 9,644	\$ 9,790	\$ 10,051	\$ 10,586	\$ 10,848	\$ 11,375	\$ 12,981	\$ 13,556	\$ 14,472
Teaching Positions	3,780	3,833	3,906	3,917	3,993	4,056	4,076	4,181	4,212	4,285
Student/Teacher Ratio	13.3	13.1	12.9	12.8	12.6	12.4	11.9	11.7	11.6	11.4

**HENRICO COUNTY, VIRGINIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Table XIV

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)
Parks, Recreation and Cultural:										
Recreation:										
Park Visitation	3,295,348	3,334,908	3,570,480	3,492,505	3,756,148	4,091,180	5,250,825	6,295,787	6,552,624	7,200,000
Program Participants	30,404	40,350	25,804	97,487	97,726	84,530	31,510	41,574	105,663	75,835
Recreation Programs	2,762	1,199	1,147	1,322	1,311	1,215	480	975	1,344	1,700
Library:										
Customer Visits	1,986,263	1,958,700	2,137,664	2,145,850	2,055,948	1,386,023	550,665	1,100,350	1,338,271	1,378,419
Annual Circulation of Materials	3,936,061	4,051,024	4,201,479	4,164,126	4,147,567	3,394,797	2,551,085	3,333,305	3,546,845	3,701,978
Community Development										
Economic Development (3):										
Square Footage of New Businesses	89,409	208,544	81,897	1,145,045	1,564,114	248,150	3,133,600	1,200,000	28,797,000	1,419,700
New Jobs Created	36	163	173	433	320	978	1,417	1,271	641	700
Planning:										
Reviews Completed	322	342	314	360	288	323	282	347	306	335
Petitions and Permits Processed	118	92	123	103	121	103	148	152	115	135
Maps Prepared	1,364	1,154	1,296	979	1,274	1,207	1,178	1,142	963	950
Community Development (con't)										
Community Revitalization:										
Community Maintenance Cases	11,170	12,496	13,040	11,170	12,793	10,581	7,580	8,638	9,190	10,201
Inspections Completed	30,451	32,532	35,600	30,451	37,117	30,929	21,868	27,199	26,453	26,399
Volunteers Hours Worked (8)	2,256	4,638	4,336	2,256	3,099	475	-	504	356	390
Permit Center:										
Permit Applications Received	4,437	5,519	5,214	4,004	5,616	5,248	4,933	7,432	9,178	8,459
Permit Applications Reviewed	9,136	10,283	9,178	8,724	6,509	7,550	9,244	6,925	11,339	12,997
Permits Issued	5,058	5,375	4,718	5,201	4,264	4,911	4,444	4,688	6,333	5,210
Inquiries	17,917	16,345	15,556	17,935	11,916	14,056	14,773	10,178	34,017	40,677
Public Utilities										
Solid Waste:										
Number of Customers	45,167	46,586	47,955	49,088	50,127	50,730	52,472	53,735	54,893	55,500
Tons of Waste Collected (7)	44,624	47,511	52,774	50,340	55,384	55,235	58,296	57,597	55,070	56,350
Tons Deposited in Public Use Areas	23,946	23,903	27,836	25,504	26,791	29,075	32,530	29,095	28,563	29,000
Water and Sewer:										
Number of Water Customers	95,994	96,811	97,546	98,527	99,435	100,259	100,964	101,667	102,305	103,300
Number of Sewer Customers	93,087	93,939	94,538	95,493	96,383	97,208	97,892	98,591	99,231	100,100
Fire Hydrants in Service	12,611	12,880	13,011	13,236	13,388	13,513	13,668	13,849	14,044	14,200

Source: Approved County Budget

- (1) FY 2024 column data is revised budget not actual, where actual data is not yet available.
(2) Error reported in previous years was corrected in 2017.
(3) New metrics used beginning in 2018. Data for prior years listed when obtainable.
(4) New metrics used beginning in 2018. Data for prior years listed when obtainable.
(5) New metric used beginning in 2020. Data for prior years listed.
(6) New metric used beginning in 2020. Data for prior years listed when obtainable.
(7) Bulky waste pickups and neighborhood cleanups were halted during FY21 in response to COVID-19. Bulky waste pickups are now being performed by contractors.
(8) In response to COVID-19, all volunteer assistance programs were suspended beginning in March 2020.
(9) Received a GFOA Award for the 2019 PAFR during 2020. The 2019 PAFR was Henrico County's first issuance.
(10) New metric used beginning in 2021. Data for prior years listed when obtainable.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Table XV

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)
General Government										
Vehicles	567	482	602	598	611	493	594	612	631	622
Building Square Footage	2,680,779	2,810,500	2,810,500	2,821,706	2,914,383	2,930,423	2,944,374	2,944,374	2,944,374	2,979,377
Food Service Facilities (5)	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police:										
Vehicles	825	778	803	820	830	865	829	842	833	839
Police Stations	3	3	3	3	3	3	3	3	3	3
Police Field Offices	2	2	2	2	2	2	1	1	2	2
Sheriff:										
Vehicles	67	71	75	75	76	68	84	84	85	82
Prisoner Facilities	2	2	2	2	2	2	2	2	2	2
Juvenile & Domestic Relations										
Juvenile Detention Facilities	2	2	2	2	2	2	2	2	2	2
Fire Protection:										
Vehicles	192	226	205	210	209	205	210	219	235	216
Stations	20	20	20	21	21	21	21	21	22	22
Public Works:										
Vehicles	336	357	347	346	349	343	361	364	359	370
Miles of Maintained Roads	1,360	1,370	1,376	1,379	1,382	1,390	1,392	1,393	1,399	1,413
Miles of Storm Drainage	2,096	1,553	1,600	1,636	1,639	1,666	1,686	1,691	1,693	1,750
Education										
Schools:										
Vehicles	1,186	1,203	1,220	1,184	1,179	1,186	1,184	1,158	1,201	1,164
School Facilities	72	72	72	72	72	72	74	75	75	74
Recreation and Cultural										
Recreation:										
Recreation/Community Centers	21	21	21	21	20	20	20	20	20	20
Developed Park Acreage	2,584	2,584	2,584	2,792	3,346	3,355	3,364	3,364	3,364	3,364
Athletic Fields/Courts	199	200	200	210	225	235	248	248	248	248
County Golf Courses (4)	1	1	1	1	1	-	-	-	-	-
Library:										
Number of Libraries (3)	11	11	10	10	10	10	10	10	10	10
Titles in Collection	328,918	329,139	328,026	276,482	315,711	335,919	341,035	334,197	328,261	339,067
Volumes in Collection	839,037	833,141	741,877	754,993	809,032	873,939	913,188	865,646	878,980	871,705
Public Utilities										
Water and Sewer:										
Vehicles	373	393	370	376	380	343	390	398	407	384
Miles of Water Mains	1,595	1,607	1,622	1,634	1,641	1,647	1,657	1,670	1,683	1,697
Miles of Sewer Mains	1,481	1,491	1,504	1,514	1,522	1,528	1,532	1,540	1,551	1,559
Landfills (2)	-	-	-	-	-	-	-	-	-	-

Source: Approved County Budget

(1) FY2024 column data is revised budget not actual, where actual data is not yet available.

(2) The Springfield Landfill was closed June 30, 2014.

(3) As of 2017, bookmobile no longer included in total.

(4) The First Tee of Greater Richmond is leasing Belmont Golf Course for twenty years, effective January 1, 2020.

(5) Café 1611 closed during the COVID-19 pandemic and hasn't reopened yet.

See accompanying independent auditors' report.