

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CHESTERFIELD COUNTY, VIRGINIA

COUNTY OF CHESTERFIELD, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

Prepared by
Accounting Department, Finance and Administration



Everyday excellence

Goal: Demonstrate excellence in public service with a commitment to fiscal stewardship and efficient use of resources

Objectives

- 1.1 Promote trust and transparency that strengthens community engagement
- 1.2 Continuously improve our service-centric culture
- 1.3 Model financial integrity, considering regional and private partnerships as appropriate
- 1.4 Invest in employee engagement



Safe and secure community

Goal: Partner with the community to provide safe and secure surroundings through prevention, readiness and professional response

Objectives

- 2.1 Increase safety and preparedness through prevention
- 2.2 Foster positive and respectful community relationships
- 2.3 Address repetitive incidents that negatively impact resources
- 2.4 Respond promptly, professionally and efficiently to service calls



Robust economy

Goal: Foster a vibrant economy that provides quality jobs, enhances economic opportunities and ensures business diversity

Objectives

- 3.1 Attract and retain a variety of business sectors to match the talents of existing and future citizens
- 3.2 Expand available jobs so more residents can work in the county
- 3.3 Provide services and venues that encourage residents to stay and visitors to return



Healthy living and well-being

Goal: Promote healthy, active lifestyles while fostering self-sufficiency and quality of life

Objectives

- 4.1 Provide critical and easily accessible resources to help individuals flourish
- 4.2 Inspire neighbor-to-neighbor relationships
- 4.3 Encourage healthy lifestyles
- 4.4 Demonstrate readiness for shifting demographics



Thriving communities

Goal: Enrich quality of life, enhance community attractiveness and preserve natural resources

Objectives

- 5.1 Foster long-lasting communities with unique identities
- 5.2 Enhance, restore and maintain neighborhoods and communities using public and private efforts
- 5.3 Continuously improve public infrastructure and facilities
- 5.4 Responsibly attend to the environment



Learning for a lifetime

Goal: Support a range of learning opportunities that sustains quality of life, employment and well-being

Objectives

- 6.1 Collaborate with Chesterfield County Public Schools to position students for lifelong success
- 6.2 Provide access to learning and enrichment opportunities for citizens of all demographics
- 6.3 Equip the workforce with skills to meet changing business needs

VISION

To be an extraordinary and innovative community in which to live, learn, work and play.

VALUES

RESULTS

We focus on outcomes that add value

- We align our goals to positive and intentional achievements
- We, as employees, are positively contributing
- We use appropriate resources, knowledge and skills to achieve our goals
- We do what we say we're going to do

- We curiously explore ways to turn ideas into solutions
- We work collaboratively
- We constantly think about the customer experience by assessing what we do, why we do it and the way we deliver products/services

INNOVATION

We look for new ways to solve problems and new approaches to service delivery

SERVICE

We seek to understand and respond appropriately to customers' key needs

- We know county services, so we can respond to customer needs
- We anticipate, rather than react to, customer needs
- We view customer interactions as transformational, not transactional
- We improve the customer experience, within legal, ethical and moral boundaries

- We efficiently manage the resources entrusted to us
- We respectfully interact with others, even if we disagree
- We use good judgement and ask for advice, if in doubt
- We are responsible and accountable for our decisions
- We live the county's Code of Ethics

ETHICS

We are honest, transparent and contribute to the county's reputation

The contributions of our employees and engaged citizens make this blueprint possible.

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INTRODUCTORY SECTION





Chesterfield County, Virginia

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BOARD OF SUPERVISORS

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October 31, 2022

The Honorable Members of the Board of Supervisors
County of Chesterfield, Virginia

Honorable Members of the Board of Supervisors:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Chesterfield County, Virginia (the County), as of and for the fiscal year ended June 30, 2022. State law requires that local governments have all their accounts and records, including accounts and records of their constitutional officers, that comprise the financial statements be audited annually as of June 30 by an independent certified public accountant and that they submit an audited financial report on or before December 15 to the Auditor of Public Accounts of the Commonwealth of Virginia (APA). The County's Accounting Department has prepared this report in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board and the APA.

The ACFR was prepared with an emphasis on full disclosure of the financial activities of the County. Responsibility for both the completeness and the reliability of the content rests with County management. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile reliable information for the preparation of the County's financial statements in conformity with United States (U.S.) generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Cherry Bekaert LLP, a firm of licensed certified public accountants, audited the County's financial statements, as of and for the fiscal year ended June 30, 2022. The independent auditors planned and performed the audit to obtain reasonable assurance that the financial statements of the County, as of and for the fiscal year ended June 30, 2022, are free from material misstatement. The independent audit involved performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The independent auditors concluded, based on the evidence obtained while following all applicable auditing standards, that there was a reasonable basis for forming and expressing unmodified opinions, that the County's financial statements, as of and for the year ended June 30, 2022, are fairly presented, in all material respects, in conformity with GAAP. The report of the independent auditor on the 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 was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the Schedule of Expenditures of Federal Awards in relation to the audited financial statements, but also on the audited government's compliance with federal requirements that could have a direct and material effect on each of its major federal programs and on internal control over compliance in accordance with the U.S. Office of Management and Budget's Uniform Guidance. The independent auditors' report on the Uniform Guidance for the County is available in the Compliance Section of this report.

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

Profile of the County

The County is in the mid-Atlantic region of the U.S. in east-central Virginia and is part of the Richmond Metropolitan Statistical Area (MSA). Residents enjoy a location that is within a two-hour drive of the Virginia beaches, the Blue Ridge Parkway, and Washington D.C. With 50% of the nation's population, 60% of the nation's corporate headquarters and 65% of the nation's manufacturing operations within a one-day commute. In 2021 Money Magazine ranked Chesterfield as one of the top places to live in the country. The County's major transportation routes include the I-95 and I-295 corridors with Route 288, Route 76 (Powhite Parkway), and Route 150 (Chippenham Parkway) as connecting routes providing quick access to I-64 to the north and I-85 to the south. This strategic location has been a catalyst for residential, commercial and industrial growth. The land area of the County totals 446 square miles. A large portion of land in the County, especially in the southwestern area, remains rural. The County's population is estimated at approximately 371,000.

The County's early history includes the second successful English settlement in the New World, the Citie of Henricus, founded in 1611. The development of the first hospital, the chartering of the first college, and the introduction of a commercially successful tobacco strain were some of the important events that occurred at Henricus which influenced the course of American history. The County was founded in 1749 and emerged as an important industrial hub as the first place in the nation where coal was commercially mined. The commercialization of the Midlothian mines resulted in Midlothian Turnpike, known as the Manchester or Buckingham Road, which became the first paved road in Virginia. The first railroad in the area was built in 1831 from the mines to the James River so coal could be loaded on ships and sent to New York, Philadelphia, and other northern cities. Coal mining operations continued through the Civil War.

The County operates pursuant to a County Charter approved by the citizens of the County in a referendum election and subsequently enacted by the Virginia General Assembly in 1988 with the most recent charter amendments occurring in fiscal year 2017. The governing body of the County is the Board of Supervisors (Board) which is composed of five members, one member elected from each of five magisterial districts. Members must reside in the district that he or she serves and are elected for four-year terms. The term of the current Board began January 2020 and will continue through December 2023. The Board establishes policies governing the administration of the County and appoints a County Administrator who serves at the pleasure of the Board to execute the policies.

The County provides a full range of municipal services and continues to be the lowest cost, full-service locality among localities of similar size located in the Commonwealth of Virginia (Commonwealth). Major programs include police, fire and emergency medical services, court services, libraries, parks and recreation, community development, social services, and mental health services. Additionally, the County operates a general aviation airport and water and wastewater utility systems (Utilities). The citizens elect a separate School Board to oversee education through the Chesterfield County Public School system (CCPS). The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The financial reporting entity includes all funds of the County, the primary government, and its component units. Two discretely presented component units (i.e., School Board and Chippenham Place Community Development Authority) and one blended component unit (Economic Development Authority) are included in the reporting entity because of the County's financial accountability for these organizations. The discretely presented component units are reported separately within the County's basic financial statements while the blended component unit is presented as though it were a fund of the County. Additional information concerning these legally separate organizations can be found in Note 1 to the financial statements.

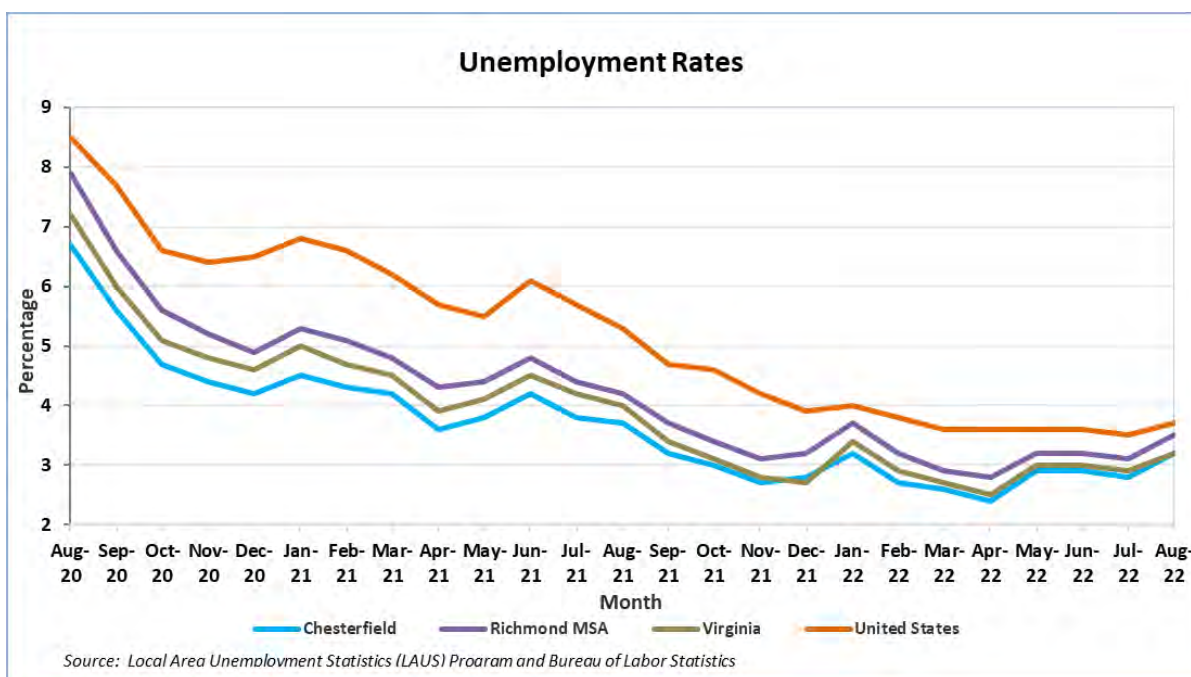
The annual General Fund budget serves as the foundation for the County's financial planning and control. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget by May 1st of each

year. The appropriated budget is adopted at the function level for the General Fund. The County Administrator is authorized to amend appropriations by transferring any unencumbered balance, or portion thereof, from one classification of expenditure to another within the same department or appropriation category and may transfer up to \$50,000 from the unencumbered appropriated balance of one appropriation category to another appropriation category. No more than one transfer may be made for the same item causing the need for a transfer, except when the total amount to be transferred for the item does not exceed \$50,000. The Board must approve most other amendments that increase the total appropriation of any function level.

Local Economy

The Richmond MSA enjoys employment that is broadly distributed among the region's industry sectors, with retail, logistics, utilities and healthcare sectors showing the most strength. Positive economic trends continue in the areas of economic development and retail sales. Comparisons of the County's trends to the Richmond MSA and the Commonwealth continue to be favorable.

The County's ability to attract a highly skilled labor force to quality jobs in the region creates prosperity during healthy economic times and allows for weathering the downside in a slower economy. The County's annual unemployment rate of 3.6% in calendar year 2021 (CY2021) reflect a steady improvement that continues to move closer to pre-pandemic rates. The County's annual unemployment rate compared favorably to the Richmond MSA and the Commonwealth's rates of 4.2% and 3.9%, respectively. Unemployment data for August 2022 reflects a continued decreasing trend in unemployment rates, reporting the County's unemployment rate at 3.2% compared to the Richmond MSA's rate of 3.5% and the Commonwealth's rate of 3.2% with the U.S. unemployment rate at 3.7%. To compare to pre-pandemic rates, unemployment data for August 2019 reported the County's unemployment rate at 3.0%, Richmond MSA's rate at 3.2%, the Commonwealth's rate at 2.9% and the U.S. at 3.8%.



The County is committed to cultivating a vibrant economy that enhances economic opportunities by attracting new business capital investment and encouraging reinvestment by established businesses, with both creating new jobs. The County's Department of Economic Development (Economic Development) works to attract significant new business and assists existing County businesses in expanding their operations. During FY2022, new and expanding industrial and commercial businesses announced investments of \$1.16 billion including the creation of approximately 2,647 new jobs and the addition of 2.6 million in square footage. In June 2022, the LEGO Group (LEGO) announced plans to invest more than \$1 billion to build a new factory, it's second in the United States and it's only U.S. toy manufacturing facility, in Meadowville Technology Park. The global toy manufacturer plans a 1.7 million square foot carbon-neutral facility that will employ 1,760 people. The site will be designed to minimize energy consumption and use of non-renewable resources. Bon Secours continues to invest in the County with the \$118 million expansion of the Bon Secours St. Francis Medical Center in western Chesterfield County. The project will create more than 100 new jobs. The 179,000-square-foot renovation and expansion includes the addition of over 100 beds and an ancillary services expansion through the renovation of existing hospital space as well as a two-story vertical expansion. Starplast USA, subsidiary of Israeli company Starplast announced it will invest

approximately \$17.7 million to develop a new manufacturing facility in eastern Chesterfield. Starplast USA produces a wide range of high-performance plastic products, like plastic housewares, garden storage, and toys. The new operation will create 300 new jobs in the county. Also, BJ's Wholesale announced and is constructing a \$28.5 million, 100,000 square foot, membership-only retail operation offering bulk groceries, electronics & more in a warehouse-like space. The new store will employ 175 workers. Other noteworthy announcements in FY2021-FY2022 included new investments from Hidden Wit Brewery, Icon Fitness, Southeast Connections, Verdex Technologies and Schlatterer Esband, as well as the expansion of Paymerang. With these significant investments, the most consequential fiscal year investment in the County's history, the local economy will continue to evolve and flourish for years to come.

Meadowville Technology Park (MTP), one of Chesterfield's premier employment centers, with its location at the junction of Interstate 295 and the historic James River, and the completion of the Meadowville interchange has attracted substantial investment bringing hundreds of jobs to the County and has increased the assessed property value from below \$10 million initially to more than \$220 million. MTP's master plan allows a variety of uses including technology/R&D, corporate/general office, data centers, life sciences, micro-electronics, manufacturing and assembly, and biotech/pharmaceutical operations. Design guidelines and architectural standards have been put in place to ensure a first-class development. In addition to LEGO, in September, the Governor announced that non-profit Civica Inc. will invest \$27.8 million to establish a new 55,000 square foot laboratory testing center that will create 51 new jobs, and the California-based company Plenty Unlimited Inc. announced that it will build a \$300 million indoor vertical farm campus at the site creating 300 jobs. Other facilities operational at this site include Amazon Fulfillment, Niagra Bottling, Medline and Digital Fortress.

Trends in taxable retail sales in the County continue to compare favorably to the Richmond MSA and the Commonwealth. The average annual percentage increase in the County's taxable retail sales was 4.1% for the period 2011 to 2021 and compared favorably to increases of 3.9% and 3.0% for the Richmond MSA and the Commonwealth, respectively, during the same period. An outcome of the COVID-19 pandemic is that more employees leveraged work at home opportunities resulting in an increase in spending locally that began in FY2021 and has continued through FY2022.

Taxable Retail Sales
(\$ in 000's)

Calendar Year	Chesterfield County	%	Richmond MSA	%	Commonwealth of Virginia	
						% Change
2011	3,502,240	4.1 %	14,210,036	3.6 %	89,070,341	3.1 %
2012	3,712,873	6.0	14,937,724	5.1	93,335,660	4.8
2013	3,750,484	1.0	15,129,668	1.3	94,597,894	1.4
2014	3,943,519	5.1	15,698,529	3.8	96,243,827	1.7
2015	4,073,926	3.3	16,440,786	4.7	100,219,957	4.1
2016	4,179,659	2.6	16,641,946	1.2	101,678,812	1.5
2017	4,394,824	5.1	17,266,789	3.8	103,741,107	2.0
2018	4,533,449	3.2	18,138,765	5.1	106,075,147	2.2
2019	4,495,031	(0.8)	17,941,752	(1.1)	107,779,678	1.6
2020	4,594,965	2.2	18,125,259	1.0	104,359,825	(3.2)
2021	5,211,996	13.4	20,665,063	14.0	118,653,893	13.7

Source: Weldon Cooper Center for Public Service/University of Virginia

The County continues to expand its revenue base by attracting a diversified pool of taxpayers and employers. During the year ended June 30, 2022, the top ten taxpayers accounted for 3.8% of the County's total assessed value tax base. The County's taxpayer and employment bases contain a broad range of industries including healthcare, retail sales, utilities and manufacturing. Detailed information regarding the top ten taxpayer statistics and employer diversity can be found on pages 249 and 255, respectively.

The County's real estate market remained strong with the value of real property, including changes in the values of existing properties and gains from new construction, increasing 15.03% as of June 30, 2022, exceeding the gains experienced during the prior year of 7.3%. The aggregate value of existing residential properties rose 11.9% compared to 4.4% over the prior year. The growth in existing commercial property valuations increased to 17.6% compared to the prior year's gain of 2.6%. To mitigate the impact to property owners, the County Board of Supervisors approved a three-cent reduction of the real estate tax rate to \$0.92 per \$100 of assessed value for tax year 2022. Revaluation of existing residential property is expected to grow a conservative 3.0% annually, in line with the historical average. The strength of our workforce is a key driver to attract business investments. To

continue attracting a skilled workforce, the County is focused on designing communal environments and developers are responding with over 5,000 multi-family housing units under construction, planned or proposed.

The sport-tourism industry continues to thrive and has proven to be resilient through the pandemic. There have been 180,000 visitors for 48 events adding \$32.2 million to the local economy. Hotel occupancy rates and room revenue exceeded 2019 numbers with sports tournaments representing 79% of the region's bookings. This year River City Sportsplex, the nationally recognized premier sports tourism venue, is establishing a reputation as an entertainment venue as the host site for the Chesterfield After Hours concert series. To further enhance and maximize the experience of visitors to River City Sportsplex and residents living in the surrounding area, the County has drafted, with Board approval expected in 2022, the Genito/288 Special Focus Area Plan, a component of the comprehensive plan, to identify opportunities and strategies for redevelopment and revitalization of the surrounding area. A component of the plan is the redevelopment of the 48-acre site of the former Southside Speedway, which the County acquired in FY2022, that may include a new venue that could still accommodate auto racing. The County continues to solicit input to identify uses for the site that complement investments at River City Sportsplex. This is in addition to the over \$8.2 million investment committed from FY2022-2023 to fund stadium seating, turf replacements and new fields. Adjacent to the Genito/288 Special Focus Area plan, Phase 1 has started on The Lake. When all phases are completed, the Lake will feature a six-acre surf park, amphitheater, two hotels, more than 700 residential units, 100,000 square-feet of office space and 150,000 square-feet of retail and entertainment. Phase 1 is anticipated to open to the public by the end of 2023 with the 13-acre man-made lake and commercial construction including restaurants.

The County has generated excitement in the region with a plan to revitalize the property, known as Spring Rock Green located just off Chippenham Parkway, a beltway that connects I95/SR895 to Parham Road at River Road in Henrico County providing convenient access for those traveling to the Greater Richmond Region. The 41.9 acre property has been rezoned for up to 1,100 multifamily units, 125 townhouses or condominiums, office and retail space, a hotel, parking deck and a sports and entertainment facility. Construction of Phase I could begin as early as the summer with a 2024 completion date.

Long-term Financial Planning

The County provides a high quality of life, unparalleled public safety and a school system nationally recognized for its quality of education. The County's strategic plan, Blueprint Chesterfield, was updated as of July 1, 2019, and demonstrates the County's vision to deliver services that make it an extraordinary and innovative community in which to live, learn, work, and play. The current strategic goals are:

- Everyday Excellence
- Safe and Secure Community
- Robust Economy
- Healthy Living and Well-being
- Thriving Communities
- Learning for a Lifetime

Blueprint Chesterfield is a roadmap that guides decision making during times of prosperity or challenge and provides a means to link both departmental and individual performance to the County's strategic goals using a measurement system to indicate progress toward goals. The annual financial plan links to Blueprint Chesterfield and includes a detailed budget for the upcoming year and projections for the next four years (five-year plan) to capture commitments aligned with priorities identified by the community and the Board. The multi-year projections serve as a roadmap to allocate funding to priorities for future years using preliminary revenue projections. Over the course of each budget cycle, staff meets with the community multiple times and in various settings through public meetings and other citizen engagement sessions, both in person and virtually. Social media campaigns reach those who cannot attend meetings or prefer to provide input electronically. Input from these sessions and all other feedback received throughout the year defines the community's priorities. Blueprint Chesterfield serves to align resources to initiatives during the annual budget process.

Fiscal integrity is a top priority for the County. The County's financial policies establish the framework for financial planning and management, facilitate evaluating future funding and spending proposals, and provide guidelines to measure budgetary performance. These financial policies further ensure that the County continues to achieve everyday excellence in government by providing direction in the areas of revenues, operating expenditures, capital expenditures, and debt management. The Board reviews all County financial policies at least every five years, with the last full review occurring with the fiscal year 2018 adopted budget. The most recent updates occurred during the development of the FY2023 budget.

The County prepares a Capital Improvement Program (CIP) each year, which serves as a planning tool for the efficient, effective and equitable distribution of public improvements throughout the County. The development of the

CIP is guided by the County's Public Facilities Plan, which comprehensively assesses County public facility needs in relation to existing and future growth patterns through the consideration of population growth, projected density, economic development and service levels. County departments are asked to submit requests for Capital Improvement Programs (CIP) for a five-year horizon which are reviewed by staff, the Citizen's Budget and Advisory Committee, and executive leadership prior to being presented to the Board. The adopted CIP is a component of the annual financial plan.

Real and personal property tax revenues are the County's principal funding source, representing 62.3% of the budget for General Fund revenues in FY2023. Total real property revenues are budgeted at \$473.3 million, an increase of \$55.9 million, or 13.4%, from the FY2022 adopted budget. The aggregate value of existing homes in the County increased by 11.9% during CY2021, considerable growth from the prior year mark of 4.4%. This increase marked the ninth consecutive increase in aggregate home values. These historic increases in home values have been driven by lower inventories and increased costs of materials in response to the economic recovery of the COVID-19 pandemic. Personal property taxes are another major source of local revenues for the County and were budgeted in FY2023 at \$107.3 million, an increase of \$22.1 million, or 26%, from the FY2022 budget. Personal property is consistently one of the County's most variable revenue sources given its sensitivity to unpredictable variables such as gas prices, manufacturer incentives, natural disasters, as well as the due date which is late in the fiscal year. Unlike homes, cars and trucks are more liquid assets that can be easily substituted in-and-out to respond to changing market conditions. Forecasting personal property revenue is challenging and, therefore, typically requires a very conservative course when projecting vehicle-related revenues.

While the County has traditionally provided relief for the elderly and disabled through real estate tax relief, personal property tax relief for low valued vehicles, and for our business community through our Business, Professional and Occupational License (BPOL) tax thresholds, we made threshold adjustments to all these programs in recognition of the economic pressures our citizens and business community are facing. 2022 marked the first full year of the widest tax relief program in the county's history.

General fund expenditures for FY2023 were budgeted to increase \$99.5 million, or 12.3%, over the prior year's budget. The commitment to investing in our workforce as well as infrastructure and facilities make up approximately 70% of the year-over-year growth from last year's budget. While the increase, both in terms of raw dollars and percentage increase, is higher than our long-run average growth, it is important to provide some context around this increase. Firstly, the county has not been immune to the effects of inflation. Lead times for goods and services and our purchasing power have been hampered like many households in the county and the cost of purchasing a good or providing a service has increased correspondingly. Secondly, a significant portion of the increase is being driven by market compensation. While never endeavoring to be the pay leader, the county is now competing with non-traditional competitors and the market to attract and retain a talented workforce is fiercer than it has been in decades. Finally, but most importantly, inflation can distort the underlying costs of goods and services and, in our case, of running the local government. When adjusted for inflation, our per capita spending is right in line with the post 2008 recession cost of operating the general government and is in effect operating at 1992 levels. It is also important to put into context that the county continues to absorb many new and federal state mandates, many that are not 100% funded, that are now included in this spending.

Relevant Financial Policies

The County's financial policies adopt a prudent approach toward financial and debt management. As of June 30, 2022, the portion of the County's operating expenditures dedicated to the repayment of debt, capped by policy at 10% of general government expenditures, was 6.7%. With the FY2023 budget, the County continues to meet the target to reinvest 2.5% of the calculated replacement value of its facilities into major maintenance per the policy amendment adopted with the FY2018 budget. It is important that funding levels for this program continue to be monitored as new facilities come online and existing facilities continue to age. Each year, the County targets 8% of total General Fund expenditures to unassigned fund balance to provide the ability to cope with unexpected financial emergencies and eliminate the need for short-term borrowing, ensure that current obligations including debt payments can be met, and provide a cushion against the potential impact of significant unexpected changes in revenues. The actual ratio for the year ended June 30, 2022, was 8.8%. The County strives to repay new debt issues using a level principal repayment structure over the life of the issue to help maintain accelerated payout ratio goals.

The County's fiscally responsible financial policies, solid financial results and sound management were reaffirmed in February of 2022 as the County prepares to issue general obligation bonds, per voter approval of the bond referendum, with Standard and Poor's, Moody's, and Fitch Ratings rating the bonds as "AAA", the highest attainable bond ratings. The County has held a triple-AAA bond rating for the past twenty-five years due to its robust and diverse economy, record of fiscal conservatism, and strong financial management. According to Standard & Poor's, "Chesterfield's credit profile has remained robust throughout the COVID-19 pandemic. The rating reflects our view of the county's consistently strong financial performance and flexibility to date. The county's use of

conservative budgeting assumptions has typically led to positive operating results, including in fiscal 2021 where the county posted a sizable surplus.” The triple-AAA rating ensures the County can borrow funds for the community’s capital and infrastructure needs at the lowest available interest rates. The rating agency reviews provide residents and businesses with thorough, independent assessments of the County’s financial and management practices. The County, along with Chesterfield Utilities, is in the one percent class of localities nationwide that hold the distinct honor of having a “AAA” bond rating from all three rating agencies. As investors increasingly focus on environmental, social and governance (ESG) factors, credit rating agencies are systemically and transparently working to incorporate material ESG issues into their ratings of municipal debt. Their methods include assessing issuers’ risks related to environmental factors such as climate change, carbon transition, water management, waste and pollution and natural capital; social factors such as access to basic services, demographics, education, health and safety, housing and labor and income; and governance factors such as institutional structure, policy creditability and effectiveness, budget management and transparency and disclosure. In its first-ever ESG assessment, the County received the highest possible score from Moody’s. The county is one of the first local governments in Virginia to have completed the ESG process. As rating agencies expand their ratings methodology to include ESG factors, we anticipate the County will continue to achieve the highest possible ratings assigned to local governments.

Chesterfield Utilities is one of only a handful of water and wastewater utilities in the nation to have achieved a AAA rating on its revenue bonds from the three top rating services. These ratings were reaffirmed when refunding bonds were issued in June 2016. Fitch Ratings reaffirmed their AAA rating in January 2021 referencing the Department of Utilities’ stability, modest operating costs, rate-establishing practices and rate flexibility and recognized Chesterfield Utilities for its strong financial profile and ability to remain stable, especially in these unprecedented times. Chesterfield Utilities has held this rating for the past twenty years.

Major Initiatives

The County continuously seeks opportunities to enhance the quality of life for our residents while attracting others here by laying the groundwork that makes our communities destinations to live, learn, work and play. This section highlights some of these initiatives and, along with the awards highlighted in the Awards and Acknowledgements section of this letter, showcase the breadth and quality of our services, innovation of our staff and our commitment to collaboration.

The County continues to act strategically in our commitment to public safety, community revitalization, the replacement of aging facilities that no longer meet demands and investment in new facilities for growth areas. This November, the County is asking voters to approve the \$540 million general obligation bond referendum to assist in funding the Community Facilities Bond Plan. This is the first referendum with a major general government focus since 2004. The Community Facilities Bond Plan proposes \$375 million for schools with the renovation, expansion or replacement of 5 older schools and the addition of 2 new schools in the western 360 area, \$45.7 million for 3 libraries including a new library to fill a gap in our western corridor, \$38.2 million for 5 parks and recreation projects expanding access points to conservation areas plus enhancements supporting sports tourism, and \$81.1 million for public safety to replace 2 of the County’s oldest fire stations, expand or renovate 2 other fire stations and add 4 newly constructed police stations which will allow them to vacate current leased space. The projects have been selected using a data-driven approach based on capacity and demand modeling using our StratIS platform and informed by community input with a focus on core services positioned in geographical areas with maximum impact and equity.

The County continues to re-define citizen engagement and outreach to effectively respond to their needs for today and tomorrow. To streamline public engagement on important issues and to promote community awareness and transparency, the County created the Office of Constituent Services as a point of contact and intermediary for constituent concerns, dialogue, and correspondence. In addition to web portals, the County launched a podcast series, Chesterfield Behind the Mic, and a blog, Chesterfield On Point. This ongoing dialogue enables a better understanding to meet citizens needs today and identify future opportunities.

In response to the COVID-19 pandemic, many of our departments executed creative solutions to deliver core services. Our libraries led the way with innovative programs including being one of the first public library systems to offer a curbside pick-up program. Recognizing the shift in customer service expectations, the staff began researching ways to continue this curbside program more efficiently as traditional services increased with libraries reopening. This year, they have implemented automated outdoor book lockers at two branches, Enon Library and Central Library. They intend to offer this service at all branches. In addition to the lockers, every library has self-service kiosk for checking out books, placing holds on books, paying fines, or checking the balance on your card. The local library is no longer just a place to check out books. Many people are using these spaces for access to a variety of resources, including learning pods and meeting spaces, and programs for all age groups and interests. For those without broadband access, the library serves as their gateway. This year, Chesterfield County Public Library, was recognized as a Wi-Fi at Work Awards winner for the connectivity options available to citizens. In addition to the on-site Wi-Fi access available inside the branch and the surrounding outdoor space, the library

purchased hotspots with a grant from the Library of Virginia that can be checked out by citizens. In recognition of the demand for services, the County is investing in the workforce to ensure staffing to expand operating hours and in facilities with the replacement of the Midlothian Library that began in FY2022, as well as those selected as part of the Community Facilities Bond Plan. In partnership with the Baxter Perkinson Center for the Arts and Education, in the heart of Chester Village Green adjacent to the Chester Library, the library plans to continue championing programming giving the community opportunities to explore, create and experience the arts. The Perkinson Center, the region's newest performance arts center including the first theater built in over 50 years, served 25,000 patrons in its first full year of programming.

The County remains diligent in preparing for future commercial growth with the purchase or rezoning of properties, and funding infrastructure improvements. The latest being the rezoning of the Upper Magnolia Green property in the western Chesterfield to set the stage for a new industrial technology park to support an ever-growing population with additional high paying jobs, new residential construction, as well as three new schools and a library. Most recently, this site was one of the final five locations considered by Intel for a \$20 billion semiconductor plant. To better position the county to secure such development and fully implement the future vision for growth and development, the County has initiated the Zoning Ordinance Modernization Project (ZoMod), a comprehensive rewrite of the zoning ordinance standards. Phase 1, the diagnostic phase was completed in FY2021 where the current ordinance was examined in detail. The County is now in Phase 2, the drafting phase. The draft is expected to include a new functional, mixed-use district, expanding the range of housing types to meet the changing market, enhanced development standards and a streamlined decision-making process. Skilled workers are key to attracting more advanced manufacturing and higher paying jobs. The County is uniquely positioned to fill create a pipeline of talent as one of two localities in Virginia that has two community college campuses within its borders.

While the Commonwealth is responsible for building and maintaining primary and secondary roads in the County, transportation needs in our community continue to be a priority. During FY2022, the Fall Line Trail received \$31M through the Central Virginia Transportation Authority (CVTA) for Chesterfield's 8.5 miles of the total 43-mile trail. Additional Fall Line Trail funding sources are being provided by the state and VDOT is managing the project with any additional funds needed to meet project scope to be determined. In addition, the CVTA is providing 15% of regional sales and use tax and fuels tax it collects as a dedicated funding source to the GRTC, supporting the GRTC in its objective of providing public transportation to residents in our region. Other key initiatives in progress include the Otterdale Rd. drainage project, the Powhite Parkway extension to Woolridge Road and the Nash Road extension. Connectivity of our communities remains a priority with strategic transportation projects planned to connect neighborhoods with each other, businesses, and local assets, such as parks, schools and libraries, via roads, trails and sidewalks.

Students in the County's public schools (CCPS) enjoy a high-quality educational experience with 100% of schools accredited for the 2022-23 school year. This is the first time since the 2018-19 school year that the state has used Standards of Learning (SOL) pass rates to assess school accreditation. CCPS achieved a 91% on-time graduation rate, exceeding the state average, and dropout rate of 6%. CCPS includes six National Blue Ribbon Schools and seven National Title I Distinguished Schools and six Middle Schools to Watch. In September 2021, the County and Schools jointly announced plans to accelerate funding and construction for a replacement Falling Creek Middle School and a brand-new middle school to be located along the western Hull Street Road corridor.

Awards and Acknowledgements

The County continued to be recognized for excellence in operational and financial management during fiscal year 2022. The County's focus on its vision statement, "Providing a FIRST CHOICE community through excellence in public service", is illustrated through the awards received for services and programs described in this section.

During this fiscal year, the County's Fleet Services Division has received multiple honors including recognition as the number 17 Leading Fleet by Government Fleet Magazine and the American Public Works Associations, being named a Top 100 Fleet by National Association of Fleet Administrators (NAFA), the world's largest fleet management association, and most recently being named one of the Top 50 Green Fleet by NAFA. The County has been recognized with a Green Fleet Award the last three out of four years. This honor recognizes organizations that execute groundbreaking and inventive programs for their green initiatives.

For the 13th consecutive year, the County continued to set an example for the innovative use of technology in local government, earning a third-place spot in the 2022 Digital Counties Survey among counties nationwide with populations between 250,000 and 499,000. The County has placed in the top ten of that survey each year since 2010, including eleven times in the top five. Survey judges identified a wide range of efforts across several areas in determining Chesterfield's ranking. This year's survey submission highlighted programs including "Cybersecurity Training and Phishing Testing", "Resident Broadband Survey and Outreach", "Public Records request portal" and the next phase of our StratIS (Strategic Information Sharing) program, an AI-enabled data mart used for civic infrastructure planning and population forecasting.

The County received 15 National Association of Counties (NACo) 2022 Achievement Awards, recognizing the ways the County provides better, more innovative services to residents and strengthens its communities. Departments receiving Achievement Awards include Citizen Information and Resources, Communications and Media, Economic Development, Human Resources, Information Systems and Technology, Juvenile Detention, Libraries, Mental Health, Parks and Recreation, the Sheriff's Office and Utilities, as well as CCPS. Chesterfield's awards this year included a "Best in Category" in Civic Education and Public Information for "Mental Health Is A Puzzle, But We Have The Missing Piece" Youth-Centric Social Media Campaign. This is awarded to one outstanding program from each award category and the last time Chesterfield won "Best in Category" was in 2015. In partnership with Mental Health Support Services and Citizen Information and Resources, the county's Communications and Media Department worked with the Youth Services Board, a group of high school students appointed by the Board of Supervisors, to craft a highly successful mental health social media campaign targeting teens and parents. The goal of the campaign - "Mental Health Is A Puzzle, But We Have The Missing Piece" - was to engage with more Chesterfield residents and talk about the importance of addressing their mental health.

The County received 5 Virginia Association of Counties (VaCo) 2022 Achievement Awards, including the program's highest recognition, the "Best Achievement Award" for "Connecting All Community Residents to Public Schools". This is the 6th consecutive year that Chesterfield County has received this top honor. In addition to this top honor, the County received awards recognizing the "Mental Health Is a Puzzle, But We Have The Missing Piece" program, the "Juvenile Detention Home Reimagines Behavior Management" program, "StratIS Population Forecasting" and the program "Providing an Opportunity to the Youngest in the Community to Become Future Scholars". The VaCo Achievement Awards highlight innovative programs focused on addressing high priority issues presently challenging counties.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its ACFR for the fiscal year ended June 30, 2021. This was the 41st consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe this annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA presented an award for Distinguished Budget Presentation to the County for the annual budget for the fiscal year beginning July 1, 2021. This program recognizes that the budget document meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The fiscal year 2022 budget represents the 36th consecutive year that Chesterfield County has received this award. The County received overall ratings as proficient or outstanding in all review categories. We believe the fiscal year 2023 budget conforms to program requirements and submitted it to GFOA to determine its eligibility for another award. This is the highest form of recognition for excellence in government budgeting.

For fiscal year 2020 reporting, GFOA has named the County a Triple Crown award winner. The GFOA Triple Crown designation recognizes governments who have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and Distinguished Budget Presentation Award for in the same fiscal year. Chesterfield is one of just 317 governments that received the Triple Crown for 2020, the first year the designation has been available.

CCPS was awarded the Association of School Business Officials (ASB) International's Meritorious Budget Award for excellence in budget presentation for FY2022. The Meritorious Budget Awards program promotes and recognizes excellence in school budget presentation and enhances school business officials' skills in developing, analyzing and presenting a school system budget. The GFOA presented the Distinguished Budget Presentation Award to CCPS for the FY2022 budget. The GFOA award recognizes individual government and school systems that succeed in achieving the GFOA's best practices on budgeting. CCPS intends to submit the FY2023 budget for both the ASBO and GFOA awards.

Money Magazine included the County in its "Top 50 Best Places to Live in 2021". In making its determination of the top 50, the magazine looked at nine categories including the cost of living, economic opportunity, diversity, education, amenities, health and safety, the housing market, income and personal finances and the quality of life the community has to offer and considered communities with populations ranging from 25,000 up to 500,000. One of approximately 1,300 locations reviewed, our County was cited for its top-notch public schools, for attracting new residents faster than Virginia overall, for a 10% increase in jobs from 2015 to 2020, for remaining an affordable community to live and for planning a historic \$25 million investment in our public parks to improve outdoor spaces available to our residents.

Our ability to deliver excellent customer service and new, innovative programs is directly linked to our dedicated, talented workforce. In 2022, TopWorkplaces.com recognized the County with a National Top Workplaces Award, awarded to organizations with the greatest employee engagement among employers of similar size, and a Top Workplaces Culture Excellence Award for Work-Life Flexibility honoring organizations that have built a culture that enables employees to meet the demands of their personal lives while maintaining high performance. In addition to these national awards, the County received the Richmond Times-Dispatch Top Workplaces Award. In 2021, Forbes magazine recognized the County as one of America's Best-In-State employers. In a survey of 80,000 U.S. employees across 25 different industry sectors, Forbes collected direct recommendations from workers in the industry. The survey considered every aspect of an employee's experience, such as working conditions, salary, potential growth, and diversity. Of the thousands of companies eligible for this recognition, only a select few are awarded in each state. This recognition reinforces the County's reputation, at the local and national level, as an organization that provides excellent employment opportunities.

We thank the members of the Board for your interest and support in planning and overseeing the financial operations of the County in a responsible and prudent manner. We express our appreciation to all staff who contributed to this report, especially the accounting financial reporting staff who prepared and compiled the report. We commend them for their professionalism, dedication, and continuous efforts to improve the annual financial report.

Respectfully submitted,



Dr. Joseph P. Casey
County Administrator



Consuela Wilson
Director of Accounting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
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Presented to

**County of Chesterfield
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Executive Director/CEO

Approved Structure
12-09-21



**County of Chesterfield, Virginia
Directory of Officials
June 30, 2022**

Primary Government Officials

BOARD OF SUPERVISORS

Christopher Winslow, Chair Clover Hill District
James “Jim” Holland, Vice-chair Dale District
Jim Ingle Bermuda District
Kevin Carroll Matoaca District
Tara Carroll Midlothian District

CONSTITUTIONAL OFFICERS

Wendy S. Hughes Circuit Court Clerk
Stacey T. Davenport Commonwealth’s Attorney
Jenefer S. Hughes Commissioner of the Revenue
Karl S. Leonard Sheriff
Rebecca R. Longnaker Treasurer

ADMINISTRATIVE OFFICERS

Dr. Joseph P. Casey County Administrator
Jesse W. Smith Deputy County Administrator, Community Development
Clay Bowles Deputy County Administrator, Community Operations
Christopher “Matt” Harris Deputy County Administrator,
Finance and Administration
James D. Worsley, Ph.D. Deputy County Administrator, Human Services
Jeffrey L. Mincks County Attorney

School Board Component Unit Officials

SCHOOL BOARD

Ann C. Coker, Chair Bermuda District
Dorothy “Dot” Heffron, Vice-chair Clover Hill District
Ryan M. Harter Matoaca District
Debbie G. Bailey Dale District
Kathryn S. Haines Midlothian District

ADMINISTRATIVE OFFICERS

Dr. Mervin B. Daugherty Superintendent
Dr. Joseph Tylus Deputy Superintendent
Dr. Lisa High Chief of Schools
Dr. Sharon Pope Chief Academic Officer
Robert Meister Chief Financial Officer
Josh Davis Chief Operations Officer
Shawn Smith Chief Communications & Community Engagement Officer
Dr. Kimberly Hough Chief of Human Resources and Talent Acquisition
Dr. Timothy Tillman Chief Technology Officer
Wendell Roberts School Board Attorney



FINANCIAL SECTION

Report of Independent Auditor

To the Honorable Members of the Board of Supervisors
County of Chesterfield, 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 Chesterfield, Virginia (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statement balances of the Central Virginia Transportation Authority (the "CVTA") as reflected on Schedules A-12 and A-13, which represent 18.7%, 21.5%, and 33.4% of the total assets, fund balance/net position, and revenues, respectively, of the aggregate remaining fund information of the County. Those balances were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CVTA, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and 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, *Government 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 auditing standards generally accepted in the United States of America, *Government 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Supplementary Information (Primary Government Combining Statements and Schedules, Capital Assets Used in the Operation of Governmental Funds, School Board Component Unit Financial Statements and Schedules) and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical sections but does not include the basic financial statements and our 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 October 31, 2022, 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 County's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Richmond, Virginia
October 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As management of the County of Chesterfield, Virginia (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the County's financial statements, which follow this analysis.

FINANCIAL HIGHLIGHTS

- ◆ The County's total net position increased approximately \$164.5 million (6.1%). Net position of the governmental-type activities increased \$77.8 million (6.1%) and net position of the business-type activities increased \$86.7 million (6.1%).
- ◆ The County's unrestricted net position increased approximately \$41.6 million (5.4%). Unrestricted net position of the governmental-type activities increased \$10.6 million (3.7%) and unrestricted net position of the business-type activities increased \$31.0 million (6.3%).
- ◆ The County's program and general revenues (including taxes) of \$1,143.0 million for governmental-type activities exceeded expenses of \$1,037.2 million by \$105.8 million.
- ◆ In the County's business-type activities, revenues decreased 6.5% to \$164.1 million while expenses increased 3.7% to \$105.4 million.
- ◆ The total cost of the primary government's programs increased approximately \$87.7 million (8.3%) to \$1,142.6 million.
- ◆ The General Fund reported an ending fund balance amount of \$530.1 million, a decrease of \$18.1 million (3.3%) in comparison with the prior year. Of the ending fund balance amount, \$70.8 million was unassigned.
- ◆ The County's outstanding debt increased by \$56.0 million (7.0%). The County reported \$130.7 million in proceeds from new debt issued during the year and retired debt of \$74.7 million, including debt service and amortization of premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's Annual Comprehensive Financial Report (ACFR) consists of four sections: introductory, financial, statistical, and compliance. The financial section consists of five components - the report of the independent auditor, management's discussion and analysis (this component), the financial statements, required supplementary information, and supplementary information. The financial statements include three categories of statements that present different views of the County:

- ◆ Exhibits I and II are government-wide financial statements that provide a broad overview of both long-term and short-term information regarding the County's overall financial status.
- ◆ Exhibits III through X are fund financial statements that focus on individual areas of the County government and report the County's operations in more detail than that provided by the government-wide financial statements.
 - Governmental fund financial statements provide information on how government services, such as the public safety function, are financed in the short-term and on the resources available at year end for future spending.
 - Proprietary fund financial statements offer both short-term and long-term financial information about activities the government operates similar to private-sector businesses, such as the airport and the water and wastewater systems.
 - Fiduciary fund financial statements provide information about the financial relationships, such as the supplemental retirement and other postemployment benefits (OPEB) plans for certain qualified

MANAGEMENT'S DISCUSSION AND ANALYSIS **(unaudited)**

employees and custodial funds, in which the County acts solely as custodian of resources belonging to others.

- ◆ The remaining financial statements, Exhibits XI and XII, provide a broad overview of both long-term and short-term information on the County's discretely presented component units.

The notes to the financial statements provide additional details for understanding the information presented in the ACFR. The notes are followed by a section of required supplementary information that further explains and supports the pension and OPEB plans information reported in the financial statements. The ACFR also includes a supplementary section containing combining schedules for the non-major governmental funds, budget and actual schedules for the General Fund, combining schedules for the non-major enterprise funds, internal service funds and fiduciary funds, capital assets schedules, School Board component unit fund financial statements and schedules, and the schedule of expenditures of federal awards and the notes thereto.

Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using accounting principles like those used by private-sector businesses. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities (both current and long-term) and deferred inflows of resources. The Statement of Activities reports all of the current year's revenues and expenses as soon as the underlying event for recognition occurs, regardless of the timing of the related cash flows. The government-wide financial statements report the three categories of the County's net position and how total net position changed during the fiscal year. Net position, the difference between the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, is a measure of the County's financial position. Over time, increases or decreases in net position can be an indicator of whether financial position is improving or deteriorating. To assess the overall financial condition of the County, ACFR users should consider additional non-financial factors such as changes in the County's property tax base or in the condition of the County's infrastructure.

The government-wide financial statements of the County are divided into three categories:

- ◆ Governmental activities - Most of the County's basic services, such as police, fire, social services, parks and recreation, and general administration, are included in governmental activities. Property taxes and state and federal funding finance the majority of expenses for governmental activities.
- ◆ Business-type activities - Activities that are intended to recover all or a significant portion of their costs through user fee charges to parties external to the County for goods or services are included in the business-type activities. The Economic Development Authority of Chesterfield County (EDA) is included as a blended component unit in the business-type activities.
- ◆ Component units - The County includes two other entities in its report as discretely presented component units: Chesterfield County Public School System (School Board) and Chippenham Place Community Development Authority (Chippenham Place CDA). Although legally separate, the County demonstrates financial accountability for these entities by providing operating, capital or tax increment financing. The School Board is included in this management's discussion and analysis because it does not issue separately audited financial statements.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's major funds as opposed to the County as a whole. Funds are accounting devices that the County uses to track resources that are segregated for specific activities or objectives. Some funds are required by state code or by bond covenants. Other funds are established to control and manage resources for specific purposes or to show that the County is using revenue sources such as taxes or grants for their intended purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

The County reports three types of funds:

- ◆ Governmental funds - Most of the County's basic services are included in governmental funds which focus on (1) how cash and other financial assets readily convertible to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the financial statements for governmental funds provide a detailed short-term view that assists the ACFR reader in determining the status of financial resources available for financing the County's programs in the near future. Because this information does not encompass the additional long-term focus of the government-wide financial statements, the County provides additional information following governmental funds statements that explain the differences between the short-term and long-term focus.
- ◆ Proprietary funds - Services that are intended to recover all or a significant portion of their costs through user fees are reported in proprietary funds. Proprietary fund financial statements, like the government-wide financial statements, provide both long-term and short-term financial information and they also provide additional details and information, such as the Statement of Cash Flows. The County's enterprise funds are reported in the business-type activities of the government-wide financial statements because these funds generally provide services to customers external to the County. The internal service funds are reported in the governmental activities of the government-wide financial statements because those funds provide supplies and services internally to the County's other programs and activities.
- ◆ Fiduciary funds - The County is responsible, as trustee, for the assets of various trust and custodial funds that can be used only for the fiduciary beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All County trust and custodial fund activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Trust and custodial fund activities are excluded from the County's government-wide financial statements because the County cannot use fiduciary assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The Primary Government's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.9 billion at the close of the most recent fiscal year, representing an 6.1% increase over the prior year.

At the end of both the current and prior fiscal years, the County reported positive balances in all three categories of net position for the primary government including governmental and business-type activities. The largest portion of the County's net position (66.4%) at June 30, 2022, is its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure and intangible assets) less accumulated depreciation and debt used to acquire those assets that remains outstanding at year-end. The County uses its capital assets to provide services to residents. Consequently, these assets are not available to fund spending in current or future budgets. Although the County's investment in capital assets is reported net of related debt, it should be noted that resources required to repay the debt must be provided from other sources, as capital assets generally are not liquidated for that purpose. An additional portion of the County's net position (5.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is referred to as unrestricted net position (28.6%). Unrestricted net position is available to meet the County's ongoing obligations to residents and creditors.

Liabilities and deferred inflows of resources for the School Board component unit exceeded assets and deferred outflows of resources by \$483.4 million at the end of the current fiscal year, a decrease in the deficit of \$132.0 million (21.4%) compared to the prior year. Net investment in capital assets increased \$3.4 million primarily due to capital outlay for machinery and equipment. These investments included the purchase of Chromebooks, 22 new school buses, upgrades to HVAC and food service equipment, and security enhancements. The School Board component unit's deficit unrestricted net position is primarily due to reporting net pension liabilities of \$311.3 million and net other postemployment benefits liabilities of \$190.4 million at year end, a net decrease of \$304.1 million (37.7%) compared to those liabilities estimated in the prior year. The largest portion of net pension and other postemployment benefits liabilities is related to the VRS teachers' cost-sharing pension and other postemployment benefits programs where benefits and funding decisions are made by the Commonwealth of Virginia (Commonwealth). As such, local governments and school boards, as participants, have no ability to take actions to improve the funding position for their proportionate shares of the cost-sharing pool. Notes 12 and 13 of the notes to the financial statements

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

provide additional information regarding the School Board component unit's pension and other postemployment benefit plans.

TABLE 1
Chesterfield County's Net Position
June 30, 2022 and 2021
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		School Board Component Unit	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets								
Current and other assets	\$ 1,549.7	\$ 1,354.8	\$ 573.8	\$ 535.8	\$ 2,123.5	\$ 1,890.6	\$ 161.4	\$ 122.9
Capital assets	<u>1,401.9</u>	<u>1,360.5</u>	<u>997.7</u>	<u>945.3</u>	<u>2,399.6</u>	<u>2,305.8</u>	<u>84.6</u>	<u>73.0</u>
Total assets	<u>2,951.6</u>	<u>2,715.3</u>	<u>1,571.5</u>	<u>1,481.1</u>	<u>4,523.1</u>	<u>4,196.4</u>	<u>246.0</u>	<u>195.9</u>
Deferred outflows of resources								
Deferred charge on refunding	3.4	4.6	0.6	0.9	4.0	5.5	-	-
Pensions	95.3	93.7	3.5	3.6	98.8	97.3	149.2	156.8
Other postemployment benefits	<u>10.6</u>	<u>8.2</u>	<u>0.5</u>	<u>0.4</u>	<u>11.1</u>	<u>8.6</u>	<u>18.9</u>	<u>16.9</u>
Total deferred outflows of resources	<u>109.3</u>	<u>106.5</u>	<u>4.6</u>	<u>4.9</u>	<u>113.9</u>	<u>111.4</u>	<u>168.1</u>	<u>173.7</u>
Liabilities								
Long-term liabilities	1,049.6	1,125.7	38.4	52.6	1,088.0	1,178.3	540.5	833.6
Other liabilities	<u>258.6</u>	<u>185.3</u>	<u>18.0</u>	<u>15.5</u>	<u>276.6</u>	<u>200.8</u>	<u>70.2</u>	<u>62.9</u>
Total liabilities	<u>1,308.2</u>	<u>1,311.0</u>	<u>56.4</u>	<u>68.1</u>	<u>1,364.6</u>	<u>1,379.1</u>	<u>610.7</u>	<u>896.5</u>
Deferred inflows of resources								
Deferred revenues	232.6	204.3	-	-	232.6	204.3	-	-
Pensions	138.5	7.7	5.8	0.1	144.3	7.8	235.1	52.5
Other postemployment benefits	25.0	27.8	1.8	2.0	26.8	29.8	51.7	36.0
Leases	<u>7.8</u>	<u>-</u>	<u>9.6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>403.9</u>	<u>239.8</u>	<u>17.2</u>	<u>2.1</u>	<u>421.1</u>	<u>241.9</u>	<u>286.8</u>	<u>88.5</u>
Net position								
Net investment in capital assets	922.2	901.2	969.9	913.0	1,892.1	1,814.2	74.4	71.0
Restricted	130.7	84.5	12.3	13.5	143.0	98.0	20.1	9.5
Unrestricted (deficit)	<u>295.9</u>	<u>285.3</u>	<u>520.3</u>	<u>489.3</u>	<u>816.2</u>	<u>774.6</u>	<u>(577.9)</u>	<u>(695.9)</u>
Total net position (deficit)	<u>\$ 1,348.8</u>	<u>\$ 1,271.0</u>	<u>\$ 1,502.5</u>	<u>\$ 1,415.8</u>	<u>\$ 2,851.3</u>	<u>\$ 2,686.8</u>	<u>\$ (483.4)</u>	<u>\$ (615.4)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)

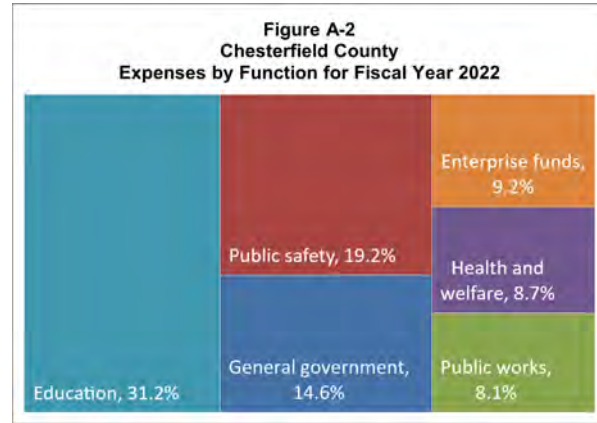
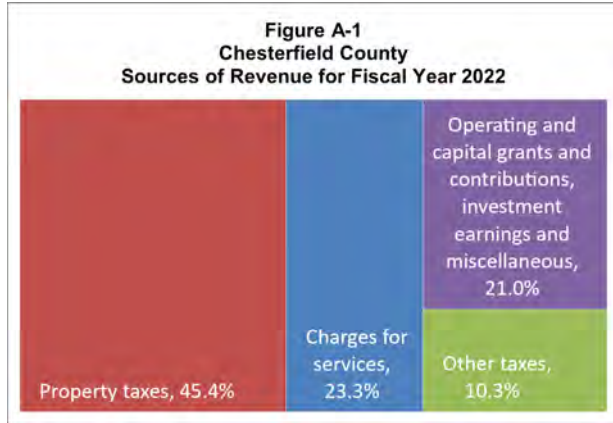
Changes in net position. The Primary Government's total revenues increased over the prior year by \$7.7 million (0.6%) to \$1,307.1 million. The total cost of all programs increased over the prior year by \$87.7 million (8.3%) to \$1,142.6 million.

TABLE 2
Changes in Chesterfield County's Net Position
For the Years Ended June 30, 2022 and 2021
(In millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		School Board Component Unit	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues:								
Program revenues:								
Charges for services	\$ 183.0	\$ 173.7	\$ 122.0	\$ 113.2	\$ 305.0	\$ 286.9	\$ 4.5	\$ 2.3
Operating grants and contributions	85.3	139.7	1.6	1.1	86.9	140.8	215.0	171.7
Capital grants and contributions	91.6	80.6	55.6	56.4	147.2	137.0	9.2	28.7
General revenues:								
Property taxes	594.3	534.4	-	-	594.3	534.4	-	-
Other taxes	135.2	129.8	-	-	135.2	129.8	-	-
Payment from County	-	-	-	-	-	-	316.3	242.8
Grants and contributions not restricted to specific programs	63.6	62.7	-	-	63.6	62.7	288.2	268.4
Other	(10.0)	2.9	(15.1)	4.9	(25.1)	7.8	6.9	3.3
Total revenues	1,143.0	1,123.8	164.1	175.6	1,307.1	1,299.4	840.1	717.2
Expenses:								
General government	167.3	155.3	-	-	167.3	155.3	-	-
Administration of justice	13.9	13.9	-	-	13.9	13.9	-	-
Public safety	219.7	222.3	-	-	219.7	222.3	-	-
Public works	92.3	80.2	-	-	92.3	80.2	-	-
Health and welfare	99.1	96.8	-	-	99.1	96.8	-	-
Parks, recreation and cultural	31.3	27.9	-	-	31.3	27.9	-	-
Education - School Board	356.3	301.5	-	-	356.3	301.5	708.1	683.0
Community development	37.0	35.2	-	-	37.0	35.2	-	-
Interest on long-term debt	20.3	20.2	-	-	20.3	20.2	-	-
Water	-	-	49.5	48.0	49.5	48.0	-	-
Wastewater	-	-	45.5	44.0	45.5	44.0	-	-
Non-major business activities	-	-	10.4	9.6	10.4	9.6	-	-
Total expenses	1,037.2	953.3	105.4	101.6	1,142.6	1,054.9	708.1	683.0
Increase in net position before transfers	105.8	170.5	58.7	74.0	164.5	244.5	132.0	34.2
Transfers	(28.0)	(20.3)	28.0	20.3	-	-	-	-
Increase in net position after transfers	77.8	150.2	86.7	94.3	164.5	244.5	132.0	34.2
Net position (deficit) - beginning of year	1,271.0	1,120.8	1,415.8	1,321.5	2,686.8	2,442.3	(615.4)	(649.6)
Net position (deficit) - end of year	\$ 1,348.8	\$ 1,271.0	\$ 1,502.5	\$ 1,415.8	\$ 2,851.3	\$ 2,686.8	\$ (483.4)	\$ (615.4)

Approximately 45.4% of the County's revenues came from property taxes and approximately 10.3% came from other taxes. Another 23.3% of the total revenues came from charges for services. The remaining 21.0% of revenues are operating and capital grants and contributions, investment earnings and miscellaneous revenues. The County's expenses cover a range of services with approximately 59.1% related to public safety, health and welfare and education. Program revenues of the County's governmental activities covered 34.7% of its expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)



Compared to the prior year, the School Board's total revenues increased \$122.9 million (17.1%) to \$840.1 million. Total expenses for all School programs and services increased over the prior year by \$25.1 million (3.7%) to \$708.1 million. Program revenues of School Board activities covered 32.3% of its expenses.

Governmental Activities

Governmental activities increased the net position by \$77.8 million and accounted for 47.3% of the total growth in the total net position of the County. Revenues for governmental activities increased \$19.2 million (1.7%) and total expenses increased \$83.9 million (8.8%) when compared to the prior year. Key elements of these changes are as follows:

- ◆ Property tax revenues increased \$59.9 million (11.2%) primarily due to a 15.0% increase in the total assessed valuation of taxable property over the prior year. The assessed valuation for real property increased 14.14% with residential real property assessed values increasing by 13.6% and commercial and industrial real property assessed valuations increasing by 19.4%. Commercial and industrial property comprised 21.5% of the assessed value of taxable real property. The real estate tax rate of \$0.95 per \$100 of assessed value was lowered to \$0.92 for the second half of FY2022. Calendar year 2022 (CY2022) assessments were developed using sales data through December 2021. State Code mandates that "annual assessments shall be made at 100% of fair market value." Personal property assessed valuations increased by 28.0% over the prior year reflecting the sharp increase in the value of used-vehicles that was spurred by a combination of low inventory and high demand. To provide economic relief to taxpayers who may have been adversely impacted by the economic fallout of the pandemic, in FY2022 the Board acted to waive the accrual of interest and penalties on unpaid personal property taxes normally due on June 5th until August 31st. This delay resulted in a decrease in penalties on personal property taxes of \$0.5 million (27.3%) over the prior year.
- ◆ Operating grants and contributions decreased \$54.4 million (38.9%) primarily due to the County expending the remainder of its Coronavirus Relief Fund award (CRF) during FY2021. The CRF funding, passed through the Commonwealth, was granted with the requirement that it be used only for eligible costs incurred during the period beginning March 1, 2020, and ending December 31, 2021. In May 2021 and June 2022, the County received equal installments of its \$69.5 million allocation of American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund. ARPA funds can cover eligible costs incurred through December 31, 2024. To continue to respond to the continually evolving pandemic, the County has elected to deploy American Rescue Plan (ARP) funds to make investments that will have a long-ranging positive impact on the County and its residents.
- ◆ Capital grants and contributions increased \$11.0 million (13.6%) reflective of the first full year of sales and fuels taxes received from the Central Virginia Transportation Authority (CVTA) which was created pursuant to Chapter 37, Title 33.2, Code of Virginia which also levied regional taxes to fund transportation needs in the central Virginia region, specifically Planning District 15. Effective July 1, 2020, wholesale fuels tax of 7.6 cents per gallon of gasoline and 7.7 cents per gallon of diesel fuel and effective, October 1, 2020, additional sales and use tax of 0.7% were assessed with 50% of the total revenue distributed monthly on a pro rata basis to the county of origin. Use of these funds is restricted to addressing local and regional transportation needs. The County serves as fiscal agent in a fiduciary capacity for the CVTA and

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

is responsible for receiving the taxes, disbursing allocations to participating entities and investing the regional allocation held by the CVTA. Those activities are accounted for separately in a custodial fund with the County's pro rata allocation from its participation in the CVTA accounted for in a separate special revenue fund.

- ◆ Other taxes increased \$5.4 million (4.2%) primarily due to receiving an additional \$6.2 million (9.9%) in the local portion of sales and use tax, an additional \$2.1 million in transient occupancy tax and offset by a reduction in annual vehicle registration fee from \$40 to \$20 annually for a year over year decrease of \$6.0 million (37.9%).
- ◆ Other general revenues decreased \$12.9 million (444.8%) primarily due to an increase in unrealized losses recognized on investments. The County's investment policies mean to limit exposure to the various risks of investing by prescribing diversified portfolios that limit the type and mix of investments. However, the County's investments are still subject to the risks and rewards of market volatility as evidenced by the unrealized gain on investments reported in FY21 and the unrealized loss on investments reported in FY22. The gains and losses are not realized until investments are sold or reach maturity.

Overall, expenses of governmental activities increased \$83.9 million (8.8%). Key elements of other changes in governmental activity expenses are as follows:

- ◆ Education expenses increased \$54.8 million (18.2%) reflecting the County's commitment to supporting education for the children living in our communities.
- ◆ Public works expenses increased \$12.1 million (15.1%) primarily due to increases in spending for road construction of \$14.2 million (26.0%).
- ◆ General government expenses increased \$12.0 million (7.7%) primarily due to a \$5.0 million investment in the County's supplemental retirement plan.

Business-type Activities

Business-type activities increased the County's total net position by \$86.7 million, accounting for 52.7% of the overall growth. Revenues for business-type activities decreased \$11.5 million (6.5%) and expenses increased \$3.8 million (3.7%) when compared to the prior year. Key elements of these changes are as follows:

- ◆ Charges for services increased \$9.0 million (8.0%) primarily due to Utilities funds, with increases to rates contributing \$2.6 million (25.0%), increases to consumption contributing \$3.6 million (34.2%) and insurance recovery for prior year losses accounting for an additional \$1.7 million (15.9%) of the change.
- ◆ Other general revenues decreased \$20.0 million (408.2%) change over prior year. This change is due to unrealized losses on investments.
- ◆ Expenses for business-type activities increased \$3.8 million (3.7%). This increase is primarily due to the increase in the cost of materials and supplies in the Water fund of \$1.1 million (32.9%) and in the Wastewater funds of \$0.9 million (16.7%).

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows and outflows and the balance of resources available for spending. Such information is useful in assessing the County's financing requirements. Specifically, unassigned fund balance serves as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the County's governmental funds reported a combined fund balance of \$947.3 million, an increase of \$75.7 million (8.7%) from the previous year. Of this combined fund balance amount, \$419.5 (44.3%) constitutes restricted fund balance; \$2.1 million (0.2%) represents committed fund balance; \$454.9 million (48.0%) represents assigned fund balance; and \$70.8 million (7.5%) is unassigned fund balance. Assigned fund balance includes funding set aside by the County Board through formal action that

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

includes funding needs such as capital projects, use of fund balance in the FY2023 budget, and potential revenue shortfalls in future fiscal years' budgets, which serves as an informal revenue stabilization, or "rainy day", fund. Note 2 of the notes to the financial statements provides details about fund balances and a discussion of the criteria used by the County to classify categories of fund balance.

The General Fund is the operating fund of the County. At the end of the current fiscal year, the combined assigned and unassigned fund balance of the General Fund was \$498.5 million and total fund balance was \$530.1 million. As a measure of the General Fund's liquidity, it may be useful to compare the combined assigned and unassigned fund balance to total fund expenditures. Combined assigned and unassigned fund balance represents 61.9% of total General Fund expenditures. Unassigned fund balance of \$70.8 million represents 8.9% of total General Fund expenditures. Maintaining a ratio that exceeds the target ratio of 8.0% is an indicator of the County's ability to cope with unexpected or unusual financial scenarios including fluctuations in revenue cycles. Total fund balance of the General Fund represents 65.8% of General Fund expenditures.

Fund balance of the General Fund decreased by \$18.1 million (3.3%) during the current fiscal year due to strategic investments in capital infrastructure of \$67.1 million (12.2%) and in the County and Schools' supplemental retirement plans, \$27.0 million (4.9%) and \$5 million (0.9%), respectively, from prior year reserves (\$548.2 million). These investments resulted in uses outpacing current year increases from primary revenue sources which have been previously discussed in this document.

Overall, functional expenditures in the General Fund increased \$103.3 million (14.7%). Expenditure categories not already discussed that also factored into this increase are as follows:

- ◆ Public Safety saw the largest increase, \$13.2 million (6.5%) over the prior year. In addition to the increase in investment in workforce compensation, Police expended \$1.5 million for longer-lived assets, including the purchase of 24 vehicles; Fire and EMS expenditures increased by \$5.3 million for longer-lived assets including two pumper trucks and two ladder trucks. Emergency communications added \$2.9 million in computer-aided dispatch and other systems.
- ◆ Expenditures in the health and welfare function increased \$3.8 million (10.5%) primarily due to the \$4.8 million (45.0%) increase in property tax relief for the elderly and the disabled program (Tax Relief Program). The Board increased its allocation to this program to limit the real estate tax burden on qualifying individuals who satisfy certain income and net worth criteria. Participation in the program has steadily increased in recent years due to shifting demographics and the state's decision to grant 100% relief to all fully (service) disabled veterans.
- ◆ Expenditures in the parks, recreation and cultural function, which includes libraries, increased \$5.1 million (24.4%). This increase is, in part, due to the increase in the number of in-person programs requiring seasonal staffing as evidenced by Parks & Recreation's increase in salaries and benefits of \$0.8 million (10.4%). Libraries also saw increases in salaries and benefits of \$0.7 million (9.9%) due to the gradual conversation of positions from part-time to full-time.
- ◆ Debt services expenditures increased approximately \$3.8 million (4.6%) primarily due to the implementation of GASB Statement No. 87, *Leases*, which requires expenditures for certain contractual obligations to be reported as payments of principal and interest when reported in governmental funds. \$2.1 million of the total governmental activities principal payments are attributable to this change in reporting standard. In prior years, similar payments were reported in functional expenditures. GASB 87 implementation is responsible for 55.3% of the year over year increase in debt service principal payments.

At fiscal year-end, the County's Capital Projects Fund had fund balance of \$127.6 million that consisted primarily of unspent bond proceeds and cash proffers, both of which are restricted for use on specific County projects and functions. The School Capital Projects Fund had fund balance of \$196.5 million that consisted primarily of unspent bond proceeds restricted for use on School projects. Fund balance of Other Governmental Funds increased \$34.1 million (57.9%). \$26.6 million (78.1%) of this increase is to the receipt of the County's allocated share of the regional sales and vehicle fuels tax in the CVTA Local Special Revenue Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

General Fund Budgetary Highlights

The overall difference between the original budget and the amended budget for revenues and other financing sources reflected an increase of \$16.8 million (2.1%). The final amended budget for expenditures and other financing uses was greater than the original budget by \$255.3 million (31.5%). Some of the key budget adjustments are summarized as follows:

The original budget for revenues was increased by \$16.8 million (2.1%). The County follows a conservative practice of not appropriating the use of restricted funds until those funds are received, and of taking a generally conservative approach when estimating year-over-year increases in revenues. As such, the original budget was amended for additional funding received during the year as follows: personal property taxes, \$11.3 million; permit and fees such as building, electrical and plumbing permits, \$1.9 million; and \$2.0 million increase in payments from the Commonwealth primarily related to salary increases and bonus payments for certain County employees whose salaries are largely funded by the state.

The original budget for expenditures was increased by \$47.1 million (11.1%). Of the total increase, \$31.5 million was attributable to the reappropriation of amounts reserved in the prior year. The appropriated use of prior year reserves includes \$25.0 million for land acquisitions, \$5.0 million additional contribution to County Supplemental Retirement Plan and \$1.5 million for the purchase of municipal solid waste containers to replace leased containers at convenience centers. Additional increases include a \$1.6 million increase in community development for increased appropriations to Greater Richmond Convention Center Authority due to stronger than anticipated transient occupancy taxes. Health and Welfare appropriations increased \$1.4 million, primarily due to a \$3.0 million increase in the Tax Relief Program to accommodate the greater than expected participation in the expanded Tax Relief Program. Public Safety expenditures budget increased \$14.2 million to support the continued implementation of the public safety pay plan step increases with \$6.9 million attributable to Police, \$3.9 million attributable to Fire and EMS and \$3.0 million attributable to Sheriff.

The original budget for other financing uses increased by \$208.1 million (54.3%). Transfers out to the County Capital Projects, Schools Capital Projects, Stormwater, Fleet, and Airport Funds increased \$108.9 million, \$0.2 million, \$3.5 million, \$1.7 million and \$2.7 million, respectively due to the re-appropriation, in accordance with the appropriation resolution, of appropriated transfers that were not spent on capital projects in the prior year due to timing and the long-term aspect of capital projects. Additional prior year reserves of \$39.6 million were appropriated as transfers to the County Capital Projects Fund to fund various projects including:

- Road improvements - \$16.5 million
- Beulah elementary repurposing - \$2.4 million
- Community revitalization - \$3.0 million
- Facilities major maintenance - \$0.8 million
- Matoaca Fire Station - \$8.2 million
- River City turf replacement - \$2.2 million
- Public safety mobile command center - \$2.5 million
- Turf replacement and Bird and Monacan high schools - \$4.0 million

The transfer to the School Board component unit increased \$48.8 million with the appropriation of \$27 million in prior year reserves appropriated for contributions to the Chesterfield County Public Schools Supplemental Retirement plan and \$19.3 million in additional appropriations for school capital projects.

Actual revenues were \$53.4 million (6.7%) greater than the amended budget. A summary of some key variances includes the following:

- ♦ The collection of general property taxes was \$49.6 million higher than the amended budget primarily due to conservatively projecting estimates for the increase in assessed value of real and personal property for both the adopted and amended budget.
- ♦ Other local taxes were \$13.6 million greater than expected primarily due to the County's methodology for budgeting business and professional license (BPOL) taxes and greater than expected collections of local sales and use taxes, recordation taxes and transient occupancy taxes. With the FY2022 Budget, the Board of Supervisors lowered annual motor vehicle licensing fees from \$40 to \$20 per vehicle resulting in a negative budget variance of \$5.2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)

Actual expenditures and other financing uses were \$189.9 million (17.8%) less than the amended budget amount.

Transfers to other funds resulted in a \$174.1 million positive variance. Transfers to the County Capital Projects Fund, the Stormwater Fund, the Schools Capital Projects Fund, the Grants Special Revenue Fund, the Airport Fund, and the Vehicle and Communications Fund were \$145.5 million, \$3.1 million, \$0.2 million, \$0.5 million, \$1.7 million, \$0.8 million, respectively, less than the amended budget due to the timing difference between budgeted and actual expenditures for long-term projects. Unused transfers for these funds were assigned at year-end and re-appropriated as a part of the amended budget for fiscal year 2023. The Schools Operating Fund transfer had a positive variance of \$21.3 million. This amount was assigned at year-end, as directed by the County Board, for use in future years' school budgets and for one-time needs including \$3.0 million for up-coming compensation plans, \$5.8 million in for future construction, \$5.0 million additional contribution to the Healthcare fund, and \$2.9 million for other future needs.

During FY2022, the Board appropriated \$25.0 ARPA funds for the construction of school facilities. These funds are deferred in the General Fund until eligible expenditures are incurred, and federal revenue can be recognized.

CAPITAL/INTANGIBLE ASSETS AND DEBT ADMINISTRATION

Overview

Accounting principles generally accepted in the United States of America require the issuing entity to report "on behalf" debt and debt service. The operational relationship between the County and School Board component unit related to capital assets and debt involves several transactions between the two entities that are presented in the financial statements to meet reporting requirements. The School Board component unit can neither levy taxes nor incur debt under Virginia law. The County issues debt "on behalf" of the School Board component unit, which is recorded as a liability of the County's governmental activities. The County's charter states that "title to all real property of the school system shall be vested in the County of Chesterfield." The County provides the School Capital Projects Fund with funding to purchase and/or construct real property (land, buildings, improvements other than buildings, and construction in progress) for use in school operations. Due to the charter, the value associated with the purchase and/or construction of School Board component unit real property is reported as capital assets in the governmental activities of the County. Depreciation and accumulated depreciation related to School Board real property is reported in the County's governmental activities within the appropriate government-wide financial statements. Generally, the School Board component unit reports operational and maintenance costs. For financial reporting purposes, the School Board component unit directly reports the liability for debt associated with the financed purchase of equipment and leases with terms of greater than one year on its financial statements.

Capital and Intangible Assets

At the end of the fiscal year, the County had an investment of \$2.4 billion in a broad range of capital and intangible assets net of accumulated depreciation and amortization, including school and public safety buildings, park facilities, libraries, and water and wastewater facilities. This amount represents a net increase of \$93.8 million (4.1%) over the prior year. More detailed information about the County's capital and intangible assets is presented in Note 8 of the notes to the financial statements. The net investment in capital assets of governmental activities includes \$835.0 million for school buildings and real property used by the School Board in its operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

TABLE 3
Chesterfield County's Capital and Intangible Assets
June 30, 2022 and 2021
(net of depreciation and amortization, in millions of dollars)

	Governmental		Business-type		Total		Total Percentage
	Activities		Activities				Change
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022 - 2021</u>
Non-depreciable assets:							
Land	\$ 102.7	\$ 96.0	\$ 64.1	\$ 41.9	\$ 166.8	\$ 137.9	21.0%
Construction in progress	103.7	76.4	44.6	37.1	148.3	113.5	30.7%
Depreciable assets:							
Buildings	1,023.2	1,020.2	137.0	131.5	1,160.2	1,151.7	0.7%
Improvements other than buildings	53.1	53.7	19.8	19.9	72.9	73.6	-1.0%
Machinery and equipment	81.9	84.8	658.0	642.9	739.9	727.7	1.7%
Infrastructure	29.9	29.4	8.0	4.7	37.9	34.1	11.1%
Amortizable assets:							
Capacity rights	-	-	66.2	67.3	66.2	67.3	-1.6%
Right-to-use assets	7.4	-	-	-	7.4	-	100.0%
Total	\$ 1,401.9	\$ 1,360.5	\$ 997.7	\$ 945.3	\$ 2,399.6	\$ 2,305.8	4.1%

Major projects either completed this year or with significant additions to construction in progress included:

- ◆ Completed major County projects:
 - River City Turf Replacement - \$2.2 million
- ◆ Additions to major County construction in progress projects:
 - Former Buelah Elementary School Revitalization and Repurposing - \$5.8 million
 - Midlothian Fire Station - \$4.3 million
 - Park Improvements and Major Maintenance - \$3.3 million
 - 800 MHZ Radio System Replacement - \$1.9 million
 - Horner Park Waterline - \$1.7 million
 - Fleet Services Heavy Vehicles Shop and Administration Building - \$8.3 million
- ◆ Completed major School Board component unit projects:
 - Mega Trailer Placement - \$7.7 million
 - Chester Early Childhood Learning Academy - \$2.9 million
 - Ettrick Elementary School Replacement - \$1.6 million
 - Manchester High School HVAC - \$1.7 million
- ◆ Additions to major School Board component unit construction in progress projects:
 - Magnolia Green (Moseley) Elementary School - \$15.7 million
 - Major Maintenance Water Source and Heat Pump Systems - \$7.6 million
 - Falling Creek Middle School - \$2.8 million
 - Central Security CCTV Elementary Schools - \$1.9 million
- ◆ Completed major Utilities - Water and Wastewater projects:
 - Johnson Creek Pump Stations - \$9.8 million
 - Addison Evans Water Treatment Plant MCC and Generator Replacement - \$2.6 million
 - Proctor's Creek Electric Building MCC Switch - \$2.0 million
 - Falling Creek Aerial Sewer Repair - \$1.7 million
 - Richmond Capacity Replacement - \$1.5 million

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

- ◆ Additions to major Utilities - Water and Wastewater construction in progress projects:
 - Huguenot Water Line Phase 1 - \$7.3 million
 - Advanced Meter Infrastructure - \$3.5 million
 - Huguenot Pump Station - \$3.3 million
 - Harrowgate Water Line - \$2.5 million
 - Proctor's Creek Secondary Clarifier 5-8 Rehab - \$2.2 million
 - Proctor's Creek EQ Basins - \$1.2 million

The County's capital improvement program budget appropriated \$238.5 million in planned funding for capital projects in FY2023, which includes \$199.2 million for the primary government and \$39.3 million for the School Board. The FY2023-FY2027 Capital Improvement Program (CIP) maintains a targeted focus on the care and maintenance of existing infrastructure and the communities these assets support by maintaining adequate replacement cycles. The CIP remains attentive to the need to replace or renovate older facilities to ensure more uniform service delivery across the County, all while controlling the financial impact on the operating budget. It is also important to note that the County's maintenance programs include technology and stormwater areas where it's necessary for these networks to properly function. FY2023 appropriations included funding for general major maintenance, major maintenance and enhancement projects in existing parks, replacement or rehabilitation of library facilities, airport enhancements, River City Sportsplex enhancements, road projects, technology major maintenance, ERP modernization, renovation and expansion of the Rogers Building used by Mental Health Support Services, replacement of the Chester and Ettrick Fire and Rescue stations, expansion and renovation of the Cloverhill and Dutch Gap Fire and Rescue Stations, four new police stations, warehouse resources to be shared by County and Schools major maintenance in School buildings, rebuilds of AM Davis and Bensley Elementary Schools as well as Falling Creek Middle School, and planned rehabilitations and upgrades at both the Addison-Evans Water Treatment Plant and the Proctors Creek and Falling Creek Wastewater Treatment Plants. The County intends new debt, resources provided by the CVTA and current budgets to partially finance these and other projects as identified in the CIP.

Long-term Debt

TABLE 4
Chesterfield County's Outstanding Debt
June 30, 2022 and 2021
(in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2021 - 2022</u>
General obligation bonds, net (backed by the County)	\$ 616.5	\$ 534.6	\$ -	\$ -	\$ 616.5	\$ 534.6	15.3%
Revenue bonds, net	179.8	192.2	24.6	31.3	204.4	223.5	-8.5%
Certificates of participation	3.9	6.4	0.2	0.3	4.1	6.7	-38.8%
Direct borrowing	29.1	33.3	-	-	29.1	33.3	-12.6%
Other	-	-	1.6	1.6	1.6	1.6	0.0%
Total	<u>\$ 829.3</u>	<u>\$ 766.5</u>	<u>\$ 26.4</u>	<u>\$ 33.2</u>	<u>\$ 855.7</u>	<u>\$ 799.7</u>	7.0%

At fiscal year-end, the County reported \$855.7 million in bonds and other long-term debt outstanding, an increase of \$56.0 million (7.0%) compared to the prior year. More detailed information about the County's long-term liabilities is presented in Note 9 of the notes to the financial statements. Outstanding debt of the governmental activities includes \$552.0 million in debt outstanding related to School Board activities and \$6.3 million in outstanding debt for the EDA's development of infrastructure in the Meadowville Technology Park.

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

A key debt policy established by the County Board is the ratio of debt service (principal and interest) costs to governmental fund expenditures. This ratio was 6.5% for the current year comparing favorably to the policy target of 10.0%. Governmental fund expenditures for purposes of this calculation include expenditures for all governmental fund types of both the primary government and the School Board component unit, excluding capital project funds and payments between the primary government and the School Board component unit.

The County's "AAA" general obligation bond rating from all three major rating agencies was affirmed when it issued its \$116.6 million General Obligation School Bond, Series 2022 in February 2022. The County sold the Bond to the Virginia Public School Authority to finance various capital improvements for the County's public school system, including but not limited to the design, acquisition, installation, construction and equipping of two Middle Schools, including the rebuild of Falling Creek Middle School and new construction of a Middle School in the 360 West area. Approximately 1% of counties nationwide have earned a triple "AAA" credit rating designation which the County has maintained annually since 1997.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's annual unemployment rate for calendar year 2021 (CY2021) averaged 3.6%, a decrease from the previous calendar year's average rate of 5.9%. As the local economy continues to recover from the COVID-19 pandemic, unemployment rates are trending towards pre-pandemic levels. The County's rates continue to compare favorably to the region and the Commonwealth's rates of 4.2% and 3.9%, respectively, for the same time period.

The County developed a Financial Plan for fiscal year 2023 that was adopted on April 6, 2022. The FY2023 adopted budget (FY2023 budget), totaling \$1.77 billion, represents an increase of \$99.5 million (12.3%) over the FY2022 adopted budget. This budget reflects the County's understanding that community needs are ever changing and demonstrates willingness to adapt. The FY2023 budget, five year plan and CIP revolve around recognizing the workforce, investing in our children's future, diversifying and bolstering the County's economic base, enhancing quality of life, strengthening investment in infrastructure, a continuing commitment to public safety and broad tax relief measures.

The FY2023 budget continues to build upon historic investments made in schools, employee compensation, and capital projects. The local transfer for education was increased by \$52.1 million over the FY2022 adopted budget. This increase, along with expenditures savings resulting from prior year investments made to the Schools Supplemental Retirement Plan, is expected to fund compensation enhancements for both teachers and general school employees amounting to \$36.0 million and \$23.6 million respectively. Other investments in the workforce factored into the FY2023 budget include continued implementation of phase one of the general County employee pay plan totaling \$15 million, continued support of Career Development Plans, and continued implementation of public safety employee pay plan step increases. The FY2023 budget includes broad tax relief measures, building upon other recent relief measures including adjustments to the real estate tax relief program for the elderly and disabled enacted in FY2022, FY2023 relief measures include:

- A reduction to the real estate tax rate per \$100 of assessed value from \$0.95 to \$0.92
- A reduction the personal property tax threshold for low valued vehicles from \$1,000 to \$1,500, marking the first change to this threshold since 1998
- Personal Property Tax exemption adjustment from 46% to 55%
- Vehicle registration fee decrease from \$40 annually to \$20 annually
- Tax relief for the elderly and disabled eligibility brackets adjusted up by 6%
- BPOL tax thresholds for total exemption increasing from \$300,000 to \$400,000

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 money it receives. If you have questions about this report or need additional financial information, contact the Chesterfield County Accounting Department, 9901 Lori Road Room 203, Chesterfield, Virginia 23832.



FINANCIAL STATEMENTS

County of Chesterfield, Virginia
Statement of Net Position
June 30, 2022

Exhibit I

	Primary Government				
	Governmental	Business-type		Component	Total
	Activities	Activities	Total	Units	Reporting Entity
ASSETS					
Cash and cash equivalents	\$ 445,996,934	\$ 164,961,432	\$ 610,958,366	\$ 34,184,199	\$ 645,142,565
Investments	706,490,470	381,449,353	1,087,939,823	19,323	1,087,959,146
Receivables, net of allowance for uncollectibles	386,475,401	33,681,635	420,157,036	23,337,924	443,494,960
Due from primary government	-	-	-	106,229,621	106,229,621
Internal balances	7,597,098	(7,597,098)	-	-	-
Inventories	1,112,696	1,255,720	2,368,416	76,701	2,445,117
Prepays	2,083,512	-	2,083,512	-	2,083,512
Capital assets, not being depreciated or amortized	206,456,574	108,742,242	315,198,816	680,525	315,879,341
Other capital and intangible assets, net of depreciation or amortization	1,195,370,287	889,006,240	2,084,376,527	83,924,668	2,168,301,195
Total assets	2,951,582,972	1,571,499,524	4,523,082,496	248,452,961	4,771,535,457
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	3,445,472	554,727	4,000,199	-	4,000,199
Deferred outflows related to pensions	95,345,275	3,486,786	98,832,061	149,250,992	248,083,053
Deferred outflows related to other postemployment benefits	10,613,065	519,844	11,132,909	18,887,564	30,020,473
Total deferred outflows of resources	109,403,812	4,561,357	113,965,169	168,138,556	282,103,725
LIABILITIES					
Accounts payable and accrued expenses	86,623,276	16,404,782	103,028,058	69,232,228	172,260,286
Due to component unit	106,229,621	-	106,229,621	-	106,229,621
Unearned revenues	65,690,857	255,000	65,945,857	1,177,788	67,123,645
Deposits and advances	-	25,000	25,000	-	25,000
Developers' connection fees refundable	-	1,142,831	1,142,831	-	1,142,831
Prepaid connection fees	-	142,800	142,800	-	142,800
Non-current liabilities:					
Due within one year	93,147,090	7,336,190	100,483,280	9,238,916	109,722,196
Due in more than one year	956,566,164	31,087,679	987,653,843	539,478,867	1,527,132,710
Total liabilities	1,308,257,008	56,394,282	1,364,651,290	619,127,799	1,983,779,089
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	232,617,352	-	232,617,352	-	232,617,352
Deferred inflows related to pensions	138,467,551	5,775,123	144,242,674	235,067,556	379,310,230
Deferred inflows related to other postemployment benefits	25,031,484	1,782,660	26,814,144	51,746,432	78,560,576
Deferred inflows related to leases	7,782,035	9,588,209	17,370,244	-	17,370,244
Total deferred inflows of resources	403,898,422	17,145,992	421,044,414	286,813,988	707,858,402
NET POSITION					
Net investment in capital assets	922,258,513	969,931,589	1,892,190,102	74,437,185	1,966,627,287
Restricted for:					
Capital projects	26,853,924	-	26,853,924	-	26,853,924
Contractual agreement	105,408	25,000	130,408	-	130,408.00
Debt covenants	-	12,288,884	12,288,884	-	12,288,884
Grantor programs	10,130,616	-	10,130,616	20,067,394	30,198,010
Legislated programs	90,730,854	-	90,730,854	-	90,730,854
Public safety programs	2,881,750	-	2,881,750	-	2,881,750
Total restricted	130,702,552	12,313,884	143,016,436	20,067,394	163,083,830
Unrestricted (deficit)	295,870,289	520,275,134	816,145,423	(583,854,849)	232,290,574
Total net position	\$ 1,348,831,354	\$ 1,502,520,607	\$ 2,851,351,961	\$ (489,350,270)	\$ 2,362,001,691

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

County of Chesterfield, Virginia
Statement of Activities
For the Year Ended June 30, 2022

Exhibit II

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	Total Reporting Entity
					Governmental Activities	Business-type Activities	Total		
Primary government									
Governmental activities									
General government	\$ 167,321,705	\$ 112,489,028	\$ 1,598,600	\$ -	\$ (53,234,077)	\$ -	\$ (53,234,077)	\$ -	\$ (53,234,077)
Administration of justice	13,876,993	1,784,954	5,735,949	-	(6,356,090)	-	(6,356,090)	-	(6,356,090)
Public safety	219,699,082	22,196,324	17,223,493	934,273	(179,344,992)	-	(179,344,992)	-	(179,344,992)
Public works	92,246,480	11,897,256	1,016,789	76,079,807	(3,252,628)	-	(3,252,628)	-	(3,252,628)
Health and welfare	99,138,739	24,057,350	41,071,869	-	(34,009,520)	-	(34,009,520)	-	(34,009,520)
Parks, recreation and cultural	31,310,767	1,945,293	328,360	4,068,369	(24,968,745)	-	(24,968,745)	-	(24,968,745)
Education - School Board	356,264,344	-	2,688,766	10,532,298	(343,043,280)	-	(343,043,280)	-	(343,043,280)
Community development	36,988,846	8,638,795	15,643,561	-	(12,706,490)	-	(12,706,490)	-	(12,706,490)
Interest on long-term debt	20,276,554	-	-	-	(20,276,554)	-	(20,276,554)	-	(20,276,554)
Total governmental activities	1,037,123,510	183,009,000	85,307,387	91,614,747	(677,192,376)	-	(677,192,376)	-	(677,192,376)
Business-type activities									
Water	49,475,931	62,398,994	1,558,863.00	30,464,529	-	44,946,455	44,946,455	-	44,946,455
Wastewater	45,502,660	57,311,163	-	24,298,088	-	36,106,591	36,106,591	-	36,106,591
Non-major business activities	10,394,896	2,344,652	-	904,062	-	(7,146,182)	(7,146,182)	-	(7,146,182)
Total business-type activities	105,373,487	122,054,809	1,558,863.00	55,666,679	-	73,906,864	73,906,864	-	73,906,864
Total primary government	\$ 1,142,496,997	\$ 305,063,809	\$ 86,866,250	\$ 147,281,426	(677,192,376)	73,906,864	(603,285,512)	-	(603,285,512)
Component units	\$ 708,478,764	\$ 4,536,686	\$ 215,048,649	\$ 9,229,400	-	-	-	(479,664,029)	(479,664,029)
General revenues:									
Taxes:									
Property taxes, levied for general purposes					594,253,958	-	594,253,958	-	594,253,958
Utility taxes					8,611,855	-	8,611,855	-	8,611,855
Sales taxes					68,515,480	-	68,515,480	-	68,515,480
Motor vehicle licenses					9,865,854	-	9,865,854	-	9,865,854
Business license taxes					26,756,039	-	26,756,039	-	26,756,039
Other					21,445,772	-	21,445,772	-	21,445,772
Payment from primary government					-	-	-	317,756,941	317,756,941
Grants and contributions not restricted to specific programs					63,577,453	-	63,577,453	288,141,995	351,719,448
Investment earnings (losses)					(11,488,454)	(15,247,385)	(26,735,839)	43,451	(26,692,388)
Miscellaneous					1,534,223	-	1,534,223	6,857,457	8,391,680
Transfers					(28,035,735)	28,035,735	-	-	-
Total general revenues and transfers					755,036,445	12,788,350	767,824,795	612,799,844	1,380,624,639
Change in net position					77,844,069	86,695,214	164,539,283	133,135,815	297,675,098
Total net position (deficit) July 1, 2021					1,270,987,285	1,415,825,393	2,686,812,678	(622,486,085)	2,064,326,593
Total net position (deficit) June 30, 2022					\$ 1,348,831,354	\$ 1,502,520,607	\$ 2,851,351,961	\$ (489,350,270)	\$ 2,362,001,691

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

County of Chesterfield, Virginia
Balance Sheet
Governmental Funds
June 30, 2022

Exhibit III

	<u>General</u>	<u>County Capital Projects</u>	<u>School Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 245,223,631	\$ 33,145,740	\$ 1,645,281	\$ 89,876,630	\$ 369,891,282
Cash, cash equivalents and investments with fiscal agents	-	73,009,502	-	-	73,009,502
Investments	411,201,294	21,103,671	201,176,003	-	633,480,968
Receivables, net of allowances for uncollectibles of \$20,612,623	304,508,419	196,239	-	8,638,565	313,343,223
Due from other funds	-	8,223,525	-	-	8,223,525
Due from other governments	43,762,154	20,233,247	-	8,979,760	72,975,161
Total assets	<u>\$ 1,004,695,498</u>	<u>\$ 155,911,924</u>	<u>\$ 202,821,284</u>	<u>107,494,955</u>	<u>\$ 1,470,923,661</u>
LIABILITIES					
Accounts payable	\$ 11,273,215	\$ 20,438,014	\$ 4,132,305	\$ 4,383,362	\$ 40,226,896
Due to other funds	626,427	-	-	-	626,427
Due to component unit - School Board	106,229,621	-	-	-	106,229,621
Accrued liabilities	19,042,388	26,661	-	3,054,827	22,123,876
Retainages payable	-	1,174,846	2,224,775	172,301	3,571,922
Unearned revenues	63,781,356	-	-	1,909,501	65,690,857
Deposits payable	607,865	3,750,279	-	-	4,358,144
Total liabilities	<u>201,560,872</u>	<u>25,389,800</u>	<u>6,357,080</u>	<u>9,519,991</u>	<u>242,827,743</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	230,275,797	-	-	2,341,555	232,617,352
Unavailable revenues	34,940,054	2,892,548	-	2,583,996	40,416,598
Deferred inflows related to leases	7,782,035	-	-	-	7,782,035
Total deferred inflows of resources	<u>272,997,886</u>	<u>2,892,548</u>	<u>-</u>	<u>4,925,551</u>	<u>280,815,985</u>
FUND BALANCES					
Restricted	29,440,785	127,629,576	196,464,204	65,929,635	419,464,200
Committed	2,149,815	-	-	-	2,149,815
Assigned	427,745,740	-	-	27,119,778	454,865,518
Unassigned	70,800,400	-	-	-	70,800,400
Total fund balances	<u>530,136,740</u>	<u>127,629,576</u>	<u>196,464,204</u>	<u>93,049,413</u>	<u>947,279,933</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,004,695,498</u>	<u>\$ 155,911,924</u>	<u>\$ 202,821,284</u>	<u>\$ 107,494,955</u>	<u>\$ 1,470,923,661</u>

Reconciliation of total fund balances for governmental funds to total net position of governmental activities:

Total fund balances for governmental funds	\$ 947,279,933
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and are not reported in the funds.	1,387,171,165
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds:	
Uncollected taxes receivable	\$ 29,074,571
Uncollected receivables from other governments	8,710,761
Uncollected miscellaneous receivables	2,631,266
Prepaid and deferred items:	
Prepaid capital asset	2,083,512
Deferred charge on refunding	3,445,472
Deferred outflows related to pensions	93,788,186
Deferred outflows related to other postemployment benefits	10,455,165
Internal service funds are used by management to charge the costs of certain activities, such as insurance, vehicles and communications, and capital projects management to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service funds are included in governmental activities in the Statement of Net Position.	69,212,858
Long-term obligations, including bonds payable, are not due and payable in the current period and are not reported in the funds:	
Net bonds, certificates of participation, public facility lease, taxable redevelopment facility note, support agreements and financed purchase obligations	(829,322,697)
Lease obligations	(7,423,560)
Judgments and claims	(5,501,602)
Landfill	(661,119)
Net pension liabilities	(95,767,811)
Net other postemployment benefits liabilities	(57,440,136)
Compensated absences	(36,471,198)
Deferred inflows related to pensions	(135,888,565)
Deferred inflows related to other postemployment benefits	(24,538,326)
Interest payable	(12,006,521)
Total net position of governmental activities	<u>\$ 1,348,831,354</u>

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

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	<u>General</u>	<u>County Capital Projects</u>	<u>School Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
From local sources:					
General property taxes	\$ 591,477,097	\$ -	\$ -	\$ -	\$ 591,477,097
Other local taxes	135,732,271	-	-	29,311,191.00	165,043,462
Permits, privilege fees and regulatory licenses	10,773,435	-	-	-	10,773,435
Fines and forfeitures	2,236,780	-	-	-	2,236,780
Use of money and property	(10,315,260)	336,521	553,535	57,821	(9,367,383)
Contributions from developers	-	6,265,665	-	-	6,265,665
Charges for services	16,115,016	175,266	-	35,480,694	51,770,976
Miscellaneous	2,804,969	71,827	12,500	369,419	3,258,715
Recovered costs	4,724,544	-	-	1,086,719	5,811,263
Donations and contributions	114,393	54,558	-	167,509	336,460
From component unit: School Board	-	-	10,894,176	5,143,200	16,037,376
From other governments	101,862,790	39,446,651	-	39,661,686	180,971,127
Total revenues	<u>855,526,035</u>	<u>46,350,488</u>	<u>11,460,211</u>	<u>111,278,239</u>	<u>1,024,614,973</u>
Expenditures					
Current:					
General government	66,631,050	-	-	-	66,631,050
Administration of justice	11,122,538	-	-	1,380,723	12,503,261
Public safety	215,750,619	-	-	10,009,706	225,760,325
Public works	22,648,540	-	-	508,359	23,156,899
Health and welfare	39,778,220	-	-	60,087,653	99,865,873
Parks, recreation and cultural	26,144,808	-	-	179,783	26,324,591
Education - School Board	316,256,298	-	18,210	-	316,274,508
Community development	20,235,799	-	-	15,624,341	35,860,140
Debt service:					
Retirement of principal	59,389,241	-	766,246	704,428	60,859,915
Interest	26,190,756	-	4,850	40,134	26,235,740
Other	764,686	-	-	-	764,686
Capital outlay	648,748	105,612,803	49,794,456	214,479	156,270,486
Total expenditures	<u>805,561,303</u>	<u>105,612,803</u>	<u>50,583,762</u>	<u>88,749,606</u>	<u>1,050,507,474</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,964,732</u>	<u>(59,262,315)</u>	<u>(39,123,551)</u>	<u>22,528,633</u>	<u>(25,892,501)</u>
Other financing sources (uses)					
Leases issued	648,748	-	-	214,479	863,227
Transfers in	2,374,254	28,065,330	31,816	17,366,189	47,837,589
Transfers out	(71,840,381)	-	-	(5,994,009)	(77,834,390)
Bonds issued	438,795	-	116,166,205	-	116,605,000
Premium on bonds issued	309,577	-	13,833,795	-	14,143,372
Total other financing sources (uses), net	<u>(68,069,007)</u>	<u>28,065,330</u>	<u>130,031,816</u>	<u>11,586,659</u>	<u>101,614,798</u>
Net change in fund balances	<u>(18,104,275)</u>	<u>(31,196,985)</u>	<u>90,908,265</u>	<u>34,115,292</u>	<u>75,722,297</u>
Total fund balances, July 1, 2021	<u>548,241,015</u>	<u>158,826,561</u>	<u>105,555,939</u>	<u>58,934,121</u>	<u>871,557,636</u>
Total fund balances, June 30, 2022	<u>\$ 530,136,740</u>	<u>\$ 127,629,576</u>	<u>196,464,204</u>	<u>\$ 93,049,413</u>	<u>\$ 947,279,933</u>

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds.	\$	75,722,297
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capitalized assets	\$ 75,360,439		
Depreciation and amortization	(53,996,985)		
Right-to-use assets	885,097		
Right-to-use amortization	<u>(2,183,924)</u>		20,064,627

In the Statement of Activities, only the gain on the sale of surplus assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balances by the net book value of the surplus assets sold.			(2,827,111)
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Donations of capital assets increase revenues in the Statement of Changes in Net Position, but do not appear in the governmental funds because they are not financial resources.			6,735,533
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			8,962,993
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Payments	58,776,129		
Proceeds	<u>(130,748,372)</u>		(71,972,243)

Lease proceeds provide current financial resources to governmental funds, but issuing leases increase long-term liabilities in the Statement of Net Position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Payments	2,083,786		
Proceeds	<u>(863,227)</u>		1,220,559

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes (exclusive of internal service fund changes) of the following balances:

Compensated absences	(1,681,072)		
Judgment and claims	491,452		
Pension expense	19,461,048		
Other postemployment benefits expense	7,190,483		
Landfill	(33,368)		
Interest payable	(695,271)		
Amortization of debt premiums	9,101,545		
Amortization of deferred charge on refunding	<u>(1,114,271)</u>		32,720,546

Internal service funds are used by management to charge the costs of insurance, vehicles and communications and capital projects management to individual funds. The net revenue of the internal service funds is reported with governmental activities.			<u>7,216,868</u>
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Change in net position of governmental activities.	\$		<u>77,844,069</u>
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The accompanying notes are an integral part of the financial statements.

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
From local sources:				
General property taxes	\$ 530,634,500	\$ 541,924,500	\$ 591,477,097	\$ 49,552,597
Other local taxes	132,549,900	132,549,900	146,118,423	13,568,523
Permits, privilege fees and regulatory licenses	8,754,500	10,689,020	10,773,435	84,415
Fines and forfeitures	1,254,200	1,533,621	2,236,780	703,159
Use of money and property	4,362,500	4,388,000	(10,315,259)	(14,703,259)
Charges for services	15,588,900	15,607,900	16,115,013	507,113
Miscellaneous	1,369,686	1,896,799	2,804,969	908,170
Recovered costs	4,457,200	4,796,982	4,722,818	(74,164)
Donations and contributions	57,200	87,453	116,120	28,667
From other governments	85,473,600	87,822,654	90,682,605	2,859,951
Total revenues	784,502,186	801,296,829	854,732,001	53,435,172
Expenditures				
Current:				
General government	67,980,660	70,333,716	66,823,743	3,509,973
Administration of justice	10,846,564	11,741,875	11,173,809	568,066
Public safety	208,656,926	222,829,237	215,469,918	7,359,319
Public works	22,872,027	23,641,095	22,648,540	992,555
Health and welfare	39,527,825	40,889,439	39,782,720	1,106,719
Parks, recreation and cultural	25,779,557	24,687,187	24,112,341	574,846
Community development	20,565,461	50,343,064	48,882,763	1,460,301
Non-departmental	517,400	193,868	36,000	157,868
Debt service:				
Retirement of principal	20,541,900	20,541,900	20,499,243	42,657
Interest	8,431,100	8,431,100	8,477,766	(46,666)
Other	899,800	129,800	24,896	104,904
Total expenditures	426,619,220	473,762,281	457,931,739	15,830,542
Excess of revenues over expenditures	357,882,966	327,534,548	396,800,262	69,265,714
Other financing sources (uses)				
Transfers in	2,918,500	2,918,500	2,374,254	(544,246)
Transfers out	(383,231,100)	(591,341,672)	(417,278,791)	174,062,881
Total other financing uses, net	(380,312,600)	(588,423,172)	(414,904,537)	173,518,635
Net change in fund balance	(22,429,634)	(260,888,624)	(18,104,275)	242,784,349
Fund balance, July 1, 2021	548,241,015	548,241,015	548,241,015	-
Fund balance, June 30, 2022	\$ 525,811,381	\$ 287,352,391	\$ 530,136,740	\$ 242,784,349

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

Explanation of differences between actual amounts on the budgetary basis and GAAP basis.

Revenues

Total revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	\$ 854,732,001
Revenues related to State and Local Fiscal Recovery Funds are not reported on a budgetary basis.	<u>794,034</u>
Total revenues of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 855,526,035</u>

Expenditures

Total expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	\$ 457,931,739
Local funding of grant programs are transfers to other funds, rather than expenditures, for financial reporting purposes.	(232,949)
Expenditures related to State and Local Fiscal Recovery Funds are not reported on a budgetary basis.	794,034
Budgetary transfers to component unit, excluding transfers for funding "on behalf" debt payments, are expenditures for financial reporting purposes.	316,260,300
Budgetary expenditures to blended component unit are transfers for financial reporting purposes.	(26,527,578)
Right-to-use capital outlay	648,747
Debt service on debt issued "on behalf" of the School Board component unit is considered an expenditure of the primary government for financial reporting purposes.	<u>56,687,009</u>
Total expenditures of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 805,561,302</u>

Other financing sources (uses), net

Total other financing uses, net, on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	\$ (414,904,537)
Local funding of grant programs are transfers to other funds, rather than expenditures, for financial reporting purposes.	(232,949)
Right to use proceeds	648,748
Budgetary transfers to component units are expenditures for financial reporting purposes.	372,198,937
Budgetary expenditures to blended component unit are transfers for financial reporting purposes.	(26,527,578)
Net proceeds from debt issued "on behalf" of the School Board and EDA component units are considered other financing sources and/or uses for the primary government for financial reporting purposes.	<u>748,372</u>
Total other financing uses, net, of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ (68,069,007)</u>

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

County of Chesterfield, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2022

Exhibit VI

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 69,228,275	\$ 66,100,382	\$ 8,045,711	\$ 143,374,368	\$ 76,105,652
Investments	159,793,978	221,655,375	-	381,449,353	-
Restricted cash equivalents with trustees	-	-	9,298,180	9,298,180	-
Receivables, net of allowances for uncollectibles of \$775,434					
Accounts	11,282,303	9,271,545	346,737	20,900,585	81,068
Special assessments	8,889	30,165	-	39,054	-
Leases	107,129	-	442,667	549,796	-
Total net receivables	11,398,321	9,301,710	789,404	21,489,435	81,068
Accrued interest	610,004	879,100	-	1,489,104	-
Due from other governments	582,300	14,502	602,320	1,199,122	75,949
Due from other funds	-	-	626,427	626,427	-
Inventories	1,255,720	-	-	1,255,720	1,112,696
Total current assets	242,868,598	297,951,069	19,362,042	560,181,709	77,375,365
Non-current assets:					
Accrued interest receivable	-	161,148	-	161,148	-
Special assessments receivable	26,421	198,352	-	224,773	-
Lease Receivable	3,403,818	-	5,714,235	9,118,053	-
Restricted cash and cash equivalents	6,969,167	5,319,717	-	12,288,884	-
Capital and intangible assets:					
Capacity rights, net	64,564,034	1,664,275	-	66,228,309	-
Land and land improvements	11,157,959	4,699,178	48,238,534	64,095,671	-
Buildings	76,175,196	158,763,914	9,023,372	243,962,482	2,197,288
Improvements other than buildings	9,245,021	19,734,128	30,228,393	59,207,542	311,805
Infrastructure	-	-	9,887,662	9,887,662	-
Machinery and equipment	555,386,276	615,477,377	4,010,542	1,174,874,195	18,610,676
Construction in progress	30,479,512	13,474,914	692,145	44,646,571	8,275,885
Total capital and intangible assets	747,007,998	813,813,786	102,080,648	1,662,902,432	29,395,654
Less accumulated depreciation	(257,646,344)	(378,371,763)	(29,135,843)	(665,153,950)	(14,739,958)
Total capital and intangible assets, net of accumulated depreciation	489,361,654	435,442,023	72,944,805	997,748,482	14,655,696
Total non-current assets	499,761,060	441,121,240	78,659,040	1,019,541,340	14,655,696
Total assets	742,629,658	739,072,309	98,021,082	1,579,723,049	92,031,061
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	145,822	406,679	2,226	554,727	-
Deferred outflows related to pensions	1,750,565	1,672,583	63,638	3,486,786	1,557,089
Deferred outflows related to other postemployment benefits	229,638	281,536	8,670	519,844	157,900
Total deferred outflows of resources	2,126,025	2,360,798	74,534	4,561,357	1,714,989

County of Chesterfield, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2022

Exhibit VI

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Non-major Enterprise Funds	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 5,458,029	\$ 3,104,007	\$ 558,705	\$ 9,120,741	\$ 3,412,223
Due to other funds	-	-	8,223,525	8,223,525	-
Accrued liabilities:					
Wages and benefits	877,426	741,042	18,393	1,636,861	587,500
Interest	72,520	117,856	23,443	213,819	-
Other	1,895,782	31,661	1,519,026	3,446,469	-
Total accrued liabilities	2,845,728	890,559	1,560,862	5,297,149	587,500
Compensated absences	176,660	167,191	5,346	349,197	94,716
Unearned revenues	-	-	255,000	255,000	-
Judgments and claims	74,904	15,118	-	90,022	11,911,307
Certificates of participation, net	-	-	79,118	79,118	-
Airport Revolving Loan Fund	-	-	92,300	92,300	-
Revenue bonds payable, net	3,435,853	3,285,079	4,621	6,725,553	-
Total current liabilities	11,991,174	7,461,954	10,779,477	30,232,605	16,005,746
Non-current liabilities:					
Developers' connection fees refundable	257,636	885,195	-	1,142,831	-
Deposits and advances	-	-	25,000	25,000	-
Retainages payable	1,200,325	499,153	287,414	1,986,892	336,192
Prepaid connection fees	-	142,800	-	142,800	-
Compensated absences	1,120,754	1,051,364	35,763	2,207,881	602,352
Judgments and claims	106,333	21,460	-	127,793	1,568,124
Net pension liabilities	2,228,111	2,032,407	48,851	4,309,369	1,584,538
Net other postemployment benefit liabilities	2,252,204	2,627,136	75,541	4,954,881	1,364,096
Certificates of participation, net	-	-	73,873	73,873	-
Airport Revolving Loan Fund	-	-	1,476,800	1,476,800	-
Revenue bonds payable, net	5,766,635	12,150,715	19,732	17,937,082	-
Total non-current liabilities	12,931,998	19,410,230	2,042,974	34,385,202	5,455,302
Total liabilities	24,923,172	26,872,184	12,822,451	64,617,807	21,461,048
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	2,899,442	2,770,275	105,406	5,775,123	2,578,986
Deferred inflows related to other postemployment benefits	809,220	946,146	27,294	1,782,660	493,158
Deferred inflows related to leases	3,478,282	-	6,109,927	9,588,209	-
Total deferred inflows of resources	7,186,944	3,716,421	6,242,627	17,145,992	3,072,144
NET POSITION					
Net investment in capital assets	479,104,662	419,913,756	70,913,171	969,931,589	14,319,504
Restricted:					
Contractual agreements	-	-	25,000	25,000	-
Debt covenants	6,969,167	5,319,717	-	12,288,884	-
Total restricted	6,969,167	5,319,717	25,000	12,313,884	-
Unrestricted	226,571,738	285,611,029	8,092,367	520,275,134	54,893,354
Total net position	\$ 712,645,567	\$ 710,844,502	\$ 79,030,538	\$ 1,502,520,607	\$ 69,212,858

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

County of Chesterfield, Virginia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

Exhibit VII

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
Operating revenues					
Charges for services	\$ 60,329,978	\$ 55,405,681	\$ 1,910,768	\$ 117,646,427	\$ 165,972,912
Sale of supplies	1,833,331	-	-	1,833,331	-
Rental fees	147,352	-	-	147,352	-
From other governments	1,558,863	-	241,229	1,800,092	-
Other	88,333	1,905,482	192,655	2,186,470	2,286,313
Total operating revenues	63,957,857	57,311,163	2,344,652	123,613,672	168,259,225
Operating expenses					
Salaries and wages	8,780,123	8,182,676	254,675	17,217,474	7,258,543
Contractual services	14,665,741	5,276,745	812,854	20,755,340	5,243,592
Capacity rights amortization	2,444,974	118,877	-	2,563,851	-
Materials and supplies	4,341,793	6,086,183	37,310	10,465,286	10,504,756
Heat, light and power	1,629,211	2,866,200	83,456	4,578,867	54,708
Depreciation	13,894,559	19,988,525	1,860,838	35,743,922	1,718,514
Repairs and maintenance	930,150	1,392,896	96,250	2,419,296	1,654,433
Insurance	-	-	-	-	4,111,356
Claims	-	-	-	-	132,913,453
Grant beneficiary payments	1,558,863	-	-	1,558,863	-
Other	493,323	255,533	1,055,380	1,804,236	35,929
Total operating expenses	48,738,737	44,167,635	4,200,763	97,107,135	163,495,284
Operating income (loss)	15,219,120	13,143,528	(1,856,111)	26,506,537	4,763,941
Non-operating revenues (expenses)					
Investment income	(6,708,972)	(8,550,817)	12,404	(15,247,385)	98,350
Lease revenue	-	-	105,132	105,132	-
Interest expense	(230,674)	(388,564)	(52,229)	(671,467)	-
Gain (loss) on disposal of capital assets	(51,893)	(148,811)	-	(200,704)	282,629
Other	(454,627)	(797,650)	(6,141,904)	(7,394,181)	-
Net non-operating revenues	(7,446,166)	(9,885,842)	(6,076,597)	(23,408,605)	380,979
Income (loss) before contributions and transfers	7,772,954	3,257,686	(7,932,708)	3,097,932	5,144,920
Capital contributions	30,464,529	24,301,502	808,246	55,574,277	98,151
Transfers in	-	-	28,061,180	28,061,180	1,973,797
Transfers out	(38,175)	-	-	(38,175)	-
Change in net position	38,199,308	27,559,188	20,936,718	86,695,214	7,216,868
Total net position-July 1, 2021	674,446,259	683,285,314	58,093,820	1,415,825,393	61,995,990
Total net position-June 30, 2022	\$ 712,645,567	\$ 710,844,502	\$ 79,030,538	\$ 1,502,520,607	\$ 69,212,858

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

County of Chesterfield, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
Cash flows from operating activities					
Receipts from customers	\$ 63,805,075	\$ 57,803,285	\$ 2,015,572	\$ 123,623,932	\$ 168,151,680
Lease interest receipts	-	-	119,121	119,121	-
Payments to suppliers	(25,085,126)	(16,601,660)	(2,197,638)	(43,884,424)	(18,856,305)
Payments to employees	(9,280,836)	(8,777,438)	(269,995)	(18,328,269)	(7,673,767)
Claims paid	-	-	-	-	(130,161,832)
Net cash provided by (used in) operating activities	29,439,113	32,424,187	(332,940)	61,530,360	11,459,776
Cash flows from non-capital financing activities					
Transfers in	-	-	262,000	262,000	1,973,797
Net cash provided by non-capital financing activities	-	-	262,000	262,000	1,973,797
Cash flows from capital and related financing activities					
Purchase of capital assets	(24,489,253)	(15,268,486)	(34,119,638)	(73,877,377)	(8,942,017)
Purchase of capacity rights	(1,477,288)	-	-	(1,477,288)	-
Payments to developers for utility assets	(290,235)	(445,199)	-	(735,434)	-
Retainages paid to contractors	(152,955)	(385,222)	-	(538,177)	-
Proceeds from sale of capital assets	16,300	-	-	16,300	291,237
Capital contributions	16,451,099	14,012,549	27,961,999	58,425,647	69,100
Interest paid on bonds, certificates of participation and other liabilities	(512,875)	(778,375)	(57,193)	(1,348,443)	-
Principal paid on bonds, certificates of participation and other liabilities	(3,015,000)	(2,695,000)	(190,157)	(5,900,157)	-
Payment of other debt expenses	(1,265)	(1,485)	-	(2,750)	-
Net cash provided by (used in) capital and related financing activities	(13,471,472)	(5,561,218)	(6,404,989)	(25,437,679)	(8,581,680)
Cash flows from investing activities					
Purchase of investments	(81,673,116)	(139,772,625)	-	(221,445,741)	-
Proceeds from sale of investments	16,812,500	60,776,527	-	77,589,027	-
Interest received	2,342,717	2,049,128	11,555	4,403,400	98,350
Net cash provided by (used in) investing activities	(62,517,899)	(76,946,970)	11,555	(139,453,314)	98,350
Net increase (decrease) in cash and cash equivalents	(46,550,258)	(50,084,001)	(6,464,374)	(103,098,633)	4,950,243

County of Chesterfield, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
Cash and cash equivalents, June 30, 2021:					
Cash and cash equivalents	\$ 116,404,450	\$ 116,888,700	\$ 7,226,818	\$ 240,519,968	\$ 71,155,409
Investments	104,193,397	153,440,011	-	257,633,408	-
Less: Investments with maturities greater than 90 days when purchased	(104,193,397)	(153,440,011)	-	(257,633,408)	-
Restricted cash and cash equivalents	6,343,250	4,615,400	-	10,958,650	-
Restricted cash and cash equivalents with trustees	-	-	16,581,447	16,581,447	-
Total cash and cash equivalents, June 30, 2021	<u>122,747,700</u>	<u>121,504,100</u>	<u>23,808,265</u>	<u>268,060,065</u>	<u>71,155,409</u>
Cash and cash equivalents, June 30, 2022:					
Cash and cash equivalents	69,228,275	66,100,382	8,045,711	143,374,368	76,105,652
Investments	159,793,978	221,655,375	-	381,449,353	-
Less: Investments with maturities greater than 90 days when purchased	(159,793,978)	(221,655,375)	-	(381,449,353)	-
Restricted cash and cash equivalents	6,969,167	5,319,717	-	12,288,884	-
Restricted cash and cash equivalents with trustees	-	-	9,298,180	9,298,180	-
Total cash and cash equivalents, June 30, 2022	<u>\$ 76,197,442</u>	<u>\$ 71,420,099</u>	<u>\$ 17,343,891</u>	<u>\$ 164,961,432</u>	<u>\$ 76,105,652</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 15,219,120	\$ 13,143,528	\$ (1,856,111)	\$ 26,506,537	\$ 4,763,941
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	13,894,559	19,988,525	1,860,838	35,743,922	1,718,514
Amortization	2,444,974	118,877	-	2,563,851	-
Changes in assets and liabilities:					
Receivables, net	(479,639)	492,122	(245,865)	(233,382)	(107,545)
Inventories	(192,864)	-	-	(192,864)	(254,759)
Accounts and other payables	(1,334,454)	(1,318,865)	(91,802)	(2,745,121)	5,339,625
Unearned revenue	(112,583)	-	-	(112,583)	-
Net cash provided by (used in) operating activities	<u>\$ 29,439,113</u>	<u>\$ 32,424,187</u>	<u>\$ (332,940)</u>	<u>\$ 61,530,360</u>	<u>\$ 11,459,776</u>
Noncash transactions related to financing, capital and investing activities:					
Contributions of capital assets	\$ 14,013,430	\$ 10,288,953	\$ 9,317	\$ 24,311,700	\$ 29,051
Issuance of developer contracts	240,084	874,238	-	1,114,322	-
Unrealized loss on investments	(9,260,035)	(10,780,734)	-	(20,040,769)	-
Interest receivable	208,346	180,789	-	389,135	-

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

County of Chesterfield, Virginia
Statement of Fiduciary Net Position
June 30, 2022

	Pension and Other Postemployment Benefits	
	<u>Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ 7,438,648	\$ 73,753,170
Accounts receivable	59,775	233,131
Due from broker	15,180	-
Restricted assets:		
Cash and cash equivalents	-	6,250,166
Investments	-	8,125,563
Cash, cash equivalents, and investments with trustee	-	12,097,759
Due from other governments	-	2,870,816
Interest receivable	-	2,143
Total restricted assets	<u>-</u>	<u>29,346,447</u>
Investments:		
Mutual funds	6,888,760	-
Common and preferred stocks	8,876,988	-
Commercial Paper	-	34,333,632
Certificate of Deposits	-	9,996,330
Corporate bonds	4,222,308	-
Corporate notes	-	9,914,098
Municipal bonds	32,267	-
U.S. government and agency securities	3,707,955	-
Exchange traded funds	7,236,489	-
Collateralized mortgage obligations	401,854	-
Fund of funds	7,113,878	-
Pooled funds	77,595,059	-
Total investments	<u>116,075,558</u>	<u>54,244,060</u>
Total assets	<u>123,589,161</u>	<u>157,576,808</u>
LIABILITIES		
Accounts payable	-	680,221
Wages and benefits	-	310,683
Unearned revenue	-	405,000
Due to broker	1,000,000	-
Due to Chesterfield County	-	19,388
Due to other governments	-	18,059,008
Total liabilities	<u>1,000,000</u>	<u>19,474,300</u>
FIDUCIARY NET POSITION		
Restricted for:		
Pension benefits	44,993,907	-
Other postemployment benefits	77,595,254	-
Individuals, other governments and entities	-	138,102,508
Total fiduciary net position	<u>\$ 122,589,161</u>	<u>\$ 138,102,508</u>

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

County of Chesterfield, Virginia
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Pension and Other Postemployment Benefits	
	<u>Trust Funds</u>	<u>Custodial Funds</u>
Additions:		
Receipts:		
Contributions - employer	\$ 32,468,534	\$ -
Deposits received on behalf of others	-	2,429,552
Contributions from participating entities and other governments	-	234,711,356
Other	-	58,000,730
Investment earnings:		
Interest and dividends	1,911,456	318,287
Net increase (decrease) in the fair value of investments	<u>(14,815,180)</u>	<u>(861,862)</u>
Total investment income	(12,903,724)	(543,575)
Less investment expenses	<u>(293,953)</u>	<u>(3,475)</u>
Net investment income (loss)	<u>(13,197,677)</u>	<u>(547,050)</u>
Total additions, net	<u>19,270,857</u>	<u>294,594,588</u>
Deductions:		
Payments to beneficiaries and participating entities	27,136,028	226,541,325
General and administrative expenses	92,258	520,632
Other payments	<u>-</u>	<u>31,460</u>
Total deductions	<u>27,228,286</u>	<u>227,093,417</u>
Net increase (decrease) in fiduciary net position	(7,957,429)	67,501,171
Fiduciary net position - July 1, 2021	<u>130,546,590</u>	<u>70,601,337</u>
Fiduciary net position - June 30, 2022	<u>\$ 122,589,161</u>	<u>\$ 138,102,508</u>

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

County of Chesterfield, Virginia
Statement of Net Position
Discretely Presented Component Units
June 30, 2022

	School Board	Non-major Component Units Chippenham Place Community Development Authority	Total Component Units
ASSETS			
Cash and cash equivalents	\$ 31,684,901	\$ 2,499,298	\$ 34,184,199
Investments	19,323	-	19,323
Receivables	23,337,924	-	23,337,924
Due from primary government	106,229,621	-	106,229,621
Inventories	76,701	-	76,701
Capital assets, not being depreciated	680,525	-	680,525
Other capital assets, net of depreciation	83,924,668	-	83,924,668
Total assets	<u>245,953,663</u>	<u>2,499,298</u>	<u>248,452,961</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	149,250,992	-	149,250,992
Deferred outflows related to other postemployment benefits	18,887,564	-	18,887,564
Total deferred outflows of resources	<u>168,138,556</u>	<u>-</u>	<u>168,138,556</u>
LIABILITIES			
Accounts payable and other liabilities	69,170,009	62,219	69,232,228
Unearned revenues	1,177,788	-	1,177,788
Non-current liabilities:			
Due within one year	8,504,766	734,150	9,238,916
Due in more than one year	531,839,324	7,639,543	539,478,867
Total liabilities	<u>610,691,887</u>	<u>8,435,912</u>	<u>619,127,799</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	235,067,556	-	235,067,556
Deferred inflows related to other postemployment benefits	51,746,432	-	51,746,432
Total deferred inflows of resources	<u>286,813,988</u>	<u>-</u>	<u>286,813,988</u>
NET POSITION			
Net investment in capital assets	74,437,185	-	74,437,185
Restricted for grantor programs	20,067,394	-	20,067,394
Unrestricted (deficit)	(577,918,235)	(5,936,614)	(583,854,849)
Total net position (deficit)	<u>\$ (483,413,656)</u>	<u>\$ (5,936,614)</u>	<u>\$ (489,350,270)</u>

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

County of Chesterfield, Virginia
Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Non-major Component Units Chippenham Place Community Development Authority	Total Component Units
School Board	\$ 708,198,881	\$ 4,536,686	\$ 215,048,649	\$ 9,229,400	\$ (479,384,146)	\$ -	\$ (479,384,146)
Non-major Component Units	279,883	-	-	-	-	(279,883)	(279,883)
Total	<u>\$ 708,478,764</u>	<u>\$ 4,536,686</u>	<u>\$ 215,048,649</u>	<u>\$ 9,229,400</u>	<u>(479,384,146)</u>	<u>(279,883)</u>	<u>(479,664,029)</u>
General revenues:							
Payment from County of Chesterfield					316,274,508	1,482,433	317,756,941
Grants and contributions							
not restricted to specific programs					288,141,995	-	288,141,995
Investment earnings					41,213	2,238	43,451
Miscellaneous					6,857,457	-	6,857,457
Total general revenues					<u>611,315,173</u>	<u>1,484,671</u>	<u>612,799,844</u>
Change in net position (deficit)					131,931,027	1,204,788	133,135,815
Total net position (deficit) - July 1, 2021					<u>(615,344,683)</u>	<u>(7,141,402)</u>	<u>(622,486,085)</u>
Total net position (deficit) - June 30, 2022					<u>\$ (483,413,656)</u>	<u>\$ (5,936,614)</u>	<u>\$ (489,350,270)</u>

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies

A. Reporting Entity

Primary Government - Chesterfield County, Virginia (County) is a political subdivision of the Commonwealth of Virginia (Commonwealth) governed by a five-member elected Board of Supervisors (County Board). The accompanying financial statements for the primary government and its component units are prepared in accordance with specifications issued by the Commonwealth's Auditor of Public Accounts (APA) and with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB).

Blended Component Unit - The financial data of the County's component unit that meets the criteria for blending under GAAP is reported as a business-type activity in the financial statements of the County.

The Economic Development Authority of the County of Chesterfield (EDA), previously known as the Industrial Development Authority, was created as a political subdivision of the Commonwealth by the County, pursuant to the provisions of the Industrial Development and Revenue Bond Act, Chapter 49 of Title 15.2, Code of Virginia. This Act empowers the EDA, among other activities, to issue tax-exempt bonds on behalf of bond issuers so that they may acquire, improve, maintain, equip, own, lease or dispose of properties by inducing manufacturing and industrial enterprises to locate or remain in the Commonwealth. The County Board appoints the seven directors of the EDA. In addition, the County's General Fund provides financial support by making direct payments of substantially all of the debt service expenses of the EDA which fulfills the requirements for reporting the EDA as a blended component unit under GAAP. Separate and complete financial statements for the EDA may be obtained at Chesterfield County Economic Development Department, 9401 Courthouse Road, Centre Court - Suite B, Chesterfield, Virginia 23832.

Discretely Presented Component Units - The financial information of the County's component units that meet the criteria for inclusion under GAAP but do not meet the criteria for blending are reported in a single column/row on the face of the government-wide financial statements with combining statements of major and non-major component units as Exhibits XI and XII.

1. The Chesterfield County Public School System (School Board) is responsible for elementary and secondary education within the County's jurisdiction. The five members of the School Board are elected for a four-year term. The members of the current School Board were elected in November 2019. The School Board functions independently of the County Board and County Administration, but is fiscally dependent, as it receives significant funding from the County. The nature and significance of the financial relationship between the County and the School Board is such that it would be misleading to exclude the School Board from the County's financial statements. The School Board does not publish a separate financial report; therefore, the fund financial statements of the School Board are included in the supplementary information section.
2. The Chippenham Place Community Development Authority (Chippenham Place CDA) was created as a political subdivision of the Commonwealth by the County, pursuant to Sections 15.2-5152 of the Code of Virginia. The Chippenham Place CDA funded public infrastructure improvements at the former Cloverleaf Mall site (Stonebridge) owned by the County. The improvements are part of a mixed-use development project that provides residential, retail and commercial office components. The County Board appoints the five members of the Chippenham Place CDA board and has pledged a tax increment of certain real property and sales taxes collected within the Chippenham Place CDA district as a revenue source for retiring debt issued by the Chippenham Place CDA. The County's obligation is limited to the amount of tax increments collected as well as to any special assessments collected on the Chippenham Place CDA's behalf. Complete financial statements for the Chippenham Place CDA may be

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

obtained by contacting the Chesterfield County Accounting Department, 9901 Lori Road, P.O. Box 40, Chesterfield, Virginia 23832.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. All non-fiduciary activities are categorized as either governmental or business-type in both the government-wide and fund statements. Fiduciary activities, whose resources are not available to finance the County's programs, are not included in the government-wide statements.

Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reflect a full economic resources measurement focus and the accrual basis of accounting. The Statement of Net Position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the governmental and business-type activities by columns. In the Statement of Activities, both the gross and net cost per individual function is reported for both governmental and business-type activities. Related program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by the function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of the function. The County does not allocate indirect expenses. Taxes and other revenues not restricted to a particular function are reported as general revenues.

In the fund financial statements, financial transactions and accounts are organized on the basis of funds. Fund financial statements consist of a series of statements that primarily focus on the information about the County's major governmental and enterprise funds. The governmental funds' financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary funds' financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fiduciary fund statements are used to report assets that are held in a trustee or custodial capacity and consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary funds are not reflected in the government-wide financial statements.

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

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. Unearned revenues are a liability that represents amounts received where the exchange transaction has not been completed. 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, and as unearned revenue (liability) until all eligibility requirements are met. Federal and state funding for costs incurred as a result of natural disasters are recognized as revenue upon receipt of an executed grant agreement.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual, i.e., both measurable and available. Generally, revenues are considered available only if the monies are received within 45 days after the end of the accounting period and are due on or before the last day of the accounting period. Receipts from the Central Virginia Transportation Authority (CVTA) are an exception to the general 45 day practice as two months of receipts are accrued to align with the accrual period of the CVTA. Unavailable revenues are resource inflows that represent amounts earned, but which are not available to liquidate liabilities of the current period. 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 is recorded when paid.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Real and personal property taxes are recorded as deferred inflows of resources when billed, net of allowances for uncollectible amounts. During the fiscal year, property tax collections are recorded as revenues and deferred inflows of resources is reduced. Property taxes for the current and prior years, not collected within 45 days after year-end, remain recorded as unavailable deferred inflows of resources in the fund statements. Property taxes levied in the current year to finance a subsequent year's budget are reported as deferred inflows of resources. Sales taxes, collected by the Commonwealth before year-end and subsequently remitted to the County and School Board, are recognized as revenues and receivables in the same year as collected by the Commonwealth.

Licenses and permits, fines and forfeitures, charges for services and miscellaneous revenues, except interest on temporary investments, are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available.

The County reports the following major governmental funds:

General Fund - The General Fund is the general operating fund and is used to account for all financial resources, except those required to be accounted for in another fund.

County Capital Projects Fund - The County Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities and other capital assets used for County operations (other than those financed by Proprietary Funds).

School Capital Projects Fund - The School Capital Projects Fund is used to account for financial resources used primarily for the acquisition, construction or renovation of major capital facilities and other capital assets used for school operations.

The non-major governmental funds of the County are:

Grants Fund - The Grants Fund accounts for the proceeds related to federal and state programs and special revenues that are restricted to expenditures for specific purposes.

Children's Services Fund - The Children's Services Fund is used to account for the financial resources related to providing child centered, family focused and locally based services for at-risk youth.

Stormwater Fund - The Stormwater Fund reflects revenues collected from stormwater utility fees and expenditures related to meeting the County's stormwater management program initiatives.

Mental Health Support Services Fund - The Mental Health Support Services Fund reflects the revenues and expenditures for providing mental health, developmental disabilities and substance abuse disorder services for children and adults in the County.

Jail Canteen Fund - The Jail Canteen Fund reflects commissions received from sales of snacks, toiletries, and the like. Commissions are used to fund expenses that benefit inmates within the facility.

Central Virginia Transportation Authority - Local - This fund was established to receive sales and vehicle fuel tax distributed by CVTA where use is restricted to funding approved transportation projects.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Proprietary Funds are used to account for the primary government's ongoing organizations and activities similar to those often found in the private sector. The County reports the following proprietary funds:

Enterprise Funds:

Water Fund - The Water Fund reflects the operations of the County's water treatment and distribution system and is reported as a major fund.

Wastewater Fund - The Wastewater Fund reflects the operations of the County's wastewater system and is reported as a major fund.

Economic Development Authority - The EDA is a blended component unit of the County whose economic development operations are reported as a non-major fund.

Airport Fund - The Airport Fund reflects the operation of the County's Airport and is reported as a non-major fund.

Internal Service Funds - Internal service funds are used to account for the operations of the vehicles and communications maintenance functions and general self-insurance functions. Resources to meet the cost of operations are derived from interfund charges on a cost-reimbursement basis.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the County government. All fiduciary funds, including custodial funds, use the accrual basis of accounting. The County reports the following fiduciary funds:

Trust Funds:

Supplemental Retirement Plan Pension Trust - County - This fund reflects the funds held in trust to pay benefits for the County's Supplemental Retirement Plan.

Pooled Postemployment Retiree Healthcare Benefits Trust (OPEB) - County - This fund reflects the funds held in trust to pay benefits for the County's OPEB plan for healthcare benefits.

Pooled Postemployment Retiree Healthcare Benefits Trust - Schools - This fund reflects the funds held in trust to pay benefits for the School's OPEB plan for healthcare benefits.

Pooled Postemployment Line of Duty Benefits Trust - County - This fund reflects the funds held in trust to pay benefits for the County's OPEB plan for line of duty benefits.

Custodial Funds:

Greater Richmond Convention Center Authority - This fund reflects the funds held by the County as fiscal agent for the Greater Richmond Convention Center Authority.

Special Welfare Fund - This fund reflects the receipt and disbursement of monies maintained in individual agency accounts for certain County welfare recipients.

Mental Health Support Services Social Security Administration Fund (MHSS SSA) - This fund reflects the receipt and disbursement of monies maintained for mental health clients receiving Social Security and other disability benefits.

Police Safekeeping Fund - This fund reflects the receipt and disbursement of monies held temporarily by the County upon police department seizure.

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Inmate Trust Fund - This fund reflects prisoner monies held for inmates while held in County Jail.

Central Virginia Transportation Authority - This fund reflects the funds held by the County as fiscal agent for the Central Virginia Transportation Authority.

Appomattox Regional Governor's School for the Arts and Technology - This fund reflects the funds held by the County as fiscal agent for the Appomattox Regional Governor's School for the Arts and Technology.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for program-related services such as water and wastewater usage, inspections and permit issuances. Elimination of these program-related services would distort the direct costs and program revenues reported. Income and losses of internal service funds are allocated to governmental activities.

Amounts reported as program revenues include charges to customers for goods, services, or privileges provided, operating grants and contributions and capital grants and contributions. General revenues include all taxes, grants and contributions not restricted to specific programs and other revenues not meeting the definition of program revenues.

Operating revenues and expenses in the proprietary funds result from the provision of goods and services in connection with their principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges for services. Operating expenses for the enterprise and internal service funds include the cost of services, administrative expenses, contractual services and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Charges for water and wastewater services provided but not yet billed are recognized as revenues at year-end to the extent they can be estimated.

The connection fee charged to connect to the County's water and wastewater system consists of a capital recovery charge and a meter installation charge. The capital recovery charge will be used to finance future capital improvements, whereas the meter installation charge recovers the cost of the meter and its installation. In accordance with industry practice, capital recovery charges of \$15,945,970 and \$13,962,827 in fiscal year 2022 have been recorded as capital contributions in the Water and Wastewater Enterprise Funds, respectively, and the meter installation fees have been classified as charges for services in the Water Enterprise 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 needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the County considers cash and all highly liquid investments, including restricted assets with a maturity of three months or less when purchased, as cash and cash equivalents.

2. Investment Policy

The reporting entity follows a deposit and investment policy in accordance with the Commonwealth's statutes. Investments with a maturity date of more than one year from the date of purchase are stated at fair value and investments with a maturity date of one year or less from the date of purchase are stated at amortized cost. Deposit and investment instruments include certificates of deposit, savings accounts, money market funds, Virginia State Non-Arbitrage Program (SNAP),

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bankers' acceptances, corporate notes, commercial paper, the Commonwealth of Virginia Local Government Investment Pool (LGIP), the Virginia Investment Pool Trust Fund (VIP) and United States (U.S.) government securities. Investments are generally on deposit with banks and savings and loan institutions and are collateralized under the provisions of the Virginia Security for Public Deposits Act, Section 2.1-359 et seq. Securities are held in safekeeping by the respective financial institutions. Investment income is reported in the same fund that reports the investment.

3. Allowances for Uncollectibles

The reporting entity determines allowances for uncollectibles using historical collection data, specific account analysis and management's judgment.

4. Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market for the Enterprise and Internal Service Funds of the primary government. In the School Board, textbook and furniture inventories are valued at the lower of cost (moving average) or market and are considered expended when used (consumption method). School Board instructional and custodial supplies inventories held for use are recorded as expenditures when acquired (purchases method).

5. Restricted Assets - Enterprise Funds

Certain assets of the Water, Wastewater, EDA and Airport Funds are classified as restricted assets on the Statement of Net Position - Proprietary Funds because their use is limited by revenue bond covenants.

6. Capacity Rights - Enterprise Funds

Capacity rights are recorded in the Water and Wastewater Funds. The County has entered into agreements with the City of Richmond, Virginia (City) and the Appomattox River Water Authority (ARWA) to purchase capacity rights to meet future water needs. The County, in conjunction with the Counties of Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights, created the South Central Wastewater Authority to maintain wastewater treatment facilities and provide capacity for purchase by the participating jurisdictions.

Water and Wastewater capacity rights are amortized using the straight-line method over 50 years and are included in the net investment in capital assets category of net position.

7. Capital Assets

Capital assets include property, plant, equipment and infrastructure assets (e.g., roads, bridges, drainage systems and similar items). Generally, the standard for capitalization of tangible property is \$5,000 or more per unit with an expected useful life of greater than one year. The standard for capitalization of computer software is \$50,000 with an expected useful life of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets acquired for general governmental purposes are recorded as expenditures in the fund financial statements and reported at cost, net of accumulated depreciation, in the government-wide financial statements. Contributed capital assets are recorded at acquisition value at the time of receipt. Upon the sale or retirement of land, buildings and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is reflected in the results of operations in the government-wide financial statements.

Capital assets are reported in the business-type activities and proprietary funds at cost, net of accumulated depreciation. Contributed assets are valued at acquisition value at the date of receipt. When capital assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and the gains or losses are reflected in the results of operations.

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Depreciation has been provided over estimated useful lives using the straight-line method. The estimated useful lives of capital assets are as follows:

Buildings	20-60 years
Improvements other than buildings	8-25 years
Machinery and equipment:	
Transmission lines and mains	35-50 years
Other	3-20 years
Infrastructure:	
Drainage systems	25-100 years

Depreciation of all exhaustible capital assets used by the County is charged as an expense in the Statement of Activities and accumulated depreciation is reported in the Statement of Net Position. The Proprietary Funds also record depreciation and accumulated depreciation in their fund based statements.

8. Leases

The County is a lessee for noncancellable leases of land and buildings. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the County is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Payments due under the lease contracts are fixed payments and include any incremental payment increases over the term of the lease.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

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Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments less any lease incentive receivables, amounts expected to be payable by the County under residual value guarantees, the exercise price of a purchase option if it is reasonably certain the option will be executed and payments of penalties for terminating the lease, if the lease term reflects the County exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The County is a lessor of noncancellable leases of land, building and equipment. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the term of the lease.

Key estimates and judgments include how the County determines (1) discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The County uses its estimated incremental borrowing rate as the discount rate for the leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

9. Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows of resources in addition to assets. The County reports deferred outflows of resources for deferred charges on refunding, amounts related to pensions and amounts related to other postemployment benefits (OPEB) in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. Deferred outflows for pensions and OPEB result from changes in actuarial assumptions, pension/OPEB trust investment returns that exceed projected earnings, change in the proportionate share of total VRS Teachers' Pool liability and VRS OPEB programs, actual economic experience that is different than estimated, and pension/OPEB contributions made subsequent to the measurement date. Deferred outflows of resources for contributions made subsequent to the measurement date are expensed in the next fiscal year. Deferred outflows related to investment experience are amortized over a closed five-year period. All other deferred outflows of resources are amortized over the remaining service life of all plan participants, including retirees whose remaining service life is zero.

The Statement of Net Position reports a separate section for deferred inflows of resources in addition to liabilities. Deferred inflows of resources in the governmental funds' Balance Sheet represent unavailable revenue for amounts billed and not collected. Deferred inflows of resources in the government-wide Statement of Net Position represent unearned revenues for amounts received in advance of meeting timing requirements or amounts collected in advance of the fiscal year to which they apply. Deferred inflows of resources are also reported for amounts related to pensions and OPEB in the government-wide statement of net position. Actuarial losses resulting from a difference in expected and actual experience, investment results, changes in actuarial assumptions and changes in proportionate share are deferred and amortized. Changes in deferred inflows of resources are

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amortized over the remaining service life of all plan participants with the exception of investment experience amounts, which are deferred and amortized over a closed five-year period. The County has also recorded amounts associated with long term receivables, primarily related to leases, as deferred inflows.

10. Compensated Absences

County and School Board employees are granted vacation pay, based on length of service, in varying amounts, as the services are provided. School Board employees are also granted personal leave. Employees may accumulate unused vacation and/or personal leave earned, subject to certain limitations. Upon retirement, termination or death, employees may be compensated for certain amounts at their current rates of pay. Employees may accumulate an unlimited amount of earned but unused sick leave benefit, which is forfeited upon separation from service, except when separation is caused by retirement. Upon retirement, County employees enrolled in the traditional leave plan who retire with five or more years of full-time service and who are eligible for Virginia Retirement System (VRS) benefits upon retirement, will receive cash compensation for any unused sick leave balance at a rate of \$2 per hour. Upon retirement, County employees enrolled in the paid time off (PTO) plan who retire with five or more years of full-time service and who are eligible for VRS benefits upon retirement, will receive cash compensation for any unused sick leave reserve balance at a rate of \$4 per hour.

Upon retirement, School Board employees receive compensation for unused sick days based on years of consecutive employment with Chesterfield County Schools per the following schedule:

<u>Years of Employment</u>	<u>Daily Compensation</u>	<u>Maximum</u>
0-14	\$30	\$4,000
15-24	30	-
25-29	40	-
30+	50	-

The cost of accumulated vacation and sick leave pay is accounted for as a liability in the government-wide financial statements and proprietary fund type statements.

11. Retirement Plans

For purposes of measuring retirement plan net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS agent multiple-employer (VRS Local Plans) and teachers' cost-sharing plan (VRS Teachers' Pool) and the additions to or deductions from the VRS Plan's net fiduciary position are determined on the same basis as 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 for modified accrual reporting purposes but may be deferred to match the measurement period for each retirement plan in the government-wide statements. Investments are reported at fair value. Retirement plan contributions are actuarially determined for the County and School Board component unit supplemental retirement plans.

12. Other Postemployment Benefits Plans

OPEB contributions are actuarially determined for the retiree healthcare and line of duty plans. The County and School Board component unit's policies are to pay premiums and make contributions to irrevocable trusts that, in total, are at least equal to actuarially determined contributions for the retiree healthcare plans. The County's policy is to pay premiums and make contributions to an irrevocable trust that, in total, are at least equal to actuarially determined contributions for the line of duty plan. For purposes of measuring OPEB plan net liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the

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OPEB Trust plans and the additions to or deductions from the OPEB Trust Plans net fiduciary position are determined by an annual actuarial valuation. Investments are reported at fair value.

For purposes of measuring OPEB plan net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance Plan (GLI) and cost-sharing Teacher Health Insurance Credit Plan (HIC) and the additions to or deductions from the VRS Plans' net fiduciary position are determined on the same basis as 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 for modified accrual reporting purposes but may be deferred to match the measurement period for each retirement plan in the government-wide statements. Investments are reported at fair value.

13. Long-term Obligations

The reporting entity has no legal debt margin requirement and there are no jurisdictions with overlapping general obligation debt incurring powers. Any issue of general obligation bonded debt must be approved by a voting majority of the qualified voters. Virginia Public School Authority (VPSA) bonds, Virginia Resource Authority bonds, direct bank borrowing, revenue bonds and other forms of financed purchase debt may be issued by the adoption of a resolution by the County Board. Revenue bonds issued by a community development authority shall not be deemed to constitute a debt, liability or obligation of the County.

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the unamortized bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Payments to an escrow agent to defease debt is reported as other financing uses while issuance costs and repayments of principal and interest are reported as debt service expenditures. Matured principal and interest payments are reported when due.

14. Use of 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, revenues and expenditures/expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates.

E. New Accounting Pronouncements

In fiscal year 2022, the County implemented GASB Statement No. 87 (GASB 87), "Leases". This Statement is to improve the consistency of accounting and reporting for leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. The new standard establishes a single model for lease accounting based on the principle that leases are financings of the right to use and underlying asset. Under this Statement, 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.

County of Chesterfield, Virginia
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June 30, 2022

2. Stewardship, Compliance, and Accountability

A. Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- ◆ Prior to budget submission, department directors develop departmental performance plans, which include items such as objectives, performance measures, initiatives and work plans for the coming year.
- ◆ In early fall, the School Board and County departments receive an expenditure target. Budgets are prepared with work plans consistent with the resources available.
- ◆ Departments submit budgets and work plans to the County Administrator for review in December and January. The County Administrator's recommended budget is prepared by early March. During this time, work sessions are held with the County Board to inform them on details of the budget.
- ◆ No later than March 1, the School Board submits its approved budget to the County Administrator.
- ◆ Prior to April 1, the County Administrator submits to the County Board a proposed operating budget for the County and School Board for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the revenues for financing them.
- ◆ A public hearing is conducted in March to obtain taxpayer comments on the proposed budget. Constituent meetings are also held around the County to provide information to citizens and to receive community input on the County Administrator's proposed budget.
- ◆ Prior to May 1, the County Board adopts the budget by resolution and funds are appropriated July 1 generally at the function level for the General Fund, at the fund level for the Children's Services Fund, and at the major expenditure category for the School Operating Fund of the School Board component unit, through passage of an appropriation resolution. The resolution establishes the levels of control at which expenditures may not legally exceed appropriation. The expenditure categories for the School Operating Fund are: instruction, administration, pupil transportation, operations and maintenance, technology, food service and debt service.
- ◆ Appropriations for the General Fund, Stormwater Fund operations, Mental Health Fund, Children's Services Fund, CVTA Fund, School Operating Fund, Internal Service Funds, and Enterprise Funds lapse at fiscal year-end. Appropriations for Capital Project funds, Grant funds and Stormwater Fund capital projects are continued until the completion of the applicable project or grant, even when the project or grant extends beyond the end of the fiscal year. Expenditures from the Jail Canteen Fund are directed by the Sheriff and do not require budgetary approval by the County Board.
- ◆ Formal budgetary integration is employed as a management control device during the year for all funds. Budgets are legally adopted annually for the County's General Fund, the Children's Services Fund, Stormwater Fund, Mental Health Fund, CVTA Fund and the School Operating Fund. The appropriations resolution specifies that Trust and Custodial Fund disbursements must be for the purpose for which the fund was established.
- ◆ A budget is adopted for each grant or project in the Grants Fund or the County Capital Projects Fund when funds become available. In the School Capital Projects Fund, projects are appropriated as funds become available on a fiscal year basis. The appropriations resolution specifies that the budget and appropriation for each grant or project continue until the expiration of the grant or completion of the project. All other appropriations lapse at year-end. The level of control at which

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expenditures may not legally exceed appropriations is at the individual grant or project level in the Grants Fund and County Capital Projects Fund and at the total appropriation level in the School Capital Projects Fund.

- ◆ Budgets for all funds are adopted on a budgetary basis. Budgeted amounts reflected in the basic financial statements are as originally adopted and as amended by the County Board, School Board, County Administrator or the School Superintendent. The statements include an explanation of differences between actual amounts on the budgetary basis and GAAP basis.
- ◆ The County Administrator is authorized to amend appropriations by transferring unencumbered appropriated amounts within appropriation categories, and up to \$50,000 between appropriation categories. The County Administrator is also authorized to (1) appropriate any unanticipated revenues that are received from insurance recoveries received for damage to County property, refunds or reimbursements made to the County for which the County has expended funds directly related to that refund or reimbursement and other revenues not to exceed \$50,000; (2) appropriate funds from asset forfeiture accounts consistent with spending requirements; (3) increase the General Fund appropriation to the School Board, contingent upon available funds and consideration of other expenditures up to \$9.0 million; (4) transfer funds to departments for workers' compensation, supplemental retirement, healthcare for retirees and other compensation related costs as well as for transfers to cover energy/fuel costs; (5) reallocate funding sources for specific programs, and; (6) within the healthcare fund may appropriate use of reserves, interest earnings, and additional employee or employer contributions in any amount to pay claims, deductibles, settlements, and any cost associated with healthcare. Otherwise, the County Board must approve amendments that increase the total appropriation of any function level. During the year, the County Board approved several amendments to the various appropriations. The County is required to hold a public hearing for any single amendment that exceeds 1% of the County's currently adopted budget.
- ◆ The Superintendent and/or School Board have the authority to make transfer amendments within major appropriation categories in the school budget. The Superintendent and/or School Board are authorized to approve amendments in the school budget that cross major appropriation categories up to \$499,999. Any amendment that crosses major appropriation categories in excess of \$499,999 must first be approved by the School Board and then by the County Board. The County Administrator has the authority to appropriate any unanticipated revenues that are received from insurance recoveries, reimbursements and other revenue of the School Board for amounts up to \$50,000.

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B. Fund balances

1. Primary Government

The County Board has adopted policies that provide a framework for the County's overall fiscal planning and management. The County's unassigned General Fund balance has been built over the years to provide the County with sufficient working capital to finance unforeseen emergencies without short-term borrowing. The County is dedicated to maintaining a diversified and stable revenue system to shelter the government from fluctuations in any single revenue source and to ensure its ability to provide ongoing services. The County's policy is to fund current expenditures with current revenues. If it becomes necessary to fund current expenditures with fund balance and the County Board has not specified use of committed or unassigned resources, assigned fund balance is used when available within the same spending category.

The County, in accordance with GAAP, categorizes its governmental-type fund balances using the following guidance:

Nonspendable fund balance - Nonspendable funds are resources not in spendable form or that are legally required to remain intact.

Restricted fund balance - Restricted funds are either externally imposed (such as by debt covenants, grantor requirements or other governments) or imposed by law (constitutionally or enabling legislation).

Committed fund balance - The County's committed fund balance requires expressed formal action of the County Board by a resolution that identifies the specific circumstances under which resources can be expended. Committed fund balance can only be modified by action of the County Board.

Assigned fund balance - Assigned fund balance amounts do not meet the criteria to be classified as either restricted or committed but are constrained by the County's plans, or intent, to use amounts for specific purposes. Actions taken by a majority vote of the County Board typically provides the County Administrator with the level of administrative authority required to fulfill the County Board's intent for each action.

Unassigned fund balance - Unassigned fund balance is the residual classification of fund balance. Only the General Fund can report a positive unassigned fund balance. The County Board has established a minimum fund balance policy, which is the ratio of unassigned General Fund balance to General Fund expenditures. The County's minimum unassigned fund balance target is 8.0% with a floor of 6.0% for fiscal year 2022.

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The County had the following classifications of fund balances at June 30, 2022:

	General Fund	County Capital Projects Fund	School Capital Projects Fund	Other Governmental Funds	Totals
Restricted for:					
General government	\$ 236,824	\$ 2,148,411	\$ -	\$ -	\$ 2,385,235
Public, education and government access	8,590,395	-	-	-	8,590,395
Administration of justice	561,159	-	-	-	561,159
Public safety	32,153	37,004,806	-	624,611	37,661,570
Law enforcement	2,600,798	-	-	-	2,600,798
Public works	649,465	63,491,773	-	46,522,941	110,664,179
Stormwater management facility	954,771	-	-	-	954,771
Health and welfare	127,825	-	-	921,627	1,049,452
Chesapeake Bay Watershed/TMDL	-	-	-	17,494,669	17,494,669
Parks, recreation and cultural	45,923	21,677,286	-	275,123	21,998,332
Education - School Board	-	910,782	190,283,447	-	191,194,229
Economic development	312,384	604,206	-	90,664	1,007,254
Economic development- FY23 adopted	1,791,000	-	-	-	1,791,000
Tax increment financing and special assessments	13,081,796	-	-	-	13,081,796
Debt service	456,292	1,792,312	6,180,757	-	8,429,361
Total restricted	<u>29,440,785</u>	<u>127,629,576</u>	<u>196,464,204</u>	<u>65,929,635</u>	<u>419,464,200</u>
Committed to:					
Community contracts	30,312	-	-	-	30,312
District improvement funds	403,883	-	-	-	403,883
Economic development	287,727	-	-	-	287,727
Public safety	54,283	-	-	-	54,283
Public works	1,373,610	-	-	-	1,373,610
Total committed	<u>2,149,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,149,815</u>
Assigned to:					
General government	1,302,092	-	-	-	1,302,092
Other post employment benefits	1,718,000	-	-	-	1,718,000
Personal property tax relief	2,300,000	-	-	-	2,300,000
Telecommunications	1,152,905	-	-	-	1,152,905
Workers compensation	2,400,000	-	-	-	2,400,000
Administration of justice	17,864	-	-	-	17,864
Public safety	1,956,184	-	-	9,500,064	11,456,248
Public safety compensation plan	11,500,000	-	-	-	11,500,000
Fire apparatus	2,440,655	-	-	-	2,440,655
Local match for grants	766,782	-	-	-	766,782
Police vehicles	2,375,540	-	-	-	2,375,540
Public works	1,159,383	-	-	-	1,159,383
Road construction	9,442,808	-	-	-	9,442,808
Motor vehicle registration fees for transportation	2,863,680	-	-	-	2,863,680
Health and welfare	328,666	-	-	17,619,714	17,948,380
Parks, recreation and cultural	496,055	-	-	-	496,055
Economic development	16,465,985	-	-	-	16,465,985
Airport	1,684,254	-	-	-	1,684,254
Construction	146,549,465	-	-	-	146,549,465
Debt service	9,567,193	-	-	-	9,567,193
Chesapeake Bay Watershed/TMDL	3,060,253	-	-	-	3,060,253
Fiscal year 2023 adopted budget	31,458,500	-	-	-	31,458,500
Future capital projects	3,078,685	-	-	-	3,078,685
Future revenue shortfall - County	132,591,594	-	-	-	132,591,594
Future revenue shortfall - Schools	35,978,203	-	-	-	35,978,203
Education - School construction	1,468,395	-	-	-	1,468,395
Education - School debt service	3,622,599	-	-	-	3,622,599
Total assigned	<u>427,745,740</u>	<u>-</u>	<u>-</u>	<u>27,119,778</u>	<u>454,865,518</u>
Unassigned	<u>70,800,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,800,400</u>
Total fund balances	<u>\$ 530,136,740</u>	<u>\$ 127,629,576</u>	<u>\$ 196,464,204</u>	<u>\$ 93,049,413</u>	<u>\$ 947,279,933</u>

County of Chesterfield, Virginia
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2. Component Unit - School Board

The School Board has adopted policies that provide a framework for the school system's overall fiscal planning and management in order to ensure its ability to provide ongoing services. Since the School Board relies primarily on funds from other governments, fluctuations in these revenue sources are offset by County resources. It is the School Board's policy to fund current expenditures with current revenues. Therefore, the School Board has no unassigned fund balance since it is fiscally dependent on County resources.

The School Board, in accordance with GAAP, categorizes its fund balances using the following guidance:

Nonspendable fund balance - Nonspendable funds are resources not in spendable form or are legally required to remain intact.

Restricted fund balance - Restricted funds are either externally imposed (such as by debt covenants, grantor requirements or other governments) or are imposed by law (constitutionally or enabling legislation).

Committed fund balance - Committed fund balance requires expressed formal action of the School Board and then by the County Board by a resolution that identifies the specific circumstances under which resources can be expended. The School Board can only modify the specified use of commitments with County approval by resolution. At June 30, 2022, the School Board had no committed fund balance.

Assigned fund balance - Assigned fund balance amounts do not meet the criteria to be classified as either restricted or committed, but are constrained by the School Board's plans, or intent, to use amounts for specific purposes. Intent is stipulated by either adoption or consent actions taken by a majority vote of the County Board whereby the School Board is then provided with various levels of administrative authority by each County Board action.

Unassigned fund balance - Unassigned fund balance is the residual classification of fund balance. At June 30, 2022, the School Board had no unassigned fund balance.

The School Board had the following classifications of fund balances at June 30, 2022

Component Unit - School Board

Nonspendable:	
Inventories	\$ 76,701
Restricted for:	
Instruction	44,696
Food service	20,022,700
Total restricted	<u>20,067,396</u>
Assigned to:	
Instruction	6,872,123
Administration, attendance and health	1,103,753
Transportation	3,574,076
and maintenance	51,408,602
Technology	1,758,749
School activity funds	6,320,112
Total assigned	<u>71,037,415</u>
Total fund balances	<u>\$ 91,181,512</u>

County of Chesterfield, Virginia
Notes to Financial Statements
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3. Significant Transactions of the County and Component Units

A. School Board

There are some transactions between the County and School Board component unit that are explained here in detail to provide a more informed understanding of the operational relationship of the two entities and how such transactions are presented in the financial statements:

- 1) The School Board can neither levy taxes nor incur debt under Virginia law. Therefore, the County issues debt "on behalf" of the School Board. The debt obligation is recorded as a liability of the County's governmental activities. Proceeds from general obligation debt issued "on behalf" of the School Board are reported in the School Capital Projects Fund, a major fund of the primary government, and used to pay for school capital expenditures. Proceeds from lease purchase debt for vehicles and equipment owned by the School Board is debt of the School Board, which is reported in the School Operating Fund.
- 2) The County's charter states that title to all real property of the school system shall be vested in the County. The purchase and/or construction of School Board real property is accounted for in the School Capital Projects Fund, which is reported as a major fund of the primary government. The capital assets are reported in the governmental activities of the County. Depreciation and accumulated depreciation related to School Board real property are reported in the County's governmental activities within the appropriate government-wide statement. Operational and maintenance costs related to School Board real property are reported by the School Board.
- 3) The primary government's budgeting process provides funding to the School Board component unit for debt service payments. The School Board is responsible for appropriating debt service payments for debt issued by the primary government on its behalf. These transactions are reported as transfers on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund and as transfers and debt service payments on the School Board's Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual. GAAP requires that debt issued "on behalf" of the School Board and related debt service payments be reported by the primary government for financial reporting purposes. Therefore, School Board debt service payments for "on behalf" debt are eliminated in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund. The primary government eliminates budgetary transfers for these "on behalf" debt service payments for financial reporting purposes in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

B. Economic Development Authority

1. Primary Government

As needed, the EDA serves as a conduit debt issuer for the County. Conduit debt issued on behalf of the County by the EDA is reported as debt for governmental activities of the County.

On January 27, 2005, the EDA issued Variable Rate Revenue Bonds, Series 2005A, and Variable Rate Revenue Bonds, Taxable Series 2005B, in the amounts of \$6,490,000 and \$11,630,000, respectively. These bonds were issued to finance the acquisition of real property for the development of the Meadowville Technology Park and to finance certain infrastructure improvements within the Park. On October 14, 2010, the EDA issued \$8,345,000 in Taxable Recovery Zone Economic Development Bonds, Series 2010B, to finance a portion of the costs of the acquisition of real property for an interchange with Interstate I-295 and the construction of such interchange connecting Meadowville Technology Park with Interstate I-295. In September 2020, these bonds were refinanced with Revenue Refunding Bond, Series 2020C and 2020D, in the amounts of \$5,659,000 and \$2,611,000, respectively. Debt service related to these revenue bonds is payable solely from support payments made by the County, pursuant to a support agreement, dated September 20, 2020, between the EDA and the County.

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On May 30, 2019, the EDA issued Tax-Exempt Revenue Bond (Watkins Sewer Project), Series 2019, as conduit for the County in the amount of \$15,000,000. The Series 2019 Bond proceeds are to be used to finance sewer line improvements in the County. The EDA maintains the bond proceeds and makes payments for the costs of the project on behalf of the County. These bonds are reported as debt of the County. At June 30, 2022, the EDA reported a restricted cash balance of \$9,273,180 and a liability to the County of \$8,223,525.

The primary government's budgeting process provides funding to the EDA component unit for debt service payments. GAAP requires that component units where the primary government pays substantially all of the debt service on behalf of the component unit be reported as a blended component unit. Payments received by the EDA for debt service are eliminated in the Combining Statement of Revenues, Expenditures and Changes Net Position - Non-major Enterprise Funds.

2. Chippenham Place Community Development Authority

On October 1, 2011, the EDA entered into a Financing Agreement with the Chippenham Place CDA. In accordance with the Financing Agreement, the EDA issued a Tax-Exempt Revenue Note in an amount up to \$8 million and provided the proceeds of the Note to the Chippenham Place CDA to finance the infrastructure improvements at the former Cloverleaf Mall site. The outstanding amount of the Special Assessment Revenue Note, Series 2011, at December 1, 2014 was \$6,670,000. On December 1, 2014, the EDA entered into a new Financing Agreement with the CDA. In accordance with the new Financing Agreement, the EDA issued a Tax-Exempt Revenue Note, Series 2014B, in an amount of \$12,577,548, the proceeds of which were used to pay the outstanding balance of the Special Assessment Revenue Note, Series 2011; reimburse the County for infrastructure improvements; and pay the costs of issuing the Note. On May 1, 2017, the EDA entered into a new Financing Agreement with the Chippenham Place CDA. In accordance with the new Financing Agreement, the EDA issued a Special Assessment Revenue Note, Series 2017, in an amount of \$11,774,028, the proceeds of which were used to pay the outstanding principal balance and interest on the EDA's Note solely from the revenues and other property pledged to the payment of this Note. The Note is a limited obligation of the Authority secured by pledged revenues consisting of incremental tax and special assessment revenues collected by the County and it is not an obligation of the County. The Note will be repaid with the incremental tax revenues and, to the extent incremental tax revenues are not sufficient, special assessment revenues. The County intends to make annual appropriations of incremental and special assessment taxes sufficient to cover the Chippenham Place CDA's required annual debt service. The balance of the Note is included in Due from Chippenham Place CDA on the Statement of Net Position of the EDA's separately issued statements.

County of Chesterfield, Virginia
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4. Deposits and Investments

A. Primary Government:

As of June 30, 2022, the carrying value of the County's deposits and investments, excluding Trust Funds, but including Custodial Funds, with their respective credit ratings, was as follows:

Asset Type	Credit Quality Rating				
	Fair Value	AAA/AAAm	AA	A1	N/A
Demand deposits	\$ 171,600,471	\$ -	\$ -	\$ -	\$ 171,600,471
LGIP	250,745,253	250,745,253	-	-	-
VIP Stable NAV Liquidity Pool	271,556,736	271,556,736	-	-	-
SNAP	295,289,177	295,289,177	-	-	-
VIP 1 - 3 Year High Quality Bond Fund	48,456,235	-	48,456,235	-	-
Negotiable certificates of deposit	9,996,330	-	-	9,996,330	-
Commercial paper	58,877,200	-	58,877,200	-	-
Corporate notes	559,088,264	80,143,590	476,991,865	1,952,809	-
Municipal bonds	8,373,545	-	8,373,545	-	-
Federal Home Loan Bank	87,129,728	-	87,129,728	-	-
Federal Farm Credit Bank	92,255,968	-	92,255,968	-	-
Total	<u>\$ 1,853,368,907</u>	<u>\$ 897,734,756</u>	<u>\$ 772,084,541</u>	<u>\$ 11,949,139</u>	<u>\$ 171,600,471</u>

All credit ratings in the above table are ratings by Standard and Poor's, except for the Aa rating from Moody's Investors Service. Deposits and investments not exposed to credit quality risk, as defined by GAAP, are designated as "N/A" in the credit rating column in the above table.

Credit Risk:

In accordance with the Code of Virginia and other applicable law, including regulations, the County's investment policy (Policy) permits investments in U.S. Government obligations; obligations of the Commonwealth of Virginia or political subdivisions thereof; certain obligations of other states; bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development by the Asian Development Bank and the African Development Bank; and certain prime quality commercial paper, bankers' acceptances, repurchase agreements, negotiable certificates of deposit, high quality corporate notes, open-end investment funds and qualified investment pools, including the LGIP, SNAP and VIP.

The Virginia Security for Public Deposits Act requires financial institutions holding public deposits in excess of amounts covered by federal insurance to pledge collateral to a pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the requirements of the Act and for notifying local governments of compliance by banks and savings and loans. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Accordingly, all deposits in banks and savings and loans are considered to be insured.

The LGIP is an externally managed investment pool that is not registered with the Securities Exchange Commission but is managed in accordance with GAAP. Pursuant to the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The LGIP values portfolio securities by the amortized cost method and on a weekly basis this valuation is compared to current market value to monitor any variance. The fair value of the County's position in the pool is the same as the value of the pool shares. Redemptions from the LGIP can be made on any banking day.

The VIP is a Section 115 governmental trust fund created under the Joint Exercise of Powers statute of the Commonwealth to provide political subdivisions with an investment vehicle to pool surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. The VIP is governed by a Board of Trustees. The VIP is committed to managing certain risk limiting provisions of the VIP Stable NAV Liquidity Pool to maintain a stable net asset

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value (NAV) at \$1 per share, daily liquidity and a competitive yield. The VIP 1 - 3 Year High Quality Bond Fund is designed for funds that can be invested generally for one year or longer. This fund incorporates a diversified portfolio of security types authorized by the Code of Virginia and its returns are benchmarked against the ICE Bank of America Merrill Lynch 1 - 3 Year AAA/AA Corporate & Government Index. The VIP Stable NAV Liquidity Pool reports the fair value of investments, which approximates amortized costs, to its participants. The VIP 1 - 3 Year High Quality Bond Fund is a fluctuating NAV fund that is measured at fair value for financial reporting purposes. The County reports the VIP Stable NAV Liquidity Pool at amortized cost and the VIP 1 - 3 Year High Quality Bond Fund at fair value, as provided by the VIP trustee.

To ensure compliance with the restrictions and requirements created by the Federal Tax Reform Act of 1986 for general obligation tax-exempt bonds issued, the bond proceeds are invested with SNAP. SNAP was originally established as a professionally managed money market/mutual fund program to provide local governments with a method of pooling general obligation and note proceeds for temporary investment. SNAP assists issuing officials in complying with the arbitrage rebate requirements of the Internal Revenue Code of 1986 and the pool invests only in those investments permitted by Virginia statutes. On October 27, 2016, the SNAP Fund was established as a local government investment pool that is not registered as an investment company with the Securities Exchange Commission. The SNAP Fund values portfolio securities by the amortized cost method in accordance with GAAP and periodically monitors the relationship between the amortized cost value per share and the net asset value per share based upon available indications of market value and takes corrective action, if required, to minimize any material dilution or other unfair results which might arise from differences between amortized cost and NAV value. The fair value of the County's position in the pool is the same as the value of the pool shares. Redemptions from the SNAP can be made on any banking day.

The Policy establishes limitations by type of instrument. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

Certificates of deposit – commercial banks	100% maximum
Commercial paper	35% maximum
Corporate notes	100% maximum
Municipal bonds	100% maximum
LGIP	100% maximum
Money market funds	75% maximum
Repurchase agreements	100% maximum
VIP	100% maximum
U. S. Treasuries	100% maximum
U. S. Government agency securities and instruments of government sponsored organizations	100% maximum

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following; Moody's Investors Service, Standard & Poor's, Fitch Investor's Service and Duff and Phelps, Inc. Negotiable certificates of deposit and bank deposit notes must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investor Service for maturities of one year or less, and a rating of at least "AA" by Standard & Poor's and "Aa" by Moody's Investor Service for maturities over one year and not exceeding five years. High quality corporate notes must be rated at least "AA" by Standard & Poor's and "Aa" by Moody's Investor Service with maturities of no more than five years.

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the depositor will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. As of June 30, 2022, all demand deposits were insured or collateralized.

County of Chesterfield, Virginia
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Concentration of Credit Risk:

The Policy establishes limitations on total portfolio composition by institution in order to control concentration of credit risk as follows:

Money market funds	10% maximum
Corporate notes	15% maximum
Repurchase agreements	15% maximum
Commercial paper	25% maximum
Certificate of deposit - commercial banks	45% maximum
LGIP	100% maximum
VIP	100% maximum
U. S. Treasuries and agencies	100% maximum
Commercial paper per issue	5% maximum

As of June 30, 2022, the portion of the County's portfolio, excluding demand deposits and SNAP, that represents 5% or more of the total portfolio is as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
Corporate notes	40.3%
VIP Stable NAV Liquidity Pool	19.6%
LGIP	18.1%
Federal Farm Credit Bank	6.7%
Federal Home Loan Bank	6.3%

Interest Rate Risk:

As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy limits the investment of operating funds to investments with a stated maturity of no more than 2.5 years from the date of purchase. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

County of Chesterfield, Virginia
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As of June 30, 2022, the County had the following pooled deposits and investments:

Asset Type	Fair Value/NAV	Investment Maturity			
		Less than 1 Year	1 - 2 Years	2 - 3 Years	3 - 4 Years
LGIP	\$ 250,745,253	\$ 250,745,253	\$ -	\$ -	\$ -
VIP Stable NAV Liquidity Pool	271,556,736	271,556,736	-	-	-
SNAP	295,289,177	295,289,177	-	-	-
VIP 1 - 3 Year High Quality Bond Fund	48,456,235	-	48,456,235 (a)	-	-
Commercial paper	58,877,200	58,877,200	-	-	-
Corporate notes	559,088,264	146,057,119	237,638,420 (b)	160,541,314 (c)	14,851,411 (f)
Municipal bonds	8,373,545	2,933,315	3,659,746	1,780,484	-
Federal Home Loan Bank	87,129,728	-	21,348,935 (d)	65,780,793 (e)	-
Federal Farm Credit Bank	92,255,968	9,749,500 (g)	77,811,388 (h)	4,695,080	-
Negotiable certificates of deposit	9,996,330	9,996,330	-	-	-
Total	\$ 1,681,768,436	\$ 1,045,204,630	\$ 388,914,724	\$ 232,797,671	\$ 14,851,411

(a) The weighted average effective duration for this investment is 1.80 years.

(b) \$15,954,141 of these bonds have a call date of March 11, 2024.

(c) \$69,352,774 of these bonds have call dates from continuous to July 20, 2025.

(d) These bonds have quarterly call dates from current to September 29, 2022.

(e) These bonds have quarterly call dates.

(f) \$10,249,050 of these bonds have a call date of July 20, 2025.

(g) These bonds have current monthly call dates.

Fair Value Hierarchy:

The County's portfolio categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs). The County's portfolio has the following recurring fair value measurements for debt securities as of June 30, 2022:

<u>Investments by fair value - Level 2</u>	<u>Fair Value</u>
Negotiable certificates of deposit	\$ 9,996,330
Commercial paper	58,877,200
Corporate notes	559,088,264
Municipal bonds	8,373,545
Federal Home Loan Bank	87,129,728
Federal Farm Credit Bank	92,255,968
Total investments by fair value - Level 2	\$ 815,721,035

Investments measured at the net asset value (NAV)

VIP 1 - 3 Year High Quality Bond Fund	\$ 48,456,235
---------------------------------------	---------------

The VIP 1 - 3 Year Bond Fund (Portfolio) is a fixed income investment portfolio designed to provide a pooled investment alternative with an investment horizon greater than that of money market instruments, typically one year or longer. The Portfolio measures its returns against the ICE Bank of America Merrill Lynch 1 - 3 Year AAA/AA U. S. Corporate and Government Index and aims to exceed the return of the

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benchmark over three-year periods while preserving participant capital. The Portfolio is managed as a variable NAV pool. Fair value and NAV are determined on the 15th and the last business day of each month. If the 15th is not a business day, the fair value and the NAV will be determined on the preceding business day. The pool transacts with participants based on a floating NAV per share that is determined by the market, the same as reporting. Redemptions must be at least \$10,000 and may be made twice per month on the first business day following the portfolio valuation.

Chesterfield County Supplemental Retirement Plan:

As of June 30, 2022, the carrying value of the County Supplemental Retirement Plan Pension Trust Fund's (Plan) deposits and investments was as follows:

<u>Asset Type</u>	<u>Fair Value</u>
Demand deposits	\$ 6,438,648
Mutual funds	6,888,760
Common and preferred stocks	8,876,988
Corporate bonds	4,222,308
Municipal bonds	32,267
Funds of funds	7,113,878
Exchange traded funds	7,236,489
Collateralized mortgage backed securities	401,854
U. S. Treasuries	1,341,201
Federal National Mortgage Association	1,888,030
Federal Home Loan Mortgage Corporation	469,905
Government National Mortgage Association	8,819
Total deposits and investments	<u>\$ 44,919,147</u>

The Plan's investments include funds of funds, which are investment funds that use a strategy of holding a portfolio of other investment funds rather than investing directly in shares, bonds or other securities, resulting in greater portfolio diversification. At June 30, 2022, the underlying investments in the Plan's funds of funds consisted primarily of equities and fixed income securities.

Credit Risk:

Investments in the Plan are managed in accordance with an Investment Policy Statement (Statement) adopted by the Plan's Board of Trustees (Trustees). The Statement establishes investment objectives and asset allocation policies and selects the publicly available indices used as benchmarks to evaluate and measure the performance of the investments. The Statement provides for the diversification of investments to minimize the risk of large losses over a long-term period. With an investment objective of long-term performance that achieves the assumed 6.5% rate of investment return in a manner consistent with prudent risk taking, the Trustees approve investment managers and asset allocations. On a quarterly basis, the Trustees review, monitor, and evaluate the performance of the Plan's investments to ensure adherence to the adopted policies and guidelines. The Statement permits investments in domestic equities, international equities, bonds, alternative investments and real estate.

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. Of the Plan's \$6,438,648 of demand deposits, \$5,938,648 is invested in bank deposits or money market funds that are uninsured and uncollateralized.

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Concentration of Credit Risk:

The Statement limits portfolio composition by security and industry to control concentration of credit risk as follows:

<u>Asset Class</u>	<u>Preferred Allocation</u>	<u>Minimum Allocation</u>	<u>Maximum Allocation</u>
U.S. Equities - Large Cap	25%	10%	55%
U.S. Equities - Small Cap	10%	0%	20%
International Developed Countries and Emerging Markets	20%	10%	30%
Fixed Income - U.S. Core Broad	25%	10%	50%
Alternative Investments	15%	0%	25%
Hedge funds	10%	0%	15%
Private equity	5%	0%	10%
Real estate	5%	0%	10%

Interest Rate Risk:

Investments held by the Plan and subject to interest rate risk are managed by an investment manager specializing in domestic, fixed-income investments. The investment manager is responsible for monitoring economic outlook and investment strategy and has discretionary authority to buy, sell, or hold individual securities within the guidelines established by the Statement. The performance of the investments is reviewed, monitored, and evaluated quarterly by the Trustees.

At June 30, 2022, the Plan had investments of \$401,854 (1.04% of total portfolio excluding demand deposits) in collateralized mortgage backed securities. These securities are based on cash flows from interest and principal payments on underlying mortgages of commercial income producing properties and, therefore, are sensitive to interest rate changes.

As of June 30, 2022, the Plan held the following investments and maturities:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>		
		<u>0 - 5 Years</u>	<u>5 - 10 Years</u>	<u>10 - 30 Years</u>
Corporate bonds and collateralized mortgage securities	\$ 4,624,162	\$ 2,222,922	\$ 1,301,577	\$ 1,099,663
Municipal bonds	32,267	-	-	32,267
U. S. Treasuries	1,341,201	348,764	232,618	759,819
Federal National Mortgage Association	1,888,030	134,928	1,537,926	215,176.00
Federal Home Loan Mortgage Corporation	469,905	401,899	68,006	-
Government National Mortgage Association	8,819	8,819	-	-
Total	<u>\$ 8,364,384</u>	<u>\$ 3,117,332</u>	<u>\$ 3,140,127</u>	<u>\$ 2,106,925</u>

Fair Value Hierarchy:

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using

County of Chesterfield, Virginia
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a matrix technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

The County's portfolio has the following recurring fair value measurements as of June 30, 2022:

		Fair Value Measurements Using	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<u>Investments by fair value level</u>			
Debt securities:			
U. S. Treasuries	\$ 1,341,201	\$ -	\$ 1,341,201
U. S. agencies and sponsored enterprises	2,366,754	-	2,366,754
Municipal bonds	32,267	-	32,267
Collateralized mortgage-backed securities	401,854	-	401,854
Corporate bonds	4,222,308	-	4,222,308
Total debt securities	8,364,384	-	8,364,384
Equity securities:			
Common and preferred stocks	8,876,988	8,876,988	-
Exchange traded funds	7,236,489	7,236,489	-
Mutual funds	6,888,760	6,888,760	-
Total equity securities	23,002,237	23,002,237	-
Total investments by fair value level	31,366,621	\$ 23,002,237	\$ 8,364,384
<u>Investments measured at the net asset value (NAV)</u>			
Multi-strategy alternative funds	7,113,878		
Total investments measured at fair value	\$ 38,480,499		

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<u>Investments measured at the NAV</u>				
(1) Multi-strategy alternative investment	\$ 1,381,330	\$ 412,929	None	N/A
(2) Multi-strategy alternative investment	1,460,737	800,779	None	N/A
(3) Multi-strategy alternative investment	1,934,038	None	Semi-annual	95 days
(4) Multi-strategy alternative investment	2,337,773	None	Quarterly	100 days
Total investments measured at fair value	\$ 7,113,878			

(1) *Multi-strategy alternative investment.* This investment is a multi-strategy fund designed to provide investors with exposure to a well-diversified private markets portfolio across strategy, investment type and vintage year. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.

(2) *Multi-strategy alternative investment.* This investment's objective is to provide liquidity, capital and partnering solutions to private equity investors and managers. It funds source opportunities from around the world, acquiring and structuring portfolios of private equity partnerships and underlying portfolio companies across leveraged buyout, credit, distressed, growth capital, real

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asset and venture capital strategies. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.

- (3) *Multi-strategy alternative investment.* This investment's objective is capital appreciation with limited variability of returns. This includes relative value strategies that attempt to capture pricing anomalies between assets that for all economic purposes are identical; market neutral and low net equity strategies that involve the purchase of a stock or basket of stocks that is relatively underpriced as well as selling short a stock or basket of stocks that is relatively overpriced; and event driven strategies that involve the assessment of how, when and if specific transactions will be completed and the effect on corporations and financial assets. A common event driven strategy is merger arbitrage. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.
- (4) *Multi-strategy alternative investment.* This investment's objective is to achieve a substantial return on capital with limited volatility through investments in a broadly diversified portfolio of securities. The fund seeks to achieve this through an actively managed, opportunistic, multi-strategy portfolio of hedge fund investments to produce consistent alpha through a full market cycle by focusing on fundamentally-oriented managers with the skills and adaptability to generate returns in a broad range of market conditions and by maintaining flexible research and implementation processes. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.

Investment Policy and Long-term Rate of Return:

Asset Class	Target Allocation	Style Target	Arithmetic Long-Term Expected Rate of Return
U.S. Large Cap Equity	25.0%		
Large Cap Growth		12.5%	8.9%
Large Cap Value		12.5%	8.6%
U.S. Small Cap Equity	10.0%		
Small Cap Growth		5.0%	8.8%
Small Cap Value		5.0%	9.5%
International Developed and Emerging Markets	20.0%		
Developed International Equity		15.0%	7.8%
Emerging Markets Equity		5.0%	9.8%
Fixed Income - U.S. Core Broad	25.0%		3.5%
Alternative Investments	15.0%		
Hedge funds		10.0%	6.2%
Private Equity		5.0%	11.9%
Real Estate (Investment Trusts)	<u>5.0%</u>		<u>7.1%</u>
Total	<u>100.0%</u>		<u>7.2%</u>

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County and School Board Retiree Healthcare OPEB Funds and County Line of Duty OPEB Fund:

As of June 30, 2022, the carrying value of the County Retiree Healthcare OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Investment in pooled funds	\$ 39,435,859	N/A

As of June 30, 2022, the carrying value of the School Board Retiree Healthcare OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Cash	\$ 1,000,000	
Investment in pooled funds	25,369,716	N/A
Total	<u>\$26,369,716</u>	

As of June 30, 2022, the carrying value of the County Line of Duty OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Investment in pooled funds	\$ 12,789,484	N/A

As of June 30, 2022, excluding the pooled funds, there were no other 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 pooled funds in the County and School Board Retiree Healthcare OPEB Funds and the County Line of Duty OPEB Fund are uninsured and uncollateralized.

The Trust categorizes its investments within the fair value hierarchy established by GAAP. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the NAV per share (or its equivalent) of the investment. Investments in the Trust are valued using the NAV per share which is determined by dividing the total value of the Trust by the number of outstanding shares. The NAV per share changes with the value of the underlying investments in the Trust. Generally, participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice. The Trust currently invests in the following assets classes and strategies:

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Investment Policy and Long-term Rate of Return:

Asset Class	Target Allocation	Arithmetic Long-term Expected Rate of Return
Equity:		
Large Cap	21.0%	7.1%
Small Cap	10.0%	8.5%
International	13.0%	8.0%
Emerging Markets	5.0%	9.2%
Private	10.0%	10.5%
Long/Short Equity	6.0%	5.7%
Fixed Income:		
Core Bonds	5.0%	2.6%
Core Plus	11.0%	2.9%
Liquid Absolute Return	4.0%	3.3%
Real Assets:		
Core Real Estate	10.0%	6.6%
Opportunistic Real Estate	<u>5.0%</u>	<u>9.6%</u>
Total	<u>100%</u>	<u>9.7%</u>

To assist local governments in funding their OPEB liabilities, the Virginia Association of Counties and the Virginia Municipal League established the VACo/VML Pooled OPEB Trust (Trust). The Trust is an irrevocable trust offered to local governments and authorities and is governed by a Board of Trustees consisting of local officials of participants in the Trust. The Board of Trustees has adopted an investment policy to achieve a compound annualized rate of return over a market cycle, including current income and capital appreciation, in excess of 5% after inflation, in a manner consistent with prudent risk-taking. Investment decisions of the funds' assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and prevailing prudent investment practices. 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 its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of such performance. The Trust provides a diversified portfolio consisting of investments in various asset classes such as bonds, domestic equities, international equities and cash. Specific investment information for the Trust can be obtained by writing to VML/VACo Finance Program, 8 E Canal Street, Suite 10, Richmond, Virginia 23219.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

B. Component Unit - School Board

As of June 30, 2022, the carrying value of the School Board operating and custodial funds' deposits with their respective credit rating were as follows:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Demand deposits	\$ 31,684,901	N/A
SNAP	19,323	AAAm
Total	<u>31,704,224</u>	

School Board deposits are invested in accordance with the County's investment policy. As of June 30, 2022, excluding the demand deposits, School Board investments were limited to SNAP. Descriptions of credit risk, concentration of credit risk and interest rate risk for SNAP investments is included Note 4.A. Primary Government.

School Board Supplemental Retirement Program:

As of June 30, 2022, the carrying value of the School Board Supplemental Retirement Program Pension Trust Fund's (Program) deposits and investments, with their respective credit ratings, was as follows:

<u>Asset Type</u>	<u>Fair Value</u>
Demand Deposits	\$ 606,946
Common stocks	11,489,147
Mutual funds - equity	7,830,254
Mutual funds - fixed income	40,915,687
Exchange traded funds - equity	7,668,775
Exchange traded funds - fixed income	1,221,546
Total deposits and investments	<u>\$ 69,732,355</u>

Credit Risk:

Investments in the Program are managed in accordance with a Statement of Investment Policy (Statement). This Statement authorizes investments in cash equivalents, fixed income securities, equity securities and mutual funds and sets target allocations as follows:

County of Chesterfield, Virginia
Notes to Financial Statements
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Asset Class	Target Allocation	Style Target	Arithmetic Long-Term Expected Rate of Return
Equity:			
U.S. Large Cap Equity	35.0%		
Large Cap Growth		18.0%	9.3%
Large Cap Value		17.0%	9.1%
U.S. Small/Mid Cap Equity	12.0%		
Mid Cap Growth		4.0%	9.6%
Mid Cap Value		4.0%	9.6%
Small Cap Growth		2.0%	8.9%
Small Cap Value		2.0%	9.9%
International Developed Equity	16.0%		8.2%
Emerging Markets Equity	7.0%		9.9%
Global Fixed Income	<u>30.0%</u>		
Short-term Fixed Income		9.0%	3.4%
U. S. Taxable Core		18.0%	3.9%
Inflation Linked Securities		3.0%	<u>5.2%</u>
Total	<u>100.0%</u>		<u>7.6%</u>

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Program will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. Of the money market accounts held by the program, \$87,286 is uninsured and uncollateralized.

Concentration of Credit Risk:

Investments in the Program are managed in accordance with an Investment Policy Statement (Statement) adopted by the Program's Administrative Committee (Committee). The Statement establishes investment objectives and asset allocation policies and defines the publicly available indices used to evaluate and measure performance of Program investments. The Statement establishes both long-term and short-term investment pools to meet the liquidity needs of the Program. Investment managers and asset allocations are approved by the Committee. The Committee's investment objective for the long-term investment pool is to exceed the assumed actuarial rate of return of 6.5% by a diversified portfolio of investments comprised of U.S. equities, international equities, and global, fixed income investments. Quarterly, the Committee reviews, monitors, and evaluates the performance of the investments to ensure adherence to the adopted policies and guidelines of the Program.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Interest Rate Risk:

Program investments sensitive to interest rate risk are managed by an investment manager specializing in global fixed income investments. The investment manager is responsible for monitoring economic outlook and investment strategy and has discretionary authority to buy, sell, or hold individual securities within the guidelines of the stated methodology. Performance of the investments is reviewed, monitored, and evaluated quarterly by the Committee. As of June 30, 2022, the Program held the following investments and maturities:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Investment Maturity⁽¹⁾</u>	
		<u>0 - 5 Years</u>	<u>5 - 13 Years</u>
Exchange traded funds fixed income	\$ 1,221,546	\$ 1,221,546	\$ -
Mutual funds - fixed income	40,915,687	37,243,170	3,672,400
Total	<u>\$ 42,137,233</u>	<u>\$ 38,464,716</u>	<u>\$ 3,672,400</u>

⁽¹⁾ Estimated using average effective maturity.

Fair Value Hierarchy:

The Program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Program has the following recurring fair value measurements using quoted market prices (Level 1 inputs) as of June 30, 2022:

<u>Investments by Fair Value</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Common stocks	\$ 11,489,147	\$ 11,489,147	\$ -
Mutual funds - equity	7,830,254	7,830,254	-
Mutual funds - fixed income	40,915,687	35,451,355	5,464,332
Exchange traded funds - equity	7,668,775	7,668,775	-
Exchange traded funds - fixed income	1,221,546	1,221,546	-
Total	<u>\$ 69,125,409</u>	<u>\$ 63,661,077</u>	<u>\$ 5,464,332</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Investment Policy and Long-term Rate of Return:

Asset Class	Target Allocation	Style Target	Arithmetic Long-Term Expected Rate of Return
Equity:			
U.S. Large Cap Equity	35.0%		
Large Cap Growth		18.0%	9.3%
Large Cap Value		17.0%	9.1%
U.S. Small/Mid Cap Equity	12.0%		
Mid Cap Growth		4.0%	9.6%
Mid Cap Value		4.0%	9.6%
Small Cap Growth		2.0%	8.9%
Small Cap Value		2.0%	9.9%
International Developed Equity	16.0%		8.2%
Emerging Markets Equity	7.0%		9.9%
Global Fixed Income	<u>30.0%</u>		
Short-term Fixed Income		9.0%	3.4%
U. S. Taxable Core		18.0%	3.9%
Inflation Linked Securities		3.0%	<u>5.2%</u>
Total	<u>100.0%</u>		<u>7.6%</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

5. Receivables

A. Real and Personal Property Taxes

Property tax revenues may be used to fund any general governmental services authorized by the Code of Virginia and the County Board. Property taxes levied by the County are not subject to any statutory maximum; however, a public hearing must be held prior to setting the current tax rate. The tax rate is set by the County Board in March or April and is applied to the assessed value as of January 1 of the calendar year. The assessed value of all classes of property approximates market value. January 1 is also the date an enforceable legal claim to the asset applies. Real Property taxes are due June 6th and December 5th in two equal installments. Installments due on June 6, 2022, are levied for fiscal year 2022 and, when unavailable in the current period, are reported as deferred inflows of resources. Installments due on December 5, 2022, are levied for fiscal year 2023 and, therefore, are unearned and reported as deferred inflows of resources.

Personal property taxes, which do not create a lien on property, are due on June 6th and levied for fiscal year 2022 on property with situs in the County as of January 1st. The County prorates personal property taxes levied on motor vehicles acquiring or losing situs after January 1.

The Personal Property Tax Relief Act of 1998 (PPTRA) provided for the Commonwealth to reimburse a portion of the personal property tax levied on the first \$20,000 of personal use cars, motorcycles and trucks. During the 2005 Special Session I, the Virginia General Assembly passed Senate Bill 5005. The bill provides for the Commonwealth to reimburse a portion of the tangible personal property tax levied based on a fixed relief amount. The fixed relief amount was capped at \$950,000,000 in total for all localities with the County's share capped at \$41,092,048, which the County received during the year ended June 30, 2022. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

B. Stormwater Utility Fees

Stormwater utility fees are billed to each property owner subject to the fee in the same manner as the real property tax. Stormwater utility fees are due June 6th and December 5th in two equal installments. Installments due on June 6, 2022, are levied for fiscal year 2022 and, when unavailable in the current period, are reported as deferred inflows of resources in the fund statements. Installments due on December 5, 2022, are levied for fiscal year 2023 and are reported as deferred inflows of resources in the fund statements and government-wide statements.

C. Leases

The County leases land, building, office space and equipment to third parties which are presented with accounts receivable on the financial statements. As of June 30, 2022, the County's lease receivables were valued at \$17,545,331 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases was \$17,370,244. The lease receivables for Governmental and Business-Type Activities at June 30, 2022 were as follows:

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

GOVERNMENTAL ACTIVITIES

Land leases - annual lease payments totaling \$112,495 plus interest at rates ranging from .980% to 2.346%, due dates ranging from July 23, 2026 to November 30, 2048.	\$ 1,216,189
Infrastructure leases - annual lease payments totaling \$198,338 plus interest at rates ranging from .980% to 1.803%, due dates ranging from June 30, 2026 to May 31, 2035.	1,188,319
Building and office space leases - annual lease payments totaling \$902,345 plus interest at rates ranging from .814% to 1.296%, due dates ranging from December 31, 2024 to November 30, 2028.	<u>5,472,974</u>
Total Governmental Activities Lease Receivables	<u><u>\$ 7,877,482</u></u>

BUSINESS-TYPE ACTIVITIES

Land leases - annual lease payments totaling \$11,177 plus interest at rates ranging from 1.298% to 2.425%, due dates ranging from December 31, 2028 to January 31, 2060.	\$ 417,194
Infrastructure leases - annual lease payments totaling \$107,129 plus interest at rates ranging from 1.872% to 2.343%, due dates ranging from December 31, 2035 to September 30, 2047.	3,510,946
Building and office space leases - annual lease payments totaling \$431,490 plus interest at rates ranging from .435% to 2.425%, due dates ranging from November 4, 2023 to January 31, 2060.	<u>5,739,709</u>
Total Business-type Lease Receivables	<u><u>\$ 9,667,849</u></u>

The payments for the lease receivable are expected to be received in the subsequent years as follows:

Year Ending	Governmental Activities			Business-Type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,213,178	\$ 101,495	\$ 1,314,673	\$ 549,796	\$ 201,694	\$ 751,490
2024	1,249,488	85,961	1,335,449	488,262	194,105	682,367
2025	1,236,252	70,149	1,306,401	410,052	186,840	596,892
2026	1,220,361	54,473	1,274,834	421,744	179,488	601,232
2027	1,148,511	38,491	1,187,002	365,816	172,130	537,946
2028-2032	1,417,673	76,859	1,494,532	1,902,185	751,420	2,653,605
2033-2037	165,539	34,048	199,587	1,590,838	562,430	2,153,268
2038-2042	85,489	22,972	108,461	1,174,923	407,796	1,582,719
2043-2047	114,170	11,567	125,737	1,026,024	271,875	1,297,899
2048-2052	26,821	634	27,455	632,016	173,854	805,870
2053-2057	-	-	-	713,400	92,469	805,869
2058-2061	-	-	-	392,793	12,623	405,416
Total	<u>\$ 7,877,482</u>	<u>\$ 496,649</u>	<u>\$ 8,374,131</u>	<u>\$ 9,667,849</u>	<u>\$ 3,206,724</u>	<u>\$ 12,874,573</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

D. Receivables

Receivables at June 30, 2022, were as follows:

Governmental Activities

	General Fund	County Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Taxes	\$ 284,459,788	-	\$ 2,509,676	\$ -	\$ 286,969,464
Accounts	30,068,265	196,239	14,730,855	81,068	45,076,427
Interest	1,138,386	-	-	-	1,138,386
Special assessments	852,637	-	-	-	852,637
Commonwealth of Virginia	43,711,601	12,610,912	6,909,757	6,849	63,239,119
Federal government	50,553	7,622,335	2,070,003	69,100	9,811,991
Gross receivables	360,281,230	20,429,486	26,220,291	157,017	407,088,024
Less: Allowance for uncollectibles	(12,010,657)	-	(8,601,966)	-	(20,612,623)
Net receivables	<u>\$ 348,270,573</u>	<u>\$ 20,429,486</u>	<u>\$ 17,618,325</u>	<u>\$ 157,017</u>	<u>\$ 386,475,401</u>

Business-type Activities

	Water Fund	Wastewater Fund	Non-major Enterprise Funds	Total
Accounts	\$ 15,227,690	\$ 9,612,539	\$ 6,503,639	\$ 31,343,868
Interest	610,004	1,040,248	-	1,650,252
Special assessments	35,310	228,517	-	263,827
Commonwealth of Virginia	7,363	865	207,302	215,530
Federal government	574,937	13,637	395,018	983,592
Gross receivables	16,455,304	10,895,806	7,105,959	34,457,069
Less: Allowance for uncollectibles	(434,440)	(340,994)	-	(775,434)
Net receivables	<u>\$ 16,020,864</u>	<u>\$ 10,554,812</u>	<u>\$ 7,105,959</u>	<u>\$ 33,681,635</u>

Component Unit

	School Board
Accounts	\$ 587,302
Commonwealth of Virginia	8,314,022
Federal government	14,436,600
Gross receivables	<u>\$ 23,337,924</u>

Special assessments of \$26,421 and \$198,352, respectively, in the Water and Wastewater funds, in addition to \$161,148 of accrued interest on those special assessments in the Wastewater fund, are not expected to be collected within one year.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

6. Payables

Payables at June 30, 2022, were as follows:

	General Fund	County Capital Projects Fund	School Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Vendors	\$ 11,273,215	\$ 20,438,014	\$ 4,132,305	\$ 4,383,362	\$ 3,412,223	\$ 43,639,119
Wages and benefits	19,042,388	26,661	-	3,054,827	587,500	22,711,376
Retainages	-	1,174,846	2,224,775	172,301	336,192	3,908,114
Deposits	607,865	3,750,279	-	-	-	4,358,144
Total	<u>\$ 30,923,468</u>	<u>\$ 25,389,800</u>	<u>\$ 6,357,080</u>	<u>\$ 7,610,490</u>	<u>\$ 4,335,915</u>	<u>74,616,753</u>
					Accrued interest	<u>12,006,523</u>
					Total per government-wide	<u>\$ 86,623,276</u>

Business-type Activities

	Water Fund	Wastewater Fund	Non-major Enterprise Funds	Total
Vendors	\$ 5,458,029	\$ 3,104,007	\$ 558,705	\$ 9,120,741
Wages and benefits	877,426	741,042	18,393	1,636,861
Accrued interest	72,520	117,856	23,443	213,819
Retainages	1,200,325	499,153	287,414	1,986,892
Other	1,895,782	31,661	1,519,026	3,446,469
Total	<u>\$ 9,504,082</u>	<u>\$ 4,493,719</u>	<u>\$ 2,406,981</u>	<u>\$ 16,404,782</u>

Component Unit

	School Board
Vendors	\$ 11,215,647
Wages and benefits	57,746,818
Retainages	26,705
Accrued interest	<u>180,839</u>
Total	<u>\$ 69,170,009</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

7. Reporting Entity - Internal Transactions

Internal receivable and payable balances at June 30, 2022, were as follows:

Fund	Internal Receivables	Internal Payables
Internal Receivables/Payables Other Funds		
Governmental Activities:		
General Fund	\$ -	\$ 626,427
County Capital Projects Fund	8,223,525	-
Business-type Activities:		
Non-major Economic Development Authority	626,427	8,223,525
Total primary government	<u>\$ 8,849,952</u>	<u>\$ 8,849,952</u>
Receivables/Payables Primary Government and Component Units		
Primary Government:		
General Fund	\$ -	\$ 106,229,621
Discretely Presented Component Unit:		
School Board	106,229,621	-
Total	<u>\$ 106,229,621</u>	<u>\$ 106,229,621</u>

Balances resulted from a timing difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Internal transactions between the General Fund and the School Board component unit are related to School Board expenditures funded by the County where expenditures are liquidated subsequent to year end. Internal transactions between the County Capital Projects Fund and the EDA are related to prepayments made to the EDA for a major construction project managed by the EDA on behalf of the County.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Transfers are used (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to use revenues collected in the General Fund to finance various grants, projects or programs accounted for in other funds in accordance with budgetary authorization and (3) to provide funding for capital expenditures or budgeted subsidies for operations. Interfund transfers in the fund financial statements during fiscal year 2022 were as follows:

Transfers In:

Governmental Funds

General Fund from:

Grants Fund	\$ 2,047,654	
Mental Health Fund	<u>326,600</u>	\$ 2,374,254

County Capital Projects Fund from:

General Fund	24,560,390	
Central Virginia Transportation Authority - Local	2,740,800	
Mental Health Fund	725,965	
Water Fund	<u>38,175</u>	28,065,330

School Capital Projects Fund from:

General Fund		31,816
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Grants Fund from:

General Fund	1,689,432	
Mental Health Fund	114,991	
Jail Canteen Fund	<u>38,000</u>	1,842,423

Stormwater Fund from:

General Fund		451,366
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Children's Services Fund from:

General Fund		1,816,900
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Mental Health Fund from:

General Fund		13,255,500
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Proprietary Funds

Economic Development Authority from:

General Fund		26,527,578
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Airport Fund from:

General Fund		1,533,602
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Internal Service Funds

Vehicle and Communications Maintenance Fund from:

General Fund		<u>1,973,797</u>
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Total transfers in		<u>\$ 77,872,566</u>
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County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Transfers Out:

Governmental Funds

General Fund to:

County Capital Projects Fund	\$ 24,560,390	
School Capital Projects Fund	31,816	
Grants Fund	1,689,432	
Children's Services Fund	1,816,900	
Stormwater Fund	451,366	
Mental Health Fund	13,255,500	
Economic Development Authority	26,527,578	
Airport Fund	1,533,602	
Vehicle and Communications Maintenance Fund	<u>1,973,797</u>	\$ 71,840,381

Central Virginia Transportation Authority - Local Fund to:

County Capital Projects Fund	2,740,800
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Grants Fund to:

General Fund	2,047,654
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Mental Health Fund to:

General Fund	326,600	
County Capital Projects Fund	725,965	
Grants Fund	<u>114,991</u>	1,167,556

Jail Canteen Fund to:

Grants Fund	38,000
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Proprietary Funds

Water Fund to:

County Capital Projects Fund	<u>38,175</u>
Total transfers out	<u><u>\$ 77,872,566</u></u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

8. Capital and Intangible Assets

A. Governmental Activities

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 96,026,168	\$ 6,720,813	\$ 15,970	\$ 102,731,011
Construction in progress	<u>76,393,274</u>	<u>74,398,650</u>	<u>47,066,361</u>	<u>103,725,563</u>
Total assets, not being depreciated	<u>172,419,442</u>	<u>81,119,463</u>	<u>47,082,331</u>	<u>206,456,574</u>
Capital assets, being depreciated and or amortized:				
Buildings	1,550,289,429	36,391,521	1,080,608	1,585,600,342
Improvements other than buildings	117,574,846	4,170,105	1,103,882	120,641,069
Machinery and equipment	224,226,483	14,478,825	7,114,628	231,590,680
Infrastructure	42,590,806	1,149,688	-	43,740,494
Right-to-use land	-	124,030	-	124,030
Right-to-use buildings	-	9,380,719	-	9,380,719
Right-to-use equipment	<u>-</u>	<u>24,468</u>	<u>-</u>	<u>24,468</u>
Total at historical cost	<u>1,934,681,564</u>	<u>65,719,356</u>	<u>9,299,118</u>	<u>1,991,101,802</u>
Less accumulated depreciation and amortization for:				
Buildings	530,104,593	33,310,375	1,036,612	562,378,356
Improvements other than buildings	63,844,461	4,535,878	812,139	67,568,200
Machinery and equipment	139,395,991	17,243,458	6,900,970	149,738,479
Infrastructure	13,236,768	625,788	-	13,862,556
Right-to-use land	-	37,209	-	37,209
Right-to-use buildings	-	2,134,481	-	2,134,481
Right-to-use equipment	<u>-</u>	<u>12,234</u>	<u>-</u>	<u>12,234</u>
Total accumulated depreciation/amortization	<u>746,581,813</u>	<u>57,899,423</u>	<u>8,749,721</u>	<u>795,731,515</u>
Total capital assets, being depreciated, net	<u>1,188,099,751</u>	<u>7,819,933</u>	<u>549,397</u>	<u>1,195,370,287</u>
Governmental activities capital assets, net	<u>\$ 1,360,519,193</u>	<u>\$ 88,939,396</u>	<u>\$ 47,631,728</u>	<u>\$ 1,401,826,861</u>

In accordance with the County's charter, land, buildings, improvements other than buildings, construction in progress and accumulated depreciation associated with School assets are reported as capital assets in the governmental net position of the County. Depreciation on those assets is reported as an expense of the education function in the governmental activities of the County.

Governmental activities capital assets, net of accumulated depreciation at June 30, 2022, are comprised of the following:

General capital assets, net	\$ 1,387,171,165
Internal Service Funds capital assets, net	<u>14,655,696</u>
Total	<u>\$ 1,401,826,861</u>

County of Chesterfield, Virginia
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Depreciation expense was charged to the following functions:

General government	\$ 4,612,877
Administration of justice	1,582,703
Public safety	12,999,105
Public works	1,618,460
Health and welfare	2,081,017
Education - School Board	26,509,703
Parks, recreation and cultural	5,546,013
Community development	1,231,031
Capital assets held by the County's Internal Service Funds are charged to the various functions based on their usage of the assets	<u>1,718,514</u>
Total depreciation expense	<u>\$ 57,899,423</u>

Construction in progress commitments for governmental operations is composed of the following:

<u>Function</u>	<u>Committed at June 30, 2022</u>
General government	\$ 3,832,776
Administration of justice	108,219
Public safety	73,633,973
Public works	9,694,421
Parks, recreation and cultural	57,067,110
Education - School Board	<u>219,269,774</u>
Total construction in progress commitments	<u>\$ 363,606,273</u>

County of Chesterfield, Virginia
Notes to Financial Statements
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B. Business-type Activities

Intangible and capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Water Fund				
Intangible assets:				
Capacity rights, net of amortization	\$ 65,531,721	\$ 1,477,287	\$ 2,444,974	\$ 64,564,034
Capital assets, not being depreciated:				
Land	10,522,516	635,443	-	11,157,959
Construction in progress	16,497,614	21,701,493	7,719,595	30,479,512
Total assets, not being depreciated	27,020,130	22,336,936	7,719,595	41,637,471
Capital assets, being depreciated:				
Buildings	72,538,248	3,636,948	-	76,175,196
Improvements other than buildings	9,162,569	82,452	-	9,245,021
Machinery and equipment	534,646,144	20,976,176	236,044	555,386,276
Totals at historical cost	616,346,961	24,695,576	236,044	640,806,493
Less accumulated depreciation for:				
Buildings	28,227,530	1,786,252	-	30,013,782
Improvements other than buildings	6,665,627	268,010	-	6,933,637
Machinery and equipment	209,066,574	11,840,297	207,946	220,698,925
Total accumulated depreciation	243,959,731	13,894,559	207,946	257,646,344
Total capital assets, being depreciated, net	372,387,230	10,801,017	28,098	383,160,149
Water capital and intangible assets, net	\$ 464,939,081	\$ 34,615,240	\$ 10,192,667	\$ 489,361,654
	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Wastewater Fund				
Intangible assets:				
Capacity rights, net of amortization	\$ 1,783,152	\$ -	\$ 118,877	\$ 1,664,275
Capital assets, not being depreciated:				
Land	4,254,645	444,533	-	4,699,178
Construction in progress	17,303,067	14,194,572	18,022,725	13,474,914
Total assets, not being depreciated	21,557,712	14,639,105	18,022,725	18,174,092
Capital assets, being depreciated:				
Buildings	151,555,270	7,376,378	167,734	158,763,914
Improvements other than buildings	19,336,319	397,809	-	19,734,128
Machinery and equipment	593,558,677	22,136,589	217,889	615,477,377
Totals at historical cost	764,450,266	29,910,776	385,623	793,975,419
Less accumulated depreciation for:				
Buildings	69,503,794	3,491,681	147,886	72,847,589
Improvements other than buildings	10,355,320	477,695	-	10,833,015
Machinery and equipment	278,871,864	16,019,149	199,854	294,691,159
Total accumulated depreciation	358,730,978	19,988,525	347,740	378,371,763
Total capital assets, being depreciated, net	405,719,288	9,922,251	37,883	415,603,656
Wastewater capital and intangible assets, net	\$ 429,060,152	\$ 24,561,356	\$ 18,179,485	\$ 435,442,023

County of Chesterfield, Virginia
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	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Non-major				
Capital assets, not being depreciated:				
Land and improvements	\$ 27,097,283	\$ 21,316,414	\$ 175,163	\$ 48,238,534
Construction in progress	3,355,569	2,917,344	5,580,768	692,145
Total assets, not being depreciated	<u>30,452,852</u>	<u>24,233,758</u>	<u>5,755,931</u>	<u>48,930,679</u>
Capital assets, being depreciated:				
Buildings	9,023,372	-	-	9,023,372
Improvements other than buildings	28,967,163	1,268,097	6,867	30,228,393
Machinery and equipment	4,107,806	9,317	106,581	4,010,542
Infrastructure	6,159,269	3,728,393	-	9,887,662
Totals at historical cost	<u>48,257,610</u>	<u>5,005,807</u>	<u>113,448</u>	<u>53,149,969</u>
Less accumulated depreciation for:				
Buildings	3,818,276	216,854	-	4,035,130
Improvements other than buildings	20,564,159	1,092,573	6,867	21,649,865
Machinery and equipment	1,457,710	208,408	106,581	1,559,537
Infrastructure	1,548,308	343,003	-	1,891,311
Total accumulated depreciation	<u>27,388,453</u>	<u>1,860,838</u>	<u>113,448</u>	<u>29,135,843</u>
Total capital assets, being depreciated, net	<u>20,869,157</u>	<u>3,144,969</u>	<u>-</u>	<u>24,014,126</u>
Non-major business-type activities capital assets, net	<u>\$ 51,322,009</u>	<u>\$ 27,378,727</u>	<u>\$ 5,755,931</u>	<u>\$ 72,944,805</u>

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Total Business-type Activities				
Intangible assets:				
Capacity rights, net of amortization	\$ 67,314,873	\$ 1,477,287	\$ 2,563,851	\$ 66,228,309
Capital assets, not being depreciated:				
Land	41,874,444	22,396,390	175,163	64,095,671
Construction in progress	37,156,250	38,813,409	31,323,088	44,646,571
Total assets, not being depreciated	<u>79,030,694</u>	<u>61,209,799</u>	<u>31,498,251</u>	<u>108,742,242</u>
Capital assets, being depreciated:				
Buildings	233,116,890	11,013,326	167,734	243,962,482
Improvements other than buildings	57,466,051	1,748,359	6,868	59,207,542
Machinery and equipment	1,132,312,627	43,122,082	560,514	1,174,874,195
Infrastructure	6,159,269	3,728,393	-	9,887,662
Totals at historical cost	<u>1,429,054,837</u>	<u>59,612,160</u>	<u>735,116</u>	<u>1,487,931,881</u>
Less accumulated depreciation for:				
Buildings	101,549,600	5,494,787	147,886	106,896,501
Improvements other than buildings	37,585,106	1,838,278	6,867	39,416,517
Machinery and equipment	489,396,148	28,067,854	514,381	516,949,621
Infrastructure	1,548,308	343,003	-	1,891,311
Total accumulated depreciation	<u>630,079,162</u>	<u>35,743,922</u>	<u>669,134</u>	<u>665,153,950</u>
Total capital assets, being depreciated, net	<u>798,975,675</u>	<u>23,868,238</u>	<u>65,982</u>	<u>822,777,931</u>
Total business-type activities capital and intangible assets, net	<u>\$ 945,321,242</u>	<u>\$ 86,555,324</u>	<u>\$ 34,128,084</u>	<u>\$ 997,748,482</u>

County of Chesterfield, Virginia
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Amortization and depreciation were charged to the various activities as follows:

Water	\$ 2,444,974
Wastewater	118,877
Total amortization expense	<u>\$ 2,563,851</u>
Water	\$ 13,894,559
Wastewater	19,988,525
Non-major funds	1,860,838
Total depreciation expense	<u>\$ 35,743,922</u>

C. Component Unit - School Board

Capital asset activity for the year ended June 30, 2022, for the School Board component unit was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 172,763	\$ 680,525	\$ 172,763	\$ 680,525
Capital assets, being depreciated:				
Machinery and equipment	169,055,978	28,256,022	13,819,600	183,492,400
Right-to-use buildings	-	2,052,740	-	2,052,740
Right-to-use equipment	-	81,538	-	81,538
Total at historical cost	<u>169,055,978</u>	<u>30,390,300</u>	<u>13,819,600</u>	<u>185,626,678</u>
Less accumulated depreciation and amortization for:				
Machinery and equipment	96,251,364	18,909,424	13,744,751	101,416,037
Right-to-use buildings	-	267,055	-	267,055
Right-to-use equipment	-	18,918	-	18,918
Less accumulated depreciation/amortization	<u>96,251,364</u>	<u>19,195,397</u>	<u>13,744,751</u>	<u>101,702,010</u>
Total capital assets, being depreciated, net	<u>72,804,614</u>	<u>11,194,903</u>	<u>74,849</u>	<u>83,924,668</u>
School Board capital assets, net	<u>\$ 72,977,377</u>	<u>\$ 11,875,428</u>	<u>\$ 247,612</u>	<u>\$ 84,605,193</u>

Current year depreciation and amortization on capital assets of the School Board was \$19,195,397.

County of Chesterfield, Virginia
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9. Long-term Obligations

A. General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities of the primary government and including those used by the School Board component unit. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The general obligation bonds are payable from the General Fund. In the event of default on payment of principal or interest on these bonds and upon the affidavit of any bond owner or any paying agent of the bonds, the Governor must take certain actions through the State Aid Intercept Program. These actions could include directing the Comptroller of the Commonwealth to withhold its payments to the County until such default is cured. At June 30, 2022, general obligation bonds offered for public sale were outstanding as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Total Outstanding</u>
General Obligation Bonds				
2002B School, due 2023	\$ 23,950,000	4.85%	\$1,195,000	\$ 1,195,000
2011A School, due 2032	15,630,000	4.05 - 5.05%	780,000	7,800,000
2012B School, due 2033	18,595,000	3.05 - 5.05%	925,000 - 930,000	10,225,000
2013A School, due 2034	18,305,000	3.05 - 5.05%	915,000	10,980,000
2014 General Improvement & Refunding, due 2025	60,645,000	4.00 - 5.00%	3,115,000 - 3,860,000	10,830,000
2015 General Improvement & Refunding, due 2029	92,110,000	3.00 - 5.00%	1,735,000 - 11,930,000	53,520,000
2016 General Improvement & Refunding, due 2036	86,480,000	2.125 - 5.00%	2,095,000 - 5,370,000	53,545,000
2017B General Improvement, due 2037	82,270,000	3.00 - 5.00%	4,110,000 - 4,115,000	61,695,000
2018A General Improvement, due 2038	51,450,000	3.00 - 5.00%	2,570,000 - 2,575,000	41,150,000
2018B School, due 2039	13,735,000	3.55 - 5.05%	685,000 - 690,000	11,665,000
2019A General Improvement, due 2039	69,925,000	2.50 - 5.00%	3,495,000 - 3,500,000	59,425,000
2020A School, due 2041	38,340,000	2.90%	1,915,000 - 1,920,000	36,420,000
2020 General Improvement, due 2040	59,755,000	2.00 - 5.00%	2,985,000 - 2,990,000	53,780,000
2020B General Improvement, due 2035	41,485,000	0.35 - 1.55%	1,760,000 - 5,935,000	41,485,000
2022 School, due 2042	116,605,000	2.00 - 5.00%	5,830,000 - 5,835,000	116,605,000
Total general obligation bonds				570,320,000
Add: Premium				46,146,224
Net general obligation bonds				<u>\$ 616,466,224</u>

County of Chesterfield, Virginia
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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending	<u>General Obligation Bonds</u>		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 47,745,000	\$ 20,567,462	\$ 68,312,462
2024	47,570,000	18,757,925	66,327,925
2025	47,425,000	16,717,730	64,142,730
2026	43,605,000	14,704,220	58,309,220
2027	40,205,000	12,886,829	53,091,829
2028-2032	161,090,000	41,496,311	202,586,311
2033-2037	125,985,000	16,463,898	142,448,898
2038-2042	56,695,000	3,154,409	59,849,409
Total	<u>\$ 570,320,000</u>	<u>\$ 144,748,784</u>	<u>\$ 715,068,784</u>

In August 2017, the VPSA sold a refunding bond series that refinanced a series of Local School Bonds, including the County's 2011A and 2012B issues. In March 2019, the VPSA refinanced a series of Local School Bonds, including the County's 2002B issue. The savings are being passed on to localities in the form of interest rebates, allocated and paid over the remaining amortization periods. The County continues to be responsible for its full debt service payments in accordance with the original amortization schedule and, once received, the VPSA will then disburse the credit to the County. The expected interest rebate amounts are as follows:

Year Ending	<u>Schedule of</u> <u>Expected Interest Credits</u>			
<u>June 30</u>	<u>2002B</u>	<u>2011A</u>	<u>2012B</u>	<u>Total</u>
2023	\$ 58,541	\$ 54,525	\$ 42,425	\$ 155,491
2024	-	52,275	46,425	98,700
2025	-	55,025	45,175	100,200
2026	-	50,325	43,925	94,250
2027	-	51,125	42,675	93,800
2028-2032	-	265,000	217,275	482,275
2033	-	-	45,475	45,475
Total	<u>\$ 58,541</u>	<u>\$ 528,275</u>	<u>\$ 483,375</u>	<u>\$ 1,070,191</u>

County of Chesterfield, Virginia
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B. Revenue Bonds

In August 2019, the County issued Public Facility Revenue Bonds through the EDA to finance the costs of certain capital improvements for general government purposes. In event of default, the entire unpaid principal and interest balance cannot be declared immediately due and payable.

In October 2020, the County issued Public Facility Revenue Bonds through the EDA to (a) finance the costs of certain capital improvements for governmental purposes, included but not limited to (i) major maintenance for school buildings and other school system facilities, (ii) major maintenance for County facilities and (iii) road and drainage improvements and (b) to pay the related costs of issuing the Series 2020F Bonds. In the event of default, the entire unpaid principal and interest balance cannot be declared immediately due and payable.

The County issued revenue bonds to finance construction projects for the Water and Wastewater enterprise funds. In the event of default and the written request of the bond holders of 25% or greater of the outstanding principal amount of bonds, the trustee of the bonds may declare the entire unpaid principal and interest amounts of the bonds as due and payable.

Revenue bonds outstanding at June 30, 2022, are as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Amount Outstanding</u>
Governmental Activities				
2019 EDA Public Facility Revenue Bonds, due 2039	\$ 45,705,000	3.00 - 5.00%	\$2,285,000	\$ 38,845,000
2020 EDA Public Facility Revenue Bonds, due 2041	85,000,000	2.00 - 5.00%	4,250,000	80,750,000
Total governmental-type activities revenue bonds				119,595,000
Add: Premium				15,388,575
Net governmental-type activities				134,983,575
Business-type Activities				
Major Enterprise Funds				
2016 Water and Sewer, due 2027	\$ 53,695,000	5.00%	\$2,005,000 - 6,315,000	22,970,000
Add: Premium				1,668,283
Net business-type activities				24,638,283
Total revenue bonds				<u>\$ 159,621,858</u>

The Water and Wastewater Funds are responsible for the following revenue bonds:

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Total revenue bonds	\$ 8,750,000	\$ 14,220,000	\$ 22,970,000
Net revenue bonds	9,202,489	15,435,794	24,638,283

County of Chesterfield, Virginia
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Debt service requirements to maturity for the revenue bonds are as follows:

Year Ending	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
June 30						
2023	\$ 6,535,000	\$ 4,548,450	\$ 11,083,450	\$ 6,000,000	\$ 998,500	\$ 6,998,500
2024	6,535,000	4,221,700	10,756,700	6,315,000	690,625	7,005,625
2025	6,535,000	3,894,950	10,429,950	5,365,000	398,625	5,763,625
2026	6,535,000	3,568,200	10,103,200	3,285,000	182,375	3,467,375
2027	6,535,000	3,241,450	9,776,450	2,005,000	50,125	2,055,125
2028-2032	32,675,000	11,374,550	44,049,550	-	-	-
2033-2037	32,675,000	4,943,750	37,618,750	-	-	-
2038-2042	21,570,000	1,055,650	22,625,650	-	-	-
Total	<u>\$ 119,595,000</u>	<u>\$ 36,848,700</u>	<u>\$ 156,443,700</u>	<u>\$ 22,970,000</u>	<u>\$ 2,320,250</u>	<u>\$ 25,290,250</u>

C. Special Subfund Revenue Bonds

On May 25, 2016, the County issued a \$19,805,000 subfund revenue bond through the Virginia Resource Authority (VRA) pooled financing program. Amounts required for debt service are deposited into a special fund within the General Fund and are pledged to secure the local bonds. The obligation for these bonds is to be liquidated by the General Fund and the non-major Airport Fund, subject to annual appropriation. The 2016 VRA Bond was issued to finance the renovations of the Smith Wagner Building and to refund a portion of the obligations for the 2003B, 2005B, 2006B and the 2007 Certificates of Participation.

On May 24, 2017, the County issued a \$6,550,000 subfund revenue bond through the VRA pooled financing. Amounts required for debt service are deposited into a special fund within the General Fund and are pledged to secure the local bonds. The obligation for these bonds is to be liquidated by the General Fund, subject to annual appropriation. The 2017A VRA Bond was issued to finance a portion of the indoor sports facility at Stonebridge.

On November 15, 2017, the County issued subfund revenue bonds in the amounts of \$7,185,000 and \$2,675,000 through the VRA pooled financing program. Amounts required for debt service are deposited into a special fund within the General Fund and are pledged to secure the local bonds. The obligation for these bonds is to be liquidated by the General Fund, subject to annual appropriation. The 2017B VRA Bond was issued to finance construction activity related to the Rogers Building HVAC system and the River City Sportsplex facility. The 2017C VRA Bond was issued to finance construction activity for the Chester Arts Center.

On November 14, 2018, the County issued subfund revenue bonds in the amounts of \$14,775,000 (tax-exempt) and \$4,710,000 (taxable). Amounts required for debt service are deposited into a special fund within the General Fund and are pledged to secure the local bonds. The obligation for these bonds is to be liquidated by the General Fund, subject to annual appropriation. The tax-exempt bond proceeds will be used for campus administrative space, the Magnolia Green Fire Station, the Midlothian Library and the Harrowgate Park replacement project. The taxable bond proceeds will be used for the Chester Arts Center.

The County has a moral obligation to appropriate and pay the amounts due for subfund revenue bonds issued by the VRA from the General Fund. In the event of default, the lender may provide prompt, written notice declaring the entire unpaid balance as due and payable. The lender also has the option of applying to the State Aid Intercept Program and request that the Commonwealth withholds its payments to the County to be applied to the defaulted amount as a cure for nonpayment. Amounts outstanding as of June 30, 2022 for the Special Subfund Revenue Bonds are:

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	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Amount Outstanding</u>
Governmental Activities				
2016A Virginia Resource Authority, due 2037	\$19,760,324	3.807 - 5.125%	\$330,000 - 2,034,203	\$ 11,567,560
2017A Virginia Resource Authority, due 2037	6,550,000	3.125 - 5.125%	270,000 - 475,000	5,590,000
2017B Virginia Resource Authority, due 2037	7,185,000	3.125 - 5.125%	375,000 - 380,000	5,670,000
2017C Virginia Resource Authority, due 2037	2,675,000	3.125 - 5.125%	140,000 - 145,000	2,110,000
2018A Virginia Resource Authority, due 2039	14,775,000	4.125 - 5.125%	735,000 - 740,000	12,555,000
2018B Virginia Resource Authority, due 2039	4,710,000	3.357 - 4.407%	235,000	3,995,000
Total governmental special subfund revenue bonds				41,487,560
Add: Premium				3,356,748
Less: Discount				(24,994)
Net governmental activities				<u>44,819,314</u>
Business-type Activities				
2016A Virginia Resource Authority due 2028	\$ 44,676	4.476 - 5.125%	\$ 2,618 - 5,797	22,440
Add: Premium				1,913
Net business-type activities				24,353
Total special subfund revenue bonds				<u>\$ 44,843,667</u>

Debt service requirements to maturity for these bonds are as follows:

<u>Year Ending June 30</u>	<u>Primary Government</u>					
	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,266,039	\$ 1,806,552	\$ 5,072,591	\$ 3,961	\$ 1,015	\$ 4,976
2024	3,505,274	1,638,933	5,144,207	4,726	792	5,518
2025	3,829,203	1,454,966	5,284,169	5,797	522	6,319
2026	2,932,314	1,287,300	4,219,614	2,686	309	2,995
2027	2,937,348	1,144,049	4,081,397	2,652	181	2,833
2028-2032	11,762,382	3,955,289	15,717,671	2,618	58	2,676
2033-2037	11,315,000	1,505,595	12,820,595	-	-	-
2038-2039	1,940,000	81,350	2,021,350	-	-	-
Total	<u>\$ 41,487,560</u>	<u>\$ 12,874,034</u>	<u>\$ 54,361,594</u>	<u>\$ 22,440</u>	<u>\$ 2,877</u>	<u>\$ 25,317</u>

D. Public Facility Lease Revenue Bonds and Certificates of Participation

The County is a party to a Real Property Lease and Purchase Agreement that is structured with Certificates of Participation. Obligations under the lease will be liquidated by the General Fund and the non-major Airport Fund.

Under an agreement dated March 1, 2004, the County leases real property incorporating a new Community Development Building, a replacement Chester House Rehabilitative Facility, and an additional Airport Hangar. Certificates of Participation Series 2005B and 2006B were issued to finance a portion of the cost of the acquisition, construction, installation, furnishing and equipping of these

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buildings, as well as an Emergency Systems Integration Project. In addition, Certificates of Participation Series 2005A and 2005B were used to finance the acquisition of a financial/human resources information management system. The outstanding Certificates of Participation Series 2005B was refunded with the 2016A VRA Bond. Certificates of Participation Series 2006B was partially refunded with Certificates of Participation Series 2012 and with the 2016A VRA Bond.

In the lease, the County acts as the lessor's agent for the construction and furnishing of the capital acquisitions. The County is required, subject to annual appropriations by the Board of Supervisors, under the Real Property Financed Purchase/Purchase Agreements to make lease payments to a trustee, as assignee of the lessor. These payments will be sufficient for the trustee to pay debt service on the Certificates of Participation, Series 2012, as and when due. At the expiration of the lease term, title to the assets will vest in the County if the County has made all lease payments required under the Agreements.

In the event of default and the written request of the bond holders of 25% or greater of the outstanding principal amount of bonds, the trustee of the bonds may declare the entire unpaid principal and interest amounts of the bonds as due and payable.

Amounts outstanding as of June 30, 2022 on the Certificates of Participation are as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Amount Outstanding</u>
Governmental Activities				
2012 Certificates of Participation -				
Refunding, due 2025	\$ 19,011,905	4.00 - 5.00%	\$327,211 - 1,963,264	\$ 3,830,290
Add: Premium				82,424
Net governmental activities				<u>3,912,714</u>
Business-type Activities				
2012 Certificates of Participation -				
Refunding, due 2025	\$ 743,095	4.00 - 5.00%	\$ 12,789 - 76,736	149,710
Add: Premium				<u>3,283</u>
Net business-type activities				<u>152,993</u>
Total certificates of participation				<u>\$ 4,065,707</u>

Annual debt service requirements to maturity for the Certificates of Participation are as follows:

<u>Year Ending</u>	<u>Primary Government</u>			<u>Business-Type Activities</u>		
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,963,264	\$ 123,763	\$ 2,087,027	\$ 76,736	\$ 4,837	\$ 81,573
2024	1,539,815	43,885	1,583,700	60,185	1,715	61,900
2025	327,211	6,544	333,755	12,789	256	13,045
Total	<u>\$ 3,830,290</u>	<u>\$ 174,192</u>	<u>\$ 4,004,482</u>	<u>\$ 149,710</u>	<u>\$ 6,808</u>	<u>\$ 156,518</u>

E. Direct Borrowings

In December 2015, the County, together with the EDA, entered into an agreement to issue tax exempt special revenue fund bonds to finance the building of the Chester Arts Center. The debt service is subject to annual appropriation in the General Fund. The County's obligation under this agreement is limited to the annual appropriation of debt service in the adopted budget. In the event of default, the lender may, without further demand or notice, declare the entire unpaid balance as due and payable. If an event of taxability occurs that impacts the tax-exempt status of the loan, the interest rate will be adjusted to a taxable rate retroactive to the date of taxability.

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In May 2019, the County issued a tax-exempt revenue bond, a direct bank loan, through the EDA to fund sewer line improvements. In the event of default, the lender may, without further demand or notice, declare the entire unpaid balance as due and payable. If an event of taxability occurs that impacts the tax-exempt status of the loan, the interest rate will be adjusted to a taxable rate retroactive to the date of taxability.

In September 2020, the EDA issued revenue refunding bonds to refund or defease certain outstanding obligations for the EDA and the County. In the event of default, the lender may take whatever legal actions are deemed necessary to collect the principal and interest amounts then due.

Direct borrowings as of June 30, 2022 are as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Total Outstanding</u>
Governmental Activities				
2019 EDA Tax Exempt Revenue Bond, due 2032	\$ 15,000,000	2.35%	\$691,000 - 1,459,000	\$ 12,666,000
Chester Arts Community Center, due 2032	6,899,800	3.09	459,987	4,599,870
2020C EDA Refunding Bond, due 2030	5,659,000	1.00	389,000 - 800,000	4,406,000
2020D EDA Refunding Bond, due 2025	2,611,000	0.75	638,000 - 650,000	1,930,000
2020E EDA Refunding Bond, due 2035	6,246,000	2.00	377,000 - 479,000	5,539,000
Total governmental activities				<u>\$ 29,140,870</u>

Debt service requirements to maturity for the revenue bonds are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,495,987	\$ 587,789	\$ 4,083,776
2024	3,514,987	524,409	4,039,396
2025	3,542,987	460,346	4,003,333
2026	2,579,987	395,511	2,975,498
2027	2,610,987	338,223	2,949,210
2028-2032	11,987,935	815,783	12,803,718
2033-2035	1,408,000	56,700	1,464,700
Total	<u>\$ 29,140,870</u>	<u>\$ 3,178,761</u>	<u>\$ 32,319,631</u>

F. Financed Purchases - School Board

The School Board has acquired equipment under financed purchases arrangements. Financed Purchases are liquidated by the School Operating Fund. In the event of default, the lessor may declare the entire unpaid principal of and interest on the leases due and payable or take repossession of the leased equipment. Amounts outstanding as of June 30, 2022 are as follows:

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	Original Issue Amount	Interest Rates	Future Principal Requirements	Amount Outstanding
School buses	\$ 8,649,800	1.69%	\$652,238	\$ 652,238
Chromebooks	11,617,038	3.48	3,747,610 - 3,889,469	7,637,080
Total School Board financed purchases				<u>\$ 8,289,318</u>

Future minimum lease payments at June 30, 2022 for these financed purchases are as follows:

Year Ending June 30	Component Unit School Board		
	Principal	Interest	Total
2023	\$ 4,399,848	\$ 271,594	\$ 4,671,442
2024	3,889,470	124,217	4,013,687
Total	<u>\$ 8,289,318</u>	<u>\$ 395,811</u>	<u>\$ 8,685,129</u>

G. Airport Revolving Loan

In November 2017, the County procured a loan from the Virginia Airports Revolving Fund in an amount up to \$1,846,000 to design and replace the existing fuel farm at the County Airport. Obligations for this loan will be liquidated by revenues generated by the Airport. The County agreed that each year's annual budget will include rates, rentals, fees and other charges sufficient to generate revenues that cover operations, maintenance, repairs, replacements, improvements, debt service and other purposes as well as any amount transferred from the General Fund to maintain rate covenant requirements. The County covenants that, in each fiscal year, the Airport's net revenues available for debt service will be at least equal to 100% of the amount required to pay debt service on the loan. If the Airport fails to make debt service payments when due, the County has a moral obligation to appropriate and pay the amount due from the General Fund to cure the deficiency. In the event of default, the lender may provide prompt, written notice declaring the entire unpaid balance as due and payable. The lender also has the option of applying to the State Aid Intercept Program and request that the Commonwealth withholds its payments to the County to be applied to the defaulted amount as a cure for nonpayment.

As of June 30, 2022, \$1,569,100 remained outstanding on the loan and \$22,046 of interest was accrued. Projected future debt service payments on the full amount of the loan are as follows:

Year Ending June 30	Business-type Activities		
	Principal	Interest	Total
2023	\$ 92,300	\$ 44,092	\$ 136,392
2024	92,300	41,498	133,798
2025	92,300	38,904	131,204
2026	92,300	36,311	128,611
2027	92,300	33,717	126,017
2028-2032	461,500	129,681	591,181
2033-2037	461,500	64,841	526,341
2038-2039	184,600	7,781	192,381
Total	<u>\$ 1,569,100</u>	<u>\$ 396,825</u>	<u>\$ 1,965,925</u>

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H. Defeased Debt

In prior years, the County defeased certain general obligation bonds by placing funds in irrevocable escrow accounts to provide for future debt service payments on the defeased debt. Accordingly, the escrow account assets and the liability for the defeased debt are not included in the County's financial statements. At June 30, 2022, the outstanding balance of the defeased debt was \$17,690,000.

I. Economic Development Authority – Conduit Debt

The EDA issued Retirement Facilities First Mortgage Revenue Bonds that meet the definition of a conduit debt obligation to finance construction of facilities for the residence and care of the aged. The properties financed are pledged as collateral and the bonds are payable solely from payments received from the private-sector facility. No commitments beyond the collateral, the payments from the private-sector facility, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the EDA for the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. At June 30, 2022, the bonds had an outstanding principal balance of \$31,576,699.

On May 10, 2022, the Authority issued Multifamily Housing Revenue Bonds in a principal amount not to exceed \$9 million that meet the definition of a conduit debt obligation to finance the acquisition, construction and equipping of a multi-family apartment complex. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector facility. No commitments beyond the collateral, the payments from the private sector facility, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the Authority for the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. The bond amount will be funded over a draw period and bears interest at a variable rate. On June 30, 2022, the estimated outstanding principal balance was \$1,549,437.

J. Compensated Absences Payable

The County recorded a liability for compensated absences in the Statement of Net Position of the government-wide statements for the primary government and the School Board component unit and in the fund financial statements of the proprietary funds. The governmental activities of the primary government recorded \$33,757,244 and \$3,411,018 for accrued vacation and sick leave benefits, respectively, and the business-type activities of the primary government recorded \$2,192,050 and \$365,025 for accrued vacation and sick leave benefits, respectively. The School Board component unit recorded \$16,159,591 and \$7,738,217 for accrued vacation/personal leave and sick leave benefits, respectively. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

K. Judgments and Claims

The County recorded a liability for workers' compensation claims in the government-wide statements for the primary government and the School Board component unit and in the fund financial statements of the proprietary funds. The workers' compensation liability recorded is \$6,722,185 for the governmental activities of the primary government, \$217,815 for the business-type activities of the primary government and \$4,524,000 for the School Board component unit. A liability of \$3,791,847 has been recorded for judgment and claims in the Risk Management Fund. These liabilities consist of a) liabilities for claims incurred, reported and outstanding as of June 30, 2022, and b) liabilities for claims incurred but not reported as of June 30, 2022. These liabilities have been estimated based upon a case-by-case review, investigation and historical experience. Payments for workers' compensation liabilities are recorded as a charge to the fund that incurred the liability. Judgments and claims recorded in the Risk Management Fund are payable from the Risk Management Fund.

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Effective January 1, 2014, the County and School Board began participating in a self-insured health care program covering medical and prescription drug costs. Medical and drug claims that exceed \$300,000 per member are covered by specific excess risk insurance. Additionally, claims in the aggregate that exceed 125% of expected medical and drug claims are covered by aggregate excess risk insurance. Claims paid by the third party claims administrator, but not reimbursed by the County as of June 30, 2022, are reported as accounts payable in the Healthcare Fund. An estimate of claims incurred but not reported as of June 30, 2022 is reported as a current claims liability in the Healthcare Fund in the amount of \$8,467,000.

In October 1991, the U. S. Environmental Protection Agency (EPA) issued a rule establishing municipal solid waste landfills (MSWLF) closure requirements for all MSWLF's that accepted solid waste after October 9, 1991 and postclosure requirements for all MSWLF's that accepted solid waste after October 9, 1993. The County operated one landfill, which was closed on October 8, 1993, and completed the final cover during fiscal year 1995. The County has met the Commonwealth's ten-year requirement to perform maintenance and monitoring postclosure functions at the site and has applied for certification from the Commonwealth to release it from further maintenance and monitoring requirements. The County anticipates it will incur an additional postclosure care liability of \$661,119 at June 30, 2022. This amount represents the estimated total current cost of landfill postclosure care for an additional ten years, based on the use of 100 percent of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Actual costs may be lower if the County is released from postclosure maintenance and monitoring by the Commonwealth. Payments for this liability will be recorded as a charge to the General Fund. The County is not required by state and federal laws or regulations to make annual contributions to a trust to finance postclosure care. The County expects to pay additional postclosure care cost from the General Fund with charges to users of the County's solid waste transfer stations, General Fund tax revenue and/or General Fund assigned fund balance.

GAAP require that the County estimate the financial liabilities associated with pollution remediation obligations when certain obligating events occur. One such obligating event is being named by a regulator as a potentially responsible party for remediation. The U.S. Department of Interior National Park Service (NPS) has named the County as a Primary Responsible Party (PRP) for cleanup efforts for a landfill site that was closed in 1972 and subsequently transferred to the NPS by the County. As a current owner of the landfill site, the NPS is also a potentially responsible party, with the liability for paying for the costs of cleanup. In December 2015, an Engineering Evaluation and Cost Analysis report was released by the NPS estimating the future cost of cleanup. In January 2016, the County received a cost package summarizing the response costs incurred by the NPS to date. However, neither document apportions liability between the NPS and the County. Therefore, as of June 30, 2022, the County's portion of the liability of the shared costs of cleanup is not reasonably estimable.

L. Net Pension Liabilities

As required by GAAP, a long-term liability has been recorded for the VRS Plan, the County Supplemental Retirement Plan and the School Board Supplemental Retirement Program for the cumulative difference between the total pension liabilities and fiduciary net position as of the measurement date. The governmental activities of the primary government recorded net pension liabilities of \$86,818,253 for the VRS Local Plan and \$10,534,096 for the County Supplemental Retirement Plan. The business-type activities of the primary government recorded net pension liabilities of \$4,309,369 the VRS Local Plan. The School Board component unit recorded net pension liabilities of \$4,167,372 and \$295,187,120 for the VRS Local and Teachers' Pool Plans and \$11,957,385 for the School Board Supplemental Retirement Program. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

M. Other Postemployment Benefits Liabilities

As required by GAAP, a long-term liability has been recorded for the County and Schools OPEB - Retiree Healthcare, the County Line of Duty Plan, the County and Schools VRS Group Life Insurance

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Plan and the Schools VRS cost-sharing Teachers' Pool Health Insurance Credit Program for the cumulative difference between the total OPEB liabilities and fiduciary net position as of the measurement date. The governmental activities of the primary government recorded net OPEB liabilities of \$42,417,383 for OPEB-Retiree Healthcare, \$5,525,658 for OPEB-Line of Duty, and \$10,861,191 for the County's share of VRS cost-sharing Group Life Insurance Plan. The business-type activities of the primary government recorded net OPEB liabilities of \$4,102,105 for OPEB-Retiree Healthcare and \$852,776 for the County's share of VRS cost-sharing Group Life Insurance Plan. The School Board component unit recorded net OPEB liabilities of \$121,378,048 for OPEB-Retiree Healthcare, \$20,194,636 for the School Board's share of VRS cost-sharing Group Life Insurance Plan, and \$48,869,714 for the School Board's share of the VRS cost-sharing Teachers' Pool Health Insurance Credit Program. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

N. Changes in Long-term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

Governmental Activities	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
General obligation bonds	\$ 495,855,000	\$ 116,605,000	\$ 42,140,000	\$ 570,320,000	\$ 47,745,000
Add: Premium	38,700,496	14,143,371	6,697,643	46,146,224	6,321,938
Net bonds payable	534,555,496	130,748,371	48,837,643	616,466,224	54,066,938
Revenue bonds payable	126,130,000	-	6,535,000	119,595,000	6,535,000
Add: Premium	17,083,128	-	1,694,553	15,388,575	1,605,865
Net bonds payable	143,213,128	-	8,229,553	134,983,575	8,140,865
Subfund revenue bonds	45,022,613	-	3,535,053	41,487,560	3,266,039
Add: Premium	3,959,873	-	603,125	3,356,748	538,705
Less: Discount	(28,069)	3,075	-	(24,994)	(2,896)
Net subfund revenue bonds payable	48,954,417	3,075	4,138,178	44,819,314	3,801,848
Certificates of participation	6,207,380	-	2,377,090	3,830,290	1,963,264
Add: Premium	191,722	-	109,298	82,424	59,822
Net certificates of participation	6,399,102	-	2,486,388	3,912,714	2,023,086
Direct borrowings	33,329,856	-	4,188,986	29,140,870	3,495,987
Total bonds and loans	766,451,999	130,751,446	67,880,748	829,322,697	71,528,724
Other liabilities:					
Compensated absences	35,464,101	6,689,941	4,985,778	37,168,264	5,198,008
Judgments and claims:					
Workers' compensation					
and risk claims	8,579,655	2,425,830	491,453	10,514,032	5,718,085
Healthcare claims	7,369,000	1,098,000	-	8,467,000	8,467,000
Landfill	627,751	33,368	-	661,119	119,175
Total judgements and claims	16,576,406	3,557,198	491,453	19,642,151	14,304,260
Leases Payable	-	9,507,347	2,083,786	7,423,561	2,116,098
Net pension liabilities	246,250,061	7,799,801	156,697,513	97,352,349	-
Net other postemployment benefits obligations	60,974,648	3,455,938	5,626,354	58,804,232	-
Total other liabilities	359,265,216	31,010,225	169,884,884	220,390,557	21,618,366
Total long-term liabilities	\$ 1,125,717,215	\$ 161,761,671	\$ 237,765,632	\$ 1,049,713,254	\$ 93,147,090

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At year end, \$697,067 for compensated absences, \$13,479,430 for judgments and claims, \$1,584,538 for net pension liabilities, and \$1,364,096 for net OPEB liabilities for internal service funds are included in the above amounts. Except for the amounts for internal service funds, the long-term liabilities for governmental activities are generally liquidated by the General Fund.

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Business-type Activities	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
<u>Water Fund</u>					
Revenue bonds payable	\$ 11,765,000	\$ -	\$ 3,015,000	\$ 8,750,000	\$ 3,170,000
Add: Premium	833,088	-	380,599	452,489	265,853
Net bonds payable	12,598,088	-	3,395,599	9,202,489	3,435,853
Other liabilities:					
Compensated absences	1,195,384	264,055	162,028	1,297,411	176,659
Judgments and claims	527,265	-	346,028	181,237	74,904
Net pension liabilities	5,519,630	-	3,291,519	2,228,111	-
Net other postemployment benefits obligations	2,449,793	-	197,589	2,252,204	-
Total other liabilities	9,692,072	264,055	3,997,164	5,958,963	251,563
Total long-term liabilities	22,290,160	264,055	7,392,763	15,161,452	3,687,416
<u>Wastewater Fund</u>					
Revenue bonds payable	16,915,000	-	2,695,000	14,220,000	2,830,000
Add: Premium	1,769,050	-	553,256	1,215,794	455,079
Net bonds payable	18,684,050	-	3,248,256	15,435,794	3,285,079
Other liabilities:					
Compensated absences	1,151,011	234,661	167,117	1,218,555	167,191
Judgments and claims	224,570	-	187,992	36,578	15,118
Net pension liabilities	5,177,293	-	3,144,886	2,032,407	-
Net other postemployment benefits obligations	2,882,261	-	255,125	2,627,136	-
Total other liabilities	9,435,135	234,661	3,755,120	5,914,676	182,309
Total long-term liabilities	28,119,185	234,661	7,003,376	21,350,470	3,467,388
<u>Non-major</u>					
Certificates of participation	242,620	-	92,910	149,710	76,736
Add: Premium	7,635	-	4,352	3,283	2,382
Net certificates of participation	250,255	-	97,262	152,993	79,118
Subfund revenue bonds	27,387	-	4,947	22,440	3,961
Add: Premium	2,717	-	804	1,913	661
Net subfund revenue bonds payable	30,104	-	5,751	24,353	4,622
Airport Revolving Loan Fund	1,661,400	-	92,300	1,569,100	92,300
Total certificates of participation, revolving loan funds and revenue bonds payable	1,941,759	-	195,313	1,746,446	176,040
Other liabilities:					
Compensated absences	33,951	7,158	-	41,109	5,346
Net pension liabilities	168,513	-	119,662	48,851	-
Net other postemployment benefits obligations	83,911	-	8,370	75,541	-
Total other liabilities	286,375	7,158	128,032	165,501	5,346
Total long-term liabilities	2,228,134	7,158	323,345	1,911,947	181,386

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	Balance			Balance	Amounts
Total Business-type Activities	July 1, 2021	Increases	Decreases	June 30, 2022	Due Within One Year
Revenue bonds payable	\$ 28,680,000	\$ -	\$ 5,710,000	\$ 22,970,000	\$ 6,000,000
Add: Premium	2,602,138	-	933,855	1,668,283	720,932
Net bonds payable	31,282,138	-	6,643,855	24,638,283	6,720,932
Certificates of participation	242,620	-	92,910	149,710	76,736
Add: Premium	7,635	-	4,352	3,283	2,382
Net certificates of participation	250,255	-	97,262	152,993	79,118
Subfund revenue bonds	27,387	-	4,947	22,440	3,961
Add: Premium	2,717	-	804	1,913	661
Net subfund revenue bonds payable	30,104	-	5,751	24,353	4,622
Airport Revolving Loan Fund	1,661,400	-	92,300	1,569,100	92,300
Total bonds, certificates of participation revolving fund loans and revenue bonds payable	33,223,897	-	6,839,168	26,384,729	6,896,972
Other liabilities:					
Compensated absences	2,380,346	505,874	329,145	2,557,075	349,196
Judgments and claims	751,835	-	534,020	217,815	90,022
Net pension liabilities	10,865,436	-	6,556,067	4,309,369	-
Net other postemployment benefits obligations	5,415,965	-	461,084	4,954,881	-
Total other liabilities	19,413,582	505,874	7,880,316	12,039,140	439,218
Total long-term liabilities	\$ 52,637,479	\$ 505,874	\$ 14,719,484	\$ 38,423,869	\$ 7,336,190

Summaries of long-term obligation transactions for the School Board component unit for the year ended June 30, 2022, are as follows:

	Balance			Balance	Amounts
School Board	July 1, 2021	Increases	Decreases	June 30, 2022	Due Within One Year
Financed Purchases	\$ 1,940,347	\$ 11,617,037	\$ 5,268,066	\$ 8,289,318	\$ 4,399,848
Compensated absences	21,623,954	3,636,996	1,363,143	23,897,807	2,007,516
Judgments and claims	4,220,465	303,535	-	4,524,000	1,869,741
Leases Payable	-	2,134,277	255,587	1,878,690	227,661
Net pension liabilities	585,572,770	-	274,260,893	311,311,877	-
Net other postemployment benefits obligations	220,230,448	736,708	30,524,758	190,442,398	-
Total long-term liabilities	\$ 833,587,984	\$ 18,428,553	\$ 311,672,447	\$ 540,344,090	\$ 8,504,766

O. Long-term Debt Issued on Behalf of the School Board Component Unit

According to State law, the School Board component unit is not allowed to issue general obligation debt and, therefore, is not legally obligated to repay general obligation debt issued on its behalf by the primary government. Debt from general obligation bonds of \$504,455,679 is reported in the government-wide statements of the primary government on behalf of the School Board component unit. In addition, revenue bonds of \$47,500,000, issued by EDA on behalf of the County for use on Schools projects, are also reported in the government-wide statements on behalf of the School Board component unit.

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In addition to the general obligation debt and financed purchase obligations, the primary government has also recorded accrued interest payable of \$9,571,824 in the government-wide financial statements on behalf of the School Board component unit; \$8,949,660 for the general obligation bonds and \$441,325 for the revenue bonds issued by the EDA on behalf of the County for use on School projects. The School Board component unit has recorded accrued interest payable of \$180,839 in the government-wide financial statements.

P. Lease Payable

The County is a lessee for noncancellable leases of land, building, office space and equipment. At June 30, 2022, the County's lease payable of \$7,423,561 was composed of the following:

Governmental Activities

Land leases - annual payments totaling \$37,148 plus interest at a rate of .648%, with a due date of October 31, 2024.	\$ 87,055
Building and office space leases - annual payments totaling \$2,271,774 plus interest at rates ranging from .292% to 2.552%, with due dates ranging from August 31, 2022 to February 29, 2032.	7,326,689
Vehicles and equipment - annual payments totaling \$34,837 plus interest at a rate of .435%, with a due date of June 30, 2023.	<u>9,817</u>
Total Governmental Activities Lease Payable	<u>\$ 7,423,561</u>

The future principal and interest lease payments as of June 30, 2022, were as follows:

Year Ending	Primary Government		
	Governmental Activities		
June 30	Principal	Interest	Total
2023	2,116,098	106,384	2,222,482
2024	1,235,007	87,926	1,322,933
2025	1,040,881	71,972	1,112,853
2026	809,151	57,992	867,143
2027	477,087	45,988	523,075
2028-2032	<u>1,745,337</u>	<u>86,482</u>	<u>1,831,819</u>
Total	<u>7,423,561</u>	<u>456,744</u>	<u>7,880,305</u>

The School Board Component Unit is a lessee for non-cancelable leases for building, office space, and equipment. At June 30, 2022, the School's lease payable of \$1,878,690 was composed of the following:

School Board Component Unit

Building and office space leases - annual payments totaling \$202,641 plus interest at rates ranging from .308% to 1.714%, with due dates ranging from November 30, 2022 to February 29, 2032.	1,815,892
Vehicles and equipment - annual payments totaling \$25,020 plus interest at rates ranging from .435% to .948%, with due dates ranging from December 31, 2023 to December 29, 2025.	<u>62,798</u>
Total School Board Component Unit Activities Lease Payable	<u>\$ 1,878,690</u>

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The future principal and interest lease payments as of June 30, 2022, were as follows:

Year Ending	School Component Unit			
	June 30	Principal	Interest	Total
2023		227,660	26,843	254,503
2024		184,366	24,140	208,506
2025		186,469	21,386	207,855
2026		188,824	18,517	207,341
2027		191,373	15,602	206,975
2028-2032		899,998	30,751	930,749
Total		1,878,690	137,239	2,015,929

10. Commitments and Contingent Liabilities

A. Other Commitments

The County has entered into various contracts for the purchase of water and the treatment of wastewater. The County, in establishing water and wastewater rates, considers these commitments, which expire at various times through 2045, as disclosed in note 15A and 15F.

B. Contingent Liabilities

Various claims and lawsuits are pending against the County and School Board. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County management the resolution of these matters will not have a material adverse effect on the financial position of the government.

The County and School Board have received a number of Federal and State grants. Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time, although the County expects such amounts, if any, would not have a material effect on the financial position of the County.

11. Risk Management - Claims Liability

The Risk Management Fund (an Internal Service Fund) accounts for property, casualty and liability claims for the County and School Board. Third party coverage is obtained for real and personal property and some liability risks, including cyber liability insurance. Third party property and casualty coverage is maintained for the Fire Department. The County maintains a broad form Public Officials Liability insurance policy to provide catastrophe coverage for individual claims in excess of \$2,000,000 excluding property and workers' compensation. For property, the County maintains a deductible of \$250,000 per occurrence. Administration of claims impacting this coverage is reviewed routinely by the insurance company that provides the policies. There were no reductions in commercial insurance coverage from the prior year and the amount of settlements in each of the past three years did not exceed the commercial insurance. Risk Management Fund revenues are generated by charges to the departments and School Board for management's estimate of the cost of predictable losses, the cost for administering these losses, a pro rata share of insurance premiums paid, actuarial estimates for incurred but not reported claims and the Risk Management Department's operational costs. Significant claims paid by the Risk Management Fund which exceed the premium charged will be covered by increased premiums in future years to the departments and School Board. Liabilities for unpaid claims are based upon the estimate of the ultimate cost of the claims, pursuant to known information. The

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estimate of the claims liability does not include amounts for non-incremental claims adjustment expenses. On disputed cases, where the chances of prevailing on the legal and medical issues are less than 50%, the claim is recorded at the full exposure amount. The confidence level estimated percentage used to determine the risk management liability is 65% for property, automobile, general, professional, medical and law enforcement liabilities.

The County has implemented a comprehensive environmental, health and safety management system that is structured on ISO 14001 and ISO 45001 principles. The purpose of the management system is to ensure that sustainable systems, procedures and policies are implemented to effectively identify, manage and control operational risks in the County and Schools. This reduces adverse impacts to the environment, protects student, employee and public health and safety, promotes pollution prevention and helps ensure compliance with environmental health and safety laws and regulations.

Workers' compensation claims are funded annually by appropriations in the various funds. The County maintains an excess insurance policy for claims greater than self-insured retention. The self-insured retention as of January 1, 2021 was \$800,000 for non-public safety county employees, \$1,250,000 for public safety employees and \$800,000 for public school employees. Claims are administered by Risk Management staff with an independent claims audit conducted periodically. Environmental, Health and Safety professionals and representatives of the third-party insurance companies provide additional loss prevention consultation.

The changes in the workers' compensation claims liability amounts are as follows:

	<u>County</u>		<u>School Board</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Workers' Compensation:				
Liability, July 1	\$ 6,755,196	\$ 6,778,271	\$ 4,220,465	\$ 5,575,875
Current year claims	2,740,000	3,244,000	1,156,000	1,370,000
Changes in estimates	1,172,457	(686,714)	1,061,925	(1,054,966)
Claim payments	<u>(3,727,653)</u>	<u>(2,580,361)</u>	<u>(1,914,390)</u>	<u>(1,670,444)</u>
Liability, June 30	<u>\$ 6,940,000</u>	<u>\$ 6,755,196</u>	<u>\$ 4,524,000</u>	<u>\$ 4,220,465</u>

The changes in the liability amounts for other claims are as follows:

	<u>2022</u>	<u>2021</u>
Risk Management Fund:		
Liability, July 1	\$ 2,576,293	\$ 2,133,181
Current year claims	3,573,034	2,857,827
Changes in estimates	987,654	900,088
Claim payments	<u>(3,345,134)</u>	<u>(3,314,803)</u>
Liability, June 30	<u>\$ 3,791,847</u>	<u>\$ 2,576,293</u>

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12. Retirement Plans

A. Virginia Retirement System - Local Plans and Teachers' Pool

1. Plan Description and Membership

The County and School Board participate in agent multiple employer plans (VRS Local Plans) administered by VRS. In addition, certain School Board employees participate in the VRS statewide teachers' cost-sharing pool plan (VRS Teachers' Pool). All full-time, salaried permanent employees are automatically covered by VRS upon employment. Benefits vest after five years of service credits. Members earn one month of service credit for each month they are employed and they and the County or School Board, as employers, pay contributions to VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan. VRS administers three different benefit structures for local government employees - Plan 1, Plan 2 and Hybrid.

- a. Employees hired before July 1, 2010, and who were vested as of January 1, 2013, are covered under Plan 1, a defined benefit (pension) plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- b. Employees hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2, a defined benefit (pension) plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least five years of service credit or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- c. Non-hazardous duty employees hired on or after January 1, 2014 are covered by a combination of a defined benefit (pension) plan and a contribution (retirement savings) plan. Employees covered by this hybrid plan are eligible for full retirement benefits when the normal social security retirement age is reached, and with at least five years of creditable service, or when age and years of service equal 90. Employees may retire with a reduced benefit as early as age 60 with at least five years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.
- d. Eligible hazardous duty employees (law enforcement officers, firefighters and sheriffs) in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least five years of service credit.

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.7% for non-hazardous duty employees and 1.85% for hazardous duty employees. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier for non-hazardous duty employees is 1.65% and 1.85% for hazardous duty employees. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%.

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Retirees are eligible for annual cost-of-living adjustment (COLA) beginning July 1 after one full calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 3.00%. During years of no inflation or deflation, there is no COLA. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees covered by the benefit terms of the VRS Local Plans are as follows:

	<u>Primary Government</u>	<u>Component Unit - School Board</u>
Inactive members or their beneficiaries		
currently receiving benefits	2,660	983
Inactive members:		
Vested	644	143
Non-vested	999	435
Active elsewhere in VRS	<u>1,055</u>	<u>264</u>
Total inactive members	2,698	842
Active members	<u>3,556</u>	<u>793</u>
Total	<u>8,914</u>	<u>2,618</u>

VRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements, required supplementary information and detailed information about the fiduciary net position of the VRS plans. A copy of that report may be downloaded from their web site at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf> or obtained by writing to VRS at P.O. Box 2500, Richmond, VA, 23218-2500.

2. Contributions

Plan members are required by Title 51.1-145 of the Code of Virginia, as amended, to contribute 5% of their annual salary to the VRS. In addition, the County and School Board make separate actuarially determined contributions to fund participation using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees.

a. VRS Local Plans

The County's and School Board's actual contributions of \$32,237,731 and \$2,085,968, representing contribution rates of 15.03% and 9.57% of covered employee compensation, respectively, were equal to contractually required contributions. The contractually required contribution rates were determined as part of the June 30, 2019, actuarial valuation. This 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.

b. VRS Teachers' Pool

The School Board's actual contribution to the VRS Teachers' Pool for fiscal year 2022 was \$58,258,828. The contractually required contribution rate for the year ended June 30, 2022, excluding the 5% member rate, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of the June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Employee Plan. This special payment was authorized by a

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budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution. The School Board's share of this non-employer contribution was \$2,332,579.

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

a. VRS Local Plans

Primary Government

At June 30, 2022, the County reported a net pension liability of \$91,127,622 measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021. Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2022, the County recognized pension expense of \$13,525,943. Deferred outflows of resources and deferred inflows of resources related to the VRS Local Plan were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ 128,986,986
Difference between expected and actual experience	9,906,905	14,820,219
Contributions subsequent to the measurement date	32,237,731	-
Changes of assumptions	44,680,302	-
Total	<u>\$ 86,824,938</u>	<u>\$ 143,807,205</u>

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Deferred (Inflows)/Outflows of Resources
2023	\$ (10,256,704)
2024	(17,391,585)
2025	(22,581,229)
2026	(38,990,480)
Total	<u>\$ (89,219,998)</u>

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The following represents net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate of 1.0% lower or 1.0% higher than the current discount rate.

	<u>1% Decrease</u> <u>5.75%</u>	<u>Current Discount</u> <u>6.75%</u>	<u>1% Increase</u> <u>7.75%</u>
Net pension liability	\$ 261,533,781	\$ 91,127,622	\$ (49,491,397)

Component Unit - School Board

At June 30, 2022, the School Board reported a net pension liability of \$4,167,372 measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

For the year ended June 30, 2022, the School Board recognized pension expense of \$27,387. Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows of</u> <u>Resources</u>
Net difference between projected and actual earnings on plan investments	\$ -	\$ 12,972,381
Difference between expected and actual experience	-	565,565
Contributions subsequent to the measurement date	2,085,968	-
Changes of assumptions	<u>2,202,552</u>	<u>-</u>
Total	<u>\$ 4,288,520</u>	<u>\$ 13,537,946</u>

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Deferred</u> <u>(Inflows)/Outflows of</u> <u>Resources</u>
2023	\$ (1,424,168)
2024	(2,915,392)
2025	(3,018,405)
2026	<u>(3,977,429)</u>
Total	<u>\$ (11,335,394)</u>

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The following represents net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate of 1.0% lower or 1.0% higher than the current discount rate.

	1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Net pension liability	\$ 17,717,384	\$ 4,167,372	\$ (7,217,301)

b. VRS Teachers' Pool

At June 30, 2022, the School Board reported a net pension liability of \$295,187,120 for its proportionate share of the net pension liability in the VRS Teachers' Pool. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The School Board's proportionate share of net pension liability was based on actual contributions made to the plan during the measurement period. At the measurement date, the School Board's proportionate share was 3.80244%, which was a decrease of 0.010123% from June 30, 2021.

For the year ended June 30, 2022, the School Board recognized pension expense of \$8,564,792. Deferred outflows of resources and deferred inflows of resources to pensions were reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	\$ -	\$ 186,019,023
Difference between expected and actual experience	-	25,142,253
Changes in proportionate share of contributions	13,892,287	3,478,827
Contributions subsequent to the measurement date	58,258,828	-
Changes of assumptions	51,716,011	-
Total	<u>\$ 123,867,126</u>	<u>\$ 214,640,103</u>

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Deferred (Inflows)/Outflows of Resources
2023	\$ (33,327,073)
2024	(30,588,887)
2025	(35,477,304)
2026	(49,716,033)
2027	77,492
Total	<u>\$ (149,031,805)</u>

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The following represents the School Board's proportionate share of the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate of 1.0% lower or 1.0% higher than the current discount rate.

	1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 569,695,158	\$ 295,187,120	\$ 69,367,594

4. Actuarial Assumptions

Total pension liabilities in the VRS plans were based on an actuarial valuation as of June 30, 2020, 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, 2021.

a. VRS Local Plans

1. Non-hazardous Duty

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2020, applied to the total pension liabilities for non-hazardous employees in the County and School Board VRS Local Plans:

Inflation	2.50%
Salary increases,	
including inflation	3.50% - 5.35%
Investment rate of return.....	6.75%, net of pension plan investment expense, including inflation*
Mortality rates:	20% of deaths are assumed to be service related
Pre-retirement.....	Pub-2010 Amount Weighted General Employee Rates projected generationally; 105% of rates for females set forward 3 years
Post-retirement	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rate 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

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market 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%. However, since the difference was minimal, a more conservative 6.75% 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% to simplify preparation of pension liabilities.

2. Hazardous Duty

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The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2021, applied to the total pension liability for hazardous duty employees in the County VRS Local Plan:

Inflation	2.50%
Salary increases,	
including inflation	3.50% - 4.75%
Investment rate of return.....	6.75%, net of pension plan investment expense, including inflation*
Mortality rates:	70% of deaths are assumed to be service related
Pre-retirement.....	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110 % of rates for males; 105% of rates for females set forward 3 years.
Post-disablement.....	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market 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%. However, since the difference was minimal, a more conservative 6.75% 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% to simplify preparation of pension liabilities.

b. VRS Teachers' Pool

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2021, applied to the total pension liability for employees in the School Board VRS Teachers' Pool Plan:

Inflation	2.50%
Salary increases,	
including inflation	3.50% - 5.95%
Investment rate of return.....	6.75%, net of pension plan investment expense, including inflation*
Mortality rates:	
Pre-retirement.....	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
Post-retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-disablement.....	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more

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than the assumed 6.75%. However, since the difference was minimal, a more conservative 6.75% 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% to simplify preparation of pension liabilities.

c. Long-term expected rate of return - VRS Plans

The long-term expected rate of return on pension 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 arithmetic real rates of return for each major asset class are as follows:

Asset Class	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	<u>3.00%</u>	6.84%	<u>0.21%</u>
Total	<u>100.00%</u>		4.89%
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>7.39%</u>

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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 VRS member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. Through the fiscal year ending June 30, 2021, 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 100% of the actuarially determined contribution rate. From July 1, 2021 on, school divisions are assumed to continue to contribute 100% of the actuarially

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determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

5. Changes in Net Pension Liabilities

a. VRS Local Plan - Primary Government

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 1,210,711,413	\$ 956,330,211	\$ 254,381,202
Service Cost	26,220,272	-	26,220,272
Interest	79,713,046	-	79,713,046
Changes of assumptions	48,781,987	-	48,781,987
Difference between expected and actual experience	(18,700,096)	-	(18,700,096)
Contributions - employer	-	29,952,331	(29,952,331)
Contributions - employee	-	10,001,761	(10,001,761)
Net investment income	-	259,941,671	(259,941,671)
Benefit payments, including refunds of employee contributions	(59,554,807)	(59,554,807)	-
Administrative expense	-	(648,038)	648,038
Other changes	-	21,064	(21,064)
Net changes	<u>76,460,402</u>	<u>239,713,982</u>	<u>(163,253,580)</u>
Balance at June 30, 2021	<u>\$ 1,287,171,815</u>	<u>\$ 1,196,044,193</u>	<u>\$ 91,127,622</u>

b. VRS Local Plan - School Board Component Unit

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 118,989,444	\$ 98,678,058	\$ 20,311,386
Service cost	1,836,935	-	1,836,935
Interest	7,763,263	-	7,763,263
Changes of assumptions	4,361,917	-	4,361,917
Difference between expected and actual experience	(1,107,815)	-	(1,107,815)
Contributions - employer	-	1,775,380	(1,775,380)
Contributions - employee	-	921,367	(921,367)
Net investment income	-	26,368,154	(26,368,154)
Benefit payments, including refunds of employee contributions	(7,956,272)	(7,956,272)	-
Administrative expense	-	(68,836)	68,836
Other changes	-	2,249	(2,249)
Net Changes	<u>4,898,028</u>	<u>21,042,042</u>	<u>(16,144,014)</u>
Balance at June 30, 2021	<u>\$ 123,887,472</u>	<u>\$ 119,720,100</u>	<u>\$ 4,167,372</u>

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6. Payables to the VRS Plans

At June 30, 2022, the County and the School Board component unit owed the following amounts to the VRS plans due to the timing of when contractually required contributions payments become due.

VRS Local plan - Primary Government	\$2,286,990
VRS Local plan - School Board	77,237
VRS Teachers' Pool - School Board	3,345,979

B. Supplemental Retirement Plan - Primary Government

The Chesterfield County Supplemental Retirement Plan (Plan) is a single-employer defined benefit pension plan that covers certain qualified employees in addition to any benefits to be received under the VRS Local Plan or Social Security. The Board of Trustees, appointed by the Board of Supervisors, administers this Plan. The Plan is included within the financial reporting entity as a Pension Trust Fund. The Plan does not issue separately audited financial reports.

1. Summary of Significant Accounting Policies

- a) Basis of Accounting: The Plan's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.
- b) Valuation of Investments: Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales prices at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The Plan's assets do not include any securities issued by the County.

2. Plan Description and Membership

- a) Plan Description: The Plan provides retirement benefits as well as disability benefits for certain qualified full-time County employees. The County pays the entire cost of the Plan. The Plan was closed to new employees effective July 1, 2012.

Benefits begin to vest after five years of service. Employees who retire at or after age 65 with five years of credited service are entitled to an unreduced retirement benefit, payable monthly for life, in an amount equal to 0.875% of final average compensation in excess of covered compensation, multiplied by years of service credited to the member at retirement. Covered compensation is the average of taxable wage bases over the 35 calendar years ending with the calendar year in which the participant attains age 64. Covered compensation shall not change after a participant reaches normal retirement age. With respect to calendar years on or after 2013, the taxable wage base is the prior year's taxable wage base increased by an adjustment factor equal to the smaller of 5% and a ratio, the numerator of which is the consumer price index for urban workers (CPI-U) for the month of September immediately preceding the current January 1 and the denominator of which is the CPI-U for the month of September preceding the previous January 1, with the ratio so determined, reduced by 1.00. Employees with ten years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

County of Chesterfield, Virginia
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The amount of benefits payable to a retired participant whose benefits have been in pay status for a full twelve months as of July 1 shall be increased by the lesser of 5% or the excess over 1.00 of a ratio, the numerator of which is the CPI-U for the month of April preceding the current July 1 and the denominator of which is the CPI-U for the month of April preceding the previous July 1.

- b) Membership: Membership of the Plan consisted of the following at June 30, 2022:

Active members	1,422
Terminated members with vested rights	60
Retired members with benefits in pay status and beneficiaries of deceased members receiving benefits	<u>374</u>
Total	<u>1,856</u>

3. Contributions

The Plan provides for annual employer contributions at actuarially determined amounts, which will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the cost of all basic benefits when due. The actuarially determined contribution for the fiscal year ended June 30, 2022 was determined as part of the June 30, 2021 actuarial valuation. The County contributed \$6,687,871, which was greater than the actuarially determined contribution.

4. Rate of Return

As of June 30, 2022, the annual money-weighted rate of return on cash flows on the plan investments, net of pension plan investment expense, was (11.20%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

- a) Pension liabilities: The County reported a net pension liability of \$10,534,096. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022. Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions are allocated to funds based on their proportionate share of projected monthly benefits.
- b) Pension expense: For the year ended June 30, 2022, the County recognized pension expense of \$4,851,606.
- c) Deferred outflows of resources and deferred inflows of resources related to pensions:
Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 3,483,463	\$ -
Difference between expected and actual experience	7,650,713	435,469
Change in assumptions	<u>872,947</u>	<u>-</u>
Total	<u>\$ 12,007,123</u>	<u>\$ 435,469</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Deferred (Inflows)/ Outflows of Resources</u>
2023	\$ 4,260,982
2024	3,803,194
2025	1,812,622
2026	1,694,856
Total	<u>\$ 11,571,654</u>

6. Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2021	\$ 48,826,853	\$ 46,092,558	\$ 2,734,295
Service cost	376,731	-	376,731
Interest	3,121,684	-	3,121,684
			-
Contributions - employer	-	6,687,871	(6,687,871)
Net investment income	-	(5,340,399)	5,340,399
Administrative expenses	-	(90,758)	90,758
Difference between expected and actual experience	5,558,100	-	5,558,100
Benefit payments	<u>(2,355,365)</u>	<u>(2,355,365)</u>	<u>-</u>
Net changes	<u>6,701,150</u>	<u>(1,098,651)</u>	<u>7,799,801</u>
Balance at June 30, 2022	<u>\$ 55,528,003</u>	<u>\$ 44,993,907</u>	<u>\$ 10,534,096</u>

7. Actuarial Methods and Significant Assumptions

- a) Actuarial methods and significant assumptions: The total pension liability was determined as part of the actuarial valuation at the date indicated, using the following actuarial assumptions:

Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Valuation date	July 1, 2022
Investment rate of return	6.5%
Projected salary increases, including inflation	3.5%
Inflation rate	2.0%
Mortality (post-retirement)	Pub-2010 General Amount-Weighted mortality table, with future generational mortality improvements projected according to Scale MP-19

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- b) Discount Rate: Based upon projections and the history of the County's contributions, the Plan's projected fiduciary net position is sufficient to cover all projected future benefit payments for both current active and inactive employees. Thus, the discount rate used for calculating the total pension liability is equal to the long-term expected rate of return of 6.5% and a municipal bond rate was not required.

Sensitivity analysis: The following represents net pension liability (asset) calculated using the stated discount rate of 1.0% lower or 1.0% higher than the current discount rate.

	1% Decrease 5.5%	Current Discount 6.5%	1% Increase 7.5%
Net pension liability	\$ 18,755,951	\$ 10,534,096	\$ 3,848,313

Fiduciary Net Position

As of June 30, 2022, the Plan fiduciary net position of \$44,993,907, as a percentage of the total pension liability, was 81.03%.

Chesterfield County, Virginia
Supplemental Retirement
Pension Trust

Assets	
Cash and cash equivalents	\$ 6,438,649
Accounts receivable	59,580
Due from broker	15,180
Investments	<u>38,480,498</u>
Total assets	<u>44,993,907</u>
Fiduciary net position	
Restricted for pension benefits	<u>\$ 44,993,907</u>
Additions:	
Contributions	\$ 6,687,871
Investment earnings	(5,111,388)
Less investment expenses	<u>(229,011)</u>
Net investment income	<u>(5,340,399)</u>
Total additions, net	<u>1,347,472</u>
Deductions:	
Benefit payments	2,355,365
Administrative expenses	<u>90,758</u>
Total deductions	<u>2,446,123</u>
Increase in net position	
restricted for pension benefits	(1,098,651)
Fiduciary net position - July 1, 2021	<u>46,092,558</u>
Fiduciary net position - June 30, 2022	<u>\$ 44,993,907</u>

County of Chesterfield, Virginia
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C. Supplemental Retirement Program - Component Unit - School Board

The School Board contributes to the Supplemental Retirement Program (Program), a single-employer, defined benefit pension plan established in 1996 and administered by the School Board to provide pension benefits for certain qualified School Board employees in addition to any benefits which may be received under the VRS Local and VRS Teachers' Pool Plans or Social Security. The Program was closed to employees hired or re-hired after June 30, 2013. The Program does not issue separately audited financial statements. The Program was amended effective July 1, 2017.

1. Summary of Significant Accounting Policies

- a) Basis of Accounting: The Program's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the Program. It is included in the School Board Component Unit reporting entity as a Pension Trust Fund.
- b) Valuation of Investments: Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales prices at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The Program's assets do not include any securities issued by the County.

2. Program Description and Membership

- a) Program Description: The School Board's Program is provided for full-time employees covered by the VRS plans with at least twenty years employment by Chesterfield County Public Schools (CCPS). Employees who are age 65 or greater prior to completing their service are eligible with at least fifteen years of service. All eligible employees must complete five years of service with CCPS immediately prior to retirement. Employees must have at least twenty years in VRS and be at least age of 55, or 60 if hired after 2010, and not be retired on disability. During the period the employee is providing services to the School Board in the part-time position, the employee's benefit is paid from the general assets of the School Board. If the employee does not complete the service required, the employee's benefits are forfeited. Benefit payments made after the first year shall be made from the Program's assets.

Upon becoming eligible for benefits from the Program, the employee shall provide service to the employer in a temporary, part-time position classification in the same position as when the participant was last employed by the employer as a full-time employee, or in a position no more than two pay grades from the position in which the employee was last employed as a full-time employee. The employee shall receive a retirement benefit, commencing as of the date the employee commences temporary, part-time employment under the provisions of the Plan. In the event the retirement benefit results in a lower payment than the federal minimum wage rate, the employee shall be paid at the federal minimum wage rate while working. The amount of the monthly benefit shall equal one hundred and seventy-five percent (175%) of final annual compensation divided by the number of months in the payout period. Final average compensation shall not exceed \$95,000. The minimum monthly benefit payable is \$50. Benefits under the Program cease upon completion of the elected payout installment period. In the event of the death or total disability of the employee during the first year of receipt of benefits, the employee will only receive payment for the time actually worked.

County of Chesterfield, Virginia
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- b) Membership: Membership of the Program consisted of the following at June 30, 2022:

Active participants	2,596
Retirees (vested)	409
Retirees (non-vested)	<u>175</u>
Total	<u>3,180</u>

3. Contributions

The Program provides for annual employer contributions based on actuarially determined rates. The actuarially determined contribution for the fiscal year ended June 30, 2022, was determined as part of the June 30, 2021 valuation. Actual contributions, by policy, are expected to be the actuarially determined amount or the amount of expected benefit payments, if higher. The School Board contributed \$34,300,000, which was greater than the actuarially determined contribution, to the Program.

4. Rate of Return

As of June 30, 2022, the annual money-weighted rate of return on cash flows on the Program's long-term investments, net of investment expense, was (15.30%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

- a) Pension liabilities: As of June 30, 2022, the School Board reported a net pension liability of \$11,957,385, measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by the June 30, 2022 actuarial valuation date.
- b) Pension expense: For the year ended June 30, 2022, the School Board recognized pension expense of \$4,397,015.
- c) Deferred outflows of resources and deferred inflows of resources related to pensions:
Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 4,240,821	\$ -
Difference between expected and actual experience	10,158,208	2,629,190
Change in assumptions	<u>6,696,317</u>	<u>4,260,317</u>
Total	<u>\$ 21,095,346</u>	<u>\$ 6,889,507</u>

County of Chesterfield, Virginia
Notes to Financial Statements
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Amounts reported as deferred outflows of resources deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Deferred (Inflows)/ Outflows of Resources
2023	\$ 2,714,278
2024	2,861,578
2025	1,667,495
2026	3,461,279
2027	2,108,739
Thereafter	1,392,470
Total	<u>\$ 14,205,839</u>

6. Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2021	\$ 75,809,615	\$ 49,171,486	\$ 26,638,129
Service cost	836,867	-	836,867
Interest	4,774,409	-	4,774,409
Differences between expected and actual experience	2,258,905	-	2,258,905
Change in assumptions	4,416,348	-	4,416,348
Change in benefit terms	-	-	-
Contributions - employer	-	34,300,000	(34,300,000)
Net investment income	-	(7,099,525)	7,099,525
Administrative expenses	-	(233,202)	233,202
Benefit payments	(6,388,086)	(6,388,086)	-
Net changes	<u>5,898,443</u>	<u>20,579,187</u>	<u>(14,680,744)</u>
Balance at June 30, 2022	<u>\$ 81,708,058</u>	<u>\$ 69,750,673</u>	<u>\$ 11,957,385</u>

7. Actuarial Method and Significant Assumptions

- a) Actuarial methods and significant assumptions: The total pension liability was determined as part of the actuarial valuation at June 30, 2022. Assumptions were determined from an experience study dated January 27, 2017.

Actuarial cost method	Entry age normal
Projected salary increase, including inflation	3.25-4.5%
Inflation rate	2.0%
Mortality	Pub-2010 General Amount-Weighted mortality table, with future generational improvements projected according to Scale MP-19

County of Chesterfield, Virginia
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- b) Discount Rate: The projection of cash flows used to determine the discount rate assumed that School Board contributions will be made at the current contribution rates. Based on this assumption, the Program'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 of 6.5% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity analysis: The following represents net pension liability calculated using the stated discount rate of 1.0% lower or 1.0% higher than the current rate.

	1% Decrease 5.5%	Current Discount 6.5%	1% Increase 7.5%
Net pension liability	\$ 17,512,295	\$ 11,957,385	\$ 6,876,372

8. Fiduciary Net Position

As of June 30, 2022, the Plan fiduciary net position of \$69,750,673 as a percentage of the pension total liability was 85.37%.

Chesterfield County, Virginia
Discretely Presented Component Unit
Supplemental Retirement Program
Pension Trust

Assets	
Cash, cash equivalents and investments	\$ 69,732,355
Interest Receivable	40,705
Due from broker	2,269
Total assets	<u>69,775,329</u>
Liabilities	
Due to broker	<u>24,656</u>
Fiduciary Net Position	
Restricted for pension benefits	<u>\$ 69,750,673</u>
Additions:	
Contributions	\$ 34,300,000
Investment earnings	<u>(7,099,525)</u>
Total additions	<u>27,200,475</u>
Deductions:	
Benefit payments	6,388,086
Administrative expenses	<u>233,202</u>
Total deductions	<u>6,621,288</u>
Increase in net position restricted for pension benefits	20,579,187
Fiduciary net position - July 1, 2021	<u>49,171,486</u>
Fiduciary net position - June 30, 2022	<u>\$ 69,750,673</u>

County of Chesterfield, Virginia
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D. Summary of Deferred Outflows of Resources and Deferred Inflows of Resources by Retirement Plan

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Deferred Outflows of Resources related to Pensions				
Deferred contributions:				
VRS Local Plan	\$ 30,943,102	\$ 1,294,630	\$ 32,237,732	\$ 2,085,968
VRS Teachers' Pool	-	-	-	58,258,828
Deferred investment experience:				
Supplemental Retirement Plan	3,483,463	-	3,483,463	4,240,821
Deferred pension difference between expected and actual:				
VRS Local Plan	9,509,056	397,849	9,906,905	-
Supplemental Retirement Plan	7,650,713	-	7,650,713	10,158,208
Deferred change in assumptions:				
VRS Local Plan	42,885,995	1,794,307	44,680,302	2,202,552
VRS Teachers Pool	-	-	-	51,716,011
Supplemental Retirement Plan	872,947	-	872,947	6,696,317
Deferred change in proportionate share:				
VRS Teachers' Pool	-	-	-	13,892,287
Total deferred outflows of resources related to pensions	<u>\$ 95,345,276</u>	<u>\$ 3,486,786</u>	<u>\$ 98,832,062</u>	<u>\$ 149,250,992</u>

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Deferred Inflows of Resources related to Pensions				
Deferred investment experience:				
VRS Local Plan	\$ 123,807,024	\$ 5,179,962	\$ 128,986,986	\$ 12,972,381
VRS Teachers' Pool	-	-	-	186,019,023
Deferred pension difference between expected and actual:				
VRS Local Plan	14,225,058	595,161	14,820,219	565,565
VRS Teachers' Pool	-	-	-	25,142,253
Supplemental Retirement Plan	435,469	-	435,469	2,629,190
Deferred change in assumptions:				
Supplemental Retirement Plan	-	-	-	4,260,317
Deferred change in proportionate share:				
VRS Teachers' Pool	-	-	-	3,478,827
Total deferred inflows of resources related to pensions	<u>\$ 138,467,551</u>	<u>\$ 5,775,123</u>	<u>\$ 144,242,674</u>	<u>\$ 235,067,556</u>

County of Chesterfield, Virginia
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Enterprise funds	Water	Wastewater	Non-major Airport	Total
Deferred Outflows of Resources related to Pensions				
Deferred contributions:				
VRS Local Plan	\$ 649,977	\$ 621,023	\$ 23,630	\$ 1,294,630
Deferred pension difference between expected and actual				
VRS Local Plan	199,744	190,844	7,261	397,849
Deferred change in assumptions:				
VRS Local Plan	<u>900,844</u>	<u>860,716</u>	<u>32,747</u>	<u>1,794,307</u>
Total deferred outflows of resources related to pensions	<u>\$ 1,750,565</u>	<u>\$ 1,672,583</u>	<u>\$ 63,638</u>	<u>\$ 3,486,786</u>

Enterprise funds	Water	Wastewater	Non-major Airport	Total
Deferred Inflows of Resources related to Pensions				
Deferred investment experience:				
VRS Local Plan	\$ 2,600,634	\$ 2,484,783	\$ 94,545	\$ 5,179,962
Deferred pension difference between expected and actual:				
VRS Local Plan	<u>298,808</u>	<u>285,492</u>	<u>10,861</u>	<u>595,161</u>
Total deferred inflows of resources related to pensions	<u>\$ 2,899,442</u>	<u>\$ 2,770,275</u>	<u>\$ 105,406</u>	<u>\$ 5,775,123</u>

Internal Service funds	Vehicle and Communications	Risk Management	Total
Deferred Outflows of Resources related to Pensions			
Deferred contributions:			
VRS Local Plan	\$ 457,370	\$ 120,771	\$ 578,141
Deferred pension difference between expected and actual			
VRS Local Plan	140,553	37,114	177,667
Deferred change in assumptions:			
VRS Local Plan	<u>633,896</u>	<u>167,385</u>	<u>801,281</u>
Total deferred outflows of resources related to pensions	<u>\$ 1,231,819</u>	<u>\$ 325,270</u>	<u>\$ 1,557,089</u>

Internal Service funds	Vehicle and Communications	Risk Management	Total
Deferred Inflows of Resources related to Pensions			
Deferred investment experience:			
VRS Local Plan	\$ 1,829,989	\$ 483,215	\$ 2,313,204
Deferred pension difference between expected and actual:			
VRS Local Plan	<u>210,257</u>	<u>55,525</u>	<u>265,782</u>
Total deferred inflows of resources related to pensions	<u>\$ 2,040,246</u>	<u>\$ 538,740</u>	<u>\$ 2,578,986</u>

County of Chesterfield, Virginia
Notes to Financial Statements
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E. Summary of Net Pension Liability and Expense by Pension Plan

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Net Pension Liability				
VRS Local	\$ 86,818,253	\$ 4,309,369	\$ 91,127,622	\$ 4,167,372
VRS Local - Teachers' Pool	-	-	-	295,187,120
Supplemental Retirement	10,534,096	-	10,534,096	11,957,385
Total net pension liability	<u>\$ 97,352,349</u>	<u>\$ 4,309,369</u>	<u>\$ 101,661,718</u>	<u>\$ 311,311,877</u>
Pension Expense				
VRS Local	\$ 12,982,758	\$ 543,185	\$ 13,525,943	\$ (27,387)
VRS Local - Teachers' Pool	-	-	-	8,564,792
Supplemental Retirement	4,851,606	-	4,851,606	4,397,015
Total pension expense	<u>\$ 17,834,364</u>	<u>\$ 543,185</u>	<u>\$ 18,377,549</u>	<u>\$ 12,934,420</u>
Enterprise funds	Water	Wastewater	Non-major Airport	Total
Net Pension Liability				
VRS Local	<u>\$ 2,228,111</u>	<u>\$ 2,032,407</u>	<u>\$ 48,851</u>	<u>\$ 4,309,369</u>
Pension Expense				
VRS Local	<u>\$ 272,710</u>	<u>\$ 260,561</u>	<u>\$ 9,914</u>	<u>\$ 543,185</u>
Internal Service funds	Vehicle and Communications	Risk Management	Total	
Net Pension Liability				
VRS Local	<u>\$ 1,550,814</u>	<u>\$ 33,724</u>	<u>\$ 1,584,538</u>	
Pension Expense				
VRS Local	<u>\$ 191,898</u>	<u>\$ 50,672</u>	<u>\$ 242,570</u>	

County of Chesterfield, Virginia
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13. Other Postemployment Benefits Plans

A. Postemployment Retiree Healthcare Benefits - Primary Government

1. Plan Description

The OPEB Trust is a single employer defined benefit plan that provides health and dental insurance during retirement for certain qualified retirees and their dependents. Benefit provisions are established by the County Board and may be amended at any time. The Board of Trustees, appointed by the County Board, administers the plan. The OPEB Trust is considered part of the County's reporting entity and is included in the County's financial statements as an OPEB Trust Fund. No separately audited financial statements are available. The County joined other Virginia localities by opting to participate in the Virginia Municipal League/Virginia Association of Counties (VML/VACo) Trust Fund for the purpose of investing OPEB contributions. VML/VACo issues audited financial statements which can be obtained by contacting the VML/VACo Finance Program, 919 E. Main Street Suite 1100, Richmond, Virginia 23219.

Employees with a combination of age and full-time service greater than or equal to 60 years as of July 1, 2007, including at least 10 years of service, will be grandfathered. Non-grandfathered employees will receive health benefits at age 55 or older with at least 15 years of service. Employees retiring before age 55 will be allowed to purchase retiree healthcare at the County's group rate with no County contribution from the time of retirement until age 55. At age 55, they will begin to receive the County contribution indicated below based on their years of service.

County contributions for pre-65 health and dental benefits at June 30, 2022 are:

Years of Service	Grandfathered	Non-grandfathered
0 to 9	-	-
10 to 14	50%	-
15 to 19	100%*	\$209 per month
20 to 24	100%*	\$313 per month
25+	100%*	\$417 per month

**as a percentage of the County's contribution, not the total premium*

Non-grandfathered County contributions are subject to an annual 3% increase based on inflation but will never exceed the contribution for an active employee.

All retired employees, active employees who are age 65 and over, public safety employees with 25 or more years of service and non-public safety employees with 30 or more years of service (all as of January 1, 2009), will receive a County contribution toward their post-Medicare coverage no greater than \$248 per month indexed at 3% per year plus \$40 reimbursement for prescription coverage. For all other retirees, with the exception of access only, the County limits its contribution toward post-Medicare coverage based on years of service. The County will contribute \$4 per month for each year of service plus a static \$40 per month for a Medicare Part D plan cost reimbursement.

Employees hired after July 1, 2006, who retire at age 55 or older, with 15 or more years of full-time service, will be permitted to purchase retiree health benefits for themselves and their dependents at the County's group rate (access only), but will receive no County contribution toward the cost. Retirees who are eligible for the access only benefit when they are Pre 65 are not eligible for the access only benefit as a Post 65 retiree.

County of Chesterfield, Virginia
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Employees covered by the benefit terms of the Other Postemployment Benefit Plan are as follows:

	<u>Primary Government</u>
Inactive members or their beneficiaries currently receiving benefits	1,312
Active members	<u>3,597</u>
Total	<u><u>4,909</u></u>

2. Contributions

As of June 30, 2022, the County has \$39,435,859 in plan fiduciary net position accumulated for payment of future benefits. The County made contributions and paid premiums to the trust totaling \$8,862,469, which was greater than the actuarially determined contribution (ADC) of \$6,195,120. The County intends to fully fund the ADC in future fiscal years. Actual contributions to the plan are appropriated on an annual basis. Employees' contributions vary according to individual elections of coverage and the level of County contribution which is based on eligibility requirements.

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

At June 30, 2022, the County reported a net OPEB liability of \$46,519,488, measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2022, the County recognized OPEB expense of \$959,574. Deferred outflows of resources and deferred inflows of resources related to the County's OPEB-Retiree Healthcare was reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 1,839,190	\$ -
Difference between expected and actual experience	1,031,226	5,114,672
Change in assumptions or other inputs	<u>255,020</u>	<u>11,338,702</u>
Total	<u><u>\$ 3,125,436</u></u>	<u><u>\$ 16,453,374</u></u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	<u>Deferred (Inflows) of Resources</u>
2023	\$ (3,043,134)
2024	(3,194,016)
2025	(3,450,333)
2026	(1,611,685)
2027	(1,521,821)
Thereafter	(506,949)
Total	<u>\$ (13,327,938)</u>

The following represents net OPEB liability calculated using the stated discount rate and stated health care cost trend rates, as well as what the net pension liability would be if it were calculated using a discount rate or health care cost trend rate of 1.0% lower or 1.0% higher than the current rates.

	Net OPEB liability		
	Discount Rate		
	1% Decrease	Current Discount	1% Increase
	6%	7%	8%
Net OPEB liability	\$ 53,187,323	\$ 46,519,488	\$ 40,608,560

	Net OPEB liability		
	Health Care Cost Trend		
	1% Decrease	Current Cost Trend	1% Increase
Net OPEB liability	\$ 41,869,647	\$ 46,519,488	\$ 51,812,099

4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for the Primary Government were based on an actuarial valuation as of June 30, 2022, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP. The total OPEB liability was determined as part of the actuarial valuation at the date indicated, using the following actuarial assumptions:

Valuation date	June 30, 2022
Investment rate of return	7.00%
Inflation.....	2.75%
Salary increases.....	3.50% - 5.35%; based on Top 10 non-LEO and Top 10 LEO assumption used in the June 30, 2020 VRS valuation
Healthcare cost trend rates	6.00% for 2022 decreasing to and ultimate rate of 3.94% by 2075

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Mortality-locality general employees:

Pre-retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates
Post-retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; female rates with 1.0% increase compounded from ages 70 to 90

Mortality-locality hazardous duty employees:

Pre-retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year
Post-retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year, 1% increase compounded from ages 70 to 90; females set forward 3 years

- a) **Discount Rate:** The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at current contribution rates. Based on the current and historical commitment of the County to fully fund actuarially determined contribution amounts, the Plan's fiduciary net position combined with future contributions is sufficient to cover all projected future payments. The long-term expected rate of return on plan investments is 7.00% and, when applied to the periods of projected benefit payments, it is not anticipated that the plan's assets will be exhausted; therefore, the expected municipal bond rate was not applied in determining the discount rate.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Real Rate of Return</u>
Total Equity		
Large Cap Equity	21.00%	7.13%
Small Cap Equity	10.00%	8.53%
International Equity	13.00%	7.99%
Emerging Markets Equity	5.00%	9.23%
Private Equity	10.00%	10.47%
Long/Short Equity	6.00%	5.68%
Fixed Income		
Core Plus	11.00%	2.88%
Core Bonds	5.00%	2.58%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.66%
Opportunistic Real Estate	5.00%	9.60%
Total	<u>100.00%</u>	<u>6.95%</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

5. Changes to Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2021	\$ 91,166,386	\$ 43,481,955	\$ 47,684,431
Service cost	1,049,858	-	1,049,858
Interest	6,150,197	-	6,150,197
Change in assumptions	(819,561)	-	(819,561)
Differences in expected and actual experience	(2,729,064)	-	(2,729,064)
Net investment income	-	(4,045,596)	4,045,596
Administrative expenses	-	(500)	500
Employer contributions	-	8,862,469	(8,862,469)
Benefit payments	(8,862,469)	(8,862,469)	-
Net changes	<u>(5,211,039)</u>	<u>(4,046,096)</u>	<u>(1,164,943)</u>
Balance at June 30, 2022	<u>\$ 85,955,347</u>	<u>\$ 39,435,859</u>	<u>\$ 46,519,488</u>

6. OPEB Liability

Additional note disclosure and related required supplementary information about the Plan's investment performance, total OPEB liability, net OPEB liability and contributions as required under GAAP, are as follows below and in the required supplementary information section.

- a) Rate of Return: As of June 30, 2022, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was -9.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2022 were as follows:

	<u>Net OPEB Liability</u>
Total OPEB liability	\$ 85,955,347
Plan fiduciary net position	<u>(39,435,859)</u>
Net OPEB liability	<u>\$ 46,519,488</u>
Fiduciary net position as a percent of total OPEB liability	45.88%

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Chesterfield County, Virginia
Postemployment Retiree Healthcare
Benefits Trust - County

Assets	
Cash, investments and receivable	\$ 39,435,859
Liabilities	
Due to broker	-
Fiduciary net position	
Restricted for other postemployment benefits	<u>\$ 39,435,859</u>
Additions:	
Contributions	\$ 8,862,469
Investment earnings	(4,012,074)
Less investment expenses	<u>(33,522)</u>
Net investment income	<u>(4,045,596)</u>
Total additions, net	<u>4,816,873</u>
Deductions:	
Benefit payments	8,862,469
Administrative expenses	<u>500</u>
Total deductions	<u>8,862,969</u>
Increase in net position restricted for other postemployment benefits	(4,046,096)
Fiduciary net position - July 1, 2021	<u>43,481,955</u>
Fiduciary net position - June 30, 2022	<u>\$ 39,435,859</u>

B. Other Postemployment Benefit Plan - Primary Government - Line of Duty

1. Plan Description

The OPEB - Line of Duty Trust, created during fiscal year 2012, is a single employer defined benefit plan that provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. There were approximately 1,578 participants in the program in fiscal year 2022. A Board of Trustees, appointed by the County Board, administers the plan. The OPEB - Line of Duty Trust is considered part of the County's reporting entity and is included in the County's financial statements as an OPEB Trust Fund. No separately audited financial statements are available. The County joined other Virginia localities by opting to participate in the VML/VACo Trust Fund for the purpose of investing OPEB contributions. VML/VACo issues audited financial statements which can be obtained by contacting the VML/VACo Finance Program, 919 E. Main Street Suite 1100, Richmond, Virginia 23219.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

2. Contributions

As of June 30, 2022, the County had \$12,789,484 in plan fiduciary net position accumulated for payment of future benefits. The County made contributions and paid premiums to the trust totaling \$776,477 which was less than the actuarially determined contribution (ADC) of \$1,341,382. The County intends to fund at least the ADC amount in future fiscal years. Actual contributions to the plan are appropriated on an annual basis.

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

At June 30, 2022, the County reported a net OPEB liability of \$5,525,658, measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2022, the County recognized OPEB expense of \$1,277,595. Deferred outflows of resources and deferred inflows of resources related to the County's OPEB-Retiree Healthcare was reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 648,813	\$ -
Difference between expected and actual experience	2,950,449	2,078,882
Change in assumptions	<u>1,053,240</u>	<u>3,724,261</u>
Total	<u>\$ 4,652,502</u>	<u>\$ 5,803,143</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	Deferred Outflows/ (Inflows) of Resources
2023	\$ (21,557)
2024	(66,193)
2025	(145,679)
2026	319,006
2027	(140,809)
Thereafter	<u>(1,095,409)</u>
Total	<u>\$ (1,150,641)</u>

The following represents net OPEB liability calculated using the stated discount rate and stated health care cost trend rates, as well as what the net pension liability would be if it were calculated using a discount rate or health care cost trend rate of 1.0% lower or 1.0% higher than the current rates.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

	Net OPEB liability		
	Discount Rate		
	1% Decrease	Current Discount	1% Increase
	6%	7%	8%
Net OPEB liability	\$ 7,376,712	\$ 5,525,658	\$ 3,921,148

	Net OPEB liability		
	Health Care Cost Trend		
	1% Decrease	Current Cost Trend	1% Increase
Net OPEB liability	\$ 3,258,839	\$ 5,525,658	\$ 8,238,206

4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for the Primary Government - Line of Duty were based on an actuarial valuation as of June 30, 2022, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP.

Actuarial Method and Significant Assumptions: The total OPEB liability was determined as part of the actuarial valuation at the date indicated, using the following actuarial assumptions:

Valuation date	June 30, 2022
Investment rate of return	7.0%
Inflation.....	2.75%
Salary increases.....	3.50% - 4.75%; based on LEO assumption used in the June 30, 2020 VRS LODA valuation
Healthcare cost trend rates	6.00% for 2022 and decreasing to an ultimate rate of 3.94% by 2075
Pre-retirement mortality.....	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year
Post-retirement mortality	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years
Disabled	RP-2014 Disabled Mortality Rates Projected with Scale BB to 2020; males set forward 2 years; Unisex using 100% male rates

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

a) **Discount Rate:** The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at current contribution rates. Based on the current and historical commitment of the County to fully fund actuarially determined contribution amounts, the Plan's fiduciary net position combined with future contributions is sufficient to cover all projected future payments. The long-term expected rate of return on plan investments is 7.00% and, when applied to the periods of projected benefit payments, it is not anticipated that the plan's assets will be exhausted; therefore, the expected municipal bond rate was not applied in determining the discount rate.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Real Rate of Return</u>
Total Equity		
Large Cap Equity	21.00%	7.13%
Small Cap Equity	10.00%	8.53%
International Equity	13.00%	7.99%
Emerging Markets Equity	5.00%	9.23%
Private Equity	10.00%	10.47%
Long/Short Equity	6.00%	5.68%
Fixed Income		
Core Plus	11.00%	2.88%
Core Bonds	5.00%	2.58%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.66%
Opportunistic Real Estate	<u>5.00%</u>	<u>9.60%</u>
Total	<u>100.00%</u>	<u>6.95%</u>

5. Changes to Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2021	\$ 16,171,664	\$ 14,101,944	\$ 2,069,720
Service cost	1,141,895	-	1,141,895
Interest	1,185,232	-	1,185,232
Change in assumptions	(383,053)	-	(383,053)
Differences in expected and actual experience	975,881	-	975,881
Net investment income	-	(1,311,960)	1,311,960
Administrative expenses	-	(500)	500
Employer contributions	-	776,477	(776,477)
Benefit payments	<u>(776,477)</u>	<u>(776,477)</u>	-
Net changes	<u>2,143,478</u>	<u>(1,312,460)</u>	<u>3,455,938</u>
Balance at June 30, 2022	<u>\$ 18,315,142</u>	<u>\$ 12,789,484</u>	<u>\$ 5,525,658</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

6. OPEB Liability

Additional note disclosure and related required supplementary information about the Plan's investment performance, total OPEB liability, net OPEB liability and contributions as required under GAAP, are as follows below and in the required supplementary information section.

- a) Rate of Return: As of June 30, 2022, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was -9.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2022 were as follows:

	<u>Net OPEB Liability</u>
Total OPEB liability	\$ 18,315,142
Plan fiduciary net position	<u>(12,789,484)</u>
Net OPEB liability	<u>\$ 5,525,658</u>
Fiduciary net position as a percent of total OPEB liability	69.83%

Chesterfield County, Virginia
Postemployment Line of Duty
Benefits Trust - County

Assets	
Cash, investments and receivable	\$ 12,789,484
Liabilities	
Due to broker	<u>-</u>
Fiduciary net position	
Restricted for other postemployment benefits	<u>\$ 12,789,484</u>
Additions:	
Contributions	\$ 776,477
Investment earnings	(1,301,161)
Less investment expenses	<u>(10,799)</u>
Net investment income	<u>(1,311,960)</u>
Total additions, net	<u>(535,483)</u>
Deductions:	
Benefit payments	776,477
Administrative expenses	<u>500</u>
Total deductions	<u>776,977</u>
Increase in net position restricted for other postemployment benefits	(1,312,460)
Fiduciary net position - July 1, 2021	<u>14,101,944</u>
Fiduciary net position - June 30, 2022	<u>\$ 12,789,484</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

C. Other Postemployment Benefit Plan - Retiree Medical - School Board Component Unit

1. Plan Description

The OPEB Trust is a single employer defined benefit plan that provides health and dental insurance during retirement for certain qualified retirees and their dependents. Benefit provisions are established by the County Board and may be amended at any time. The Board of Trustees, appointed by the County Board, administers the plan. The OPEB Trust is considered part of the County's reporting entity and is included in the County's financial statements as an OPEB Trust Fund. No separately audited financial statements are available. The County joined other Virginia localities by opting to participate in the VML/VACo Trust Fund for the purpose of investing OPEB contributions. VML/VACo issues audited financial statements which can be obtained by contacting the VML/VACo Finance Program, 919 E. Main Street Suite 1100, Richmond, Virginia 23219.

Employees with a combination of age and fulltime service greater than or equal to 60 years as of July 1, 2007, including at least 10 years of service, will be grandfathered. Non-grandfathered employees will receive health benefits at age 55 or disabled with at least 15 years of full-time Chesterfield County Public Schools service. Employees retiring between age 50 - 55 with at least 30 years of full-time Chesterfield County Public Schools service will be allowed to purchase retiree healthcare at the School Board's group rate with no School Board contribution from the time of retirement until age 55. At age 55, they will begin to receive the School Board contribution based on years of service. School Board contributions for pre-65 health and dental benefits at July 1, 2021 are:

Years of Service	Grandfathered	Non-grandfathered
0 to 9	-	-
10 to 14	100%*	-
15 to 19	100%*	\$220 per month
20 to 24	100%*	\$330 per month
25+	100%*	\$441 per month

**as a percentage of the School Boards contribution, not the total premium*

Non-grandfathered School Board contributions are subject to an annual 3% increase based on inflation but will never exceed the contribution for an active employee.

All retired and active employees who receive or are eligible for a pre-65 contribution and had 30 or more years of service (all as of January 1, 2009), will receive a School Board contribution toward their post-Medicare coverage at age 65 no greater than \$232 per month indexed at 3% per year plus \$40 contribution for prescription coverage. For all other employees, the School Board limits its contribution toward post-Medicare coverage based on years of service. The School Board will contribute \$2 per month for those receiving a VRS health credit or \$4 per month for those not receiving the VRS health credit for each year of service plus a static \$40 per month contribution for a Medicare Part D plan cost.

Employees hired or rehired after July 1, 2006, who retire at age 55 or older, with 15 or more years of full-time Chesterfield County Public Schools service, will be permitted to purchase retiree health benefits for themselves and their dependents at the School Board's group rate, but will receive no School Board contribution toward the cost. Access to health insurance ends at age 65 due to Medicare eligibility.

Retirees who met eligibility for health insurance contributions will receive a contribution toward dental coverage equal to the amount the School Board contributes toward an active employee.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

2. Contributions

As of June 30, 2022, the School Board has \$25,369,910 in plan fiduciary net position accumulated for payment of future benefits. The School Board made contributions and paid premiums to the trust totaling \$16,141,717 which was greater than the actuarially determined contribution (ADC) of \$13,451,395. At a minimum, the School Board intends to fund the ADC amount in future fiscal years. Actual contributions to the plan are appropriated on an annual basis.

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

At June 30, 2022, the School Board reported a net OPEB liability of \$121,378,048, measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2022, the School Board recognized OPEB expense of \$1,441,507. Deferred outflows of resources and deferred inflows of resources related to the School Board's OPEB - Retiree Healthcare was reported from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 1,208,880	\$ -
Difference between expected and actual experience	830,477	29,168,511
Change in assumptions	<u>2,495,044</u>	<u>12,169,202</u>
Total	<u>\$ 4,534,401</u>	<u>\$ 41,337,713</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ending June 30:	Deferred Outflows/ (Inflows) of Resources
2023	\$ (9,785,027)
2024	(9,874,589)
2025	(7,759,285)
2026	(5,670,875)
2027	<u>(3,713,536)</u>
Total	<u>\$ (36,803,312)</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

The following represents net OPEB liability calculated using the stated discount rate and stated health care cost trend rates, as well as what the net pension liability would be if it were calculated using a discount rate or health care cost trend rate of 1.0% lower or 1.0% higher than the current rates.

Net OPEB liability			
Discount Rate			
	1% Decrease	Current Discount	1% Increase
	6%	7%	8%
Net OPEB liability	\$ 133,326,026	\$ 121,378,048	\$ 110,881,067

Net OPEB liability			
Health Care Cost Trend			
	1% Decrease	Current Cost Trend	1% Increase
Net OPEB liability	\$ 113,445,105	\$ 121,378,048	\$ 130,397,278

4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for Retiree Healthcare - School Board were based on an actuarial valuation as of June 30, 2022, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP.

Actuarial Method and Significant Assumptions: The total OPEB liability was determined as part of the actuarial valuation at the date indicated, using the following actuarial assumptions:

Valuation date	June 30, 2022
Investment rate of return.....	7.0%
Inflation.....	2.75%
Salary increases	3.50% - 5.95% for Teachers (based on Teachers assumption used in the June 30, 2019 VRS valuation) 3.50% - 5.35% for non-Teachers (based on Top 10 non-LEO assumption used in the June 30, 2020 VRS valuation)
Healthcare cost trend rates.....	6.00% for 2022 decreasing to and ultimate rate of 3.94% by 2075
Pre-retirement mortality	Teachers: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020 Non-Teachers: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

Post-retirement mortality..... Teachers: RP-2014 Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from 65 to 75 increasing to 2.0% from ages 75 to 90
Non-Teachers: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; female rates with 1.0% increase compounded from ages 70 to 90

- a) **Discount Rate:** The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at current contribution rates. Based on the current and historical commitment of the School Board to fully fund actuarially determined contribution amounts, the Plan's fiduciary net position combined with future contributions is sufficient to cover all projected future payments. The long-term expected rate of return on plan investments is 7.00% and, when applied to the periods of projected benefit payments, it is not anticipated that the plan's assets will be exhausted; therefore, the expected municipal bond rate was not applied in determining the discount rate.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Real Rate of Return</u>
Total Equity		
Large Cap Equity	21.00%	7.13%
Small Cap Equity	10.00%	8.53%
International Equity	13.00%	7.99%
Emerging Markets Equity	5.00%	9.23%
Private Equity	10.00%	10.47%
Long/Short Equity	6.00%	5.68%
Fixed Income		
Core Plus	11.00%	2.88%
Core Bonds	5.00%	2.58%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.66%
Opportunistic Real Estate	5.00%	9.60%
Total	<u>100.00%</u>	<u>6.95%</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

5. Changes to Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2021	\$ 170,951,152	\$ 26,870,133	\$ 144,081,019
Service cost	1,658,089	-	1,658,089
Interest	11,561,650	-	11,561,650
Change in assumptions	(1,073,020)	-	(1,073,020)
Differences in expected and actual experience	(21,208,196)	-	(21,208,196)
Net investment income	-	(2,499,722)	2,499,722
Administrative expenses	-	(500)	500
Employer contributions	-	16,141,717	(16,141,717)
Benefit payments	(15,141,717)	(15,141,717)	-
Net changes	(24,203,194)	(1,500,222)	(22,702,972)
Balance at June 30, 2022	<u>\$ 146,747,958</u>	<u>\$ 25,369,911</u>	<u>\$ 121,378,047</u>

6. OPEB Liability

Additional note disclosure and related required supplementary information about the Plan's investment performance, total OPEB liability, net OPEB liability and contributions as required under GAAP, are as follows below and in the required supplementary information section.

- a) Rate of Return: As of June 30, 2022, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was -9.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2022 were as follows:

	Net OPEB Liability
Total OPEB liability	\$ 146,747,958
Plan fiduciary net position	(25,369,910)
Net OPEB liability	<u>\$ 121,378,048</u>
Fiduciary net position as a percent of total OPEB liability	17.29%

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Chesterfield County, Virginia
Postemployment Retiree Healthcare
Benefits Trust - Schools

Assets	
Cash, investments and receivable	\$ 26,369,911
Liabilities	
Due to broker	<u>1,000,000</u>
Fiduciary Net Position	
Restricted for other postemployment benefits	<u>\$ 25,369,911</u>
Additions:	
Contributions	\$ 16,141,717
Investment earnings	(2,479,101)
Less investment expenses	<u>(20,621)</u>
Net investment income	<u>(2,499,722)</u>
Total additions, net	<u>13,641,995</u>
Deductions:	
Benefit payments	15,141,717
Administrative expenses	<u>500</u>
Total deductions	<u>15,142,217</u>
Increase in net position restricted for other postemployment benefits	(1,500,222)
Fiduciary net position - July 1, 2021	<u>26,870,133</u>
Fiduciary net position - June 30, 2022	<u>\$ 25,369,911</u>

D. Other Postemployment Benefits - Group Life Insurance Program

1. Plan Description

The County and School Board component unit participate in the VRS GLI Program, a multiple employer, cost-sharing defined benefit plan. Upon employment, all full-time, salaried and permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by GLI Program. Coverage ends for employees who leave their positions before retirement eligibility or who take a refund of their member contributions and accrued interest. This plan is administered by VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth. Detail information about the GLI Program's fiduciary net position is available in the separately issued VRS 2021 CAFR. A copy of the 2021 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf> or by writing to the VRS system's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.

- a) Benefit - The GLI Program is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to the basic natural and accidental death benefits, the program provides benefits provided under specific circumstances that include accidental dismemberment, safety belt, repatriation and felonious assault benefits and an accelerated death benefit option. The benefit amounts provided 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

County of Chesterfield, Virginia
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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, the minimum benefit payable was set at \$8,000 by statute in 2015, increased annually based on the VRS Plan 2 (pension plan) cost of living adjustment and is currently \$8,722.

- b) Contribution - The total contribution rate for the GLI Program was 1.34% of covered employee compensation. This rate was allocated into an employee and an employer component using a 60/40 split. Although not required, the County and School Board component unit elected to pay the employee component, which is separate from the contractually required employer contribution. Each participating employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was determined from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program for the years ended June 30, 2022 and June 30, 2021 by the County and School Board component unit are as follows:

<u>Description</u>	<u>2022</u>	<u>2021</u>
County	\$1,211,011	\$1,121,759
School Board - non-professional	131,343	111,344
School Board - professional	1,986,082	1,822,228

- c) Liabilities - At June 30, 2022, the County, School Board component unit non-professional and Professional groups reported liabilities of \$11,713,967, \$1,163,573 and \$19,031,063, respectively, for their proportionate shares of the net Group Life Insurance Program OPEB (GLI OPEB) liability. The net GLI OPEB liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined contributions to the GLI Program for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. The proportion for the County, School Board component unit non-professional and professional groups for the years ended June 30, 2022 and June 30, 2021 were as follows:

<u>Description</u>	<u>2022</u>	<u>2021</u>
County	1.00612%	0.99689%
School Board - non-professional	0.09994%	0.10526%
School Board - professional	1.63459%	1.57354%

For the year ended June 30, 2022, the County recognized GLI OPEB expense of \$475,235 and School Board component unit non-professional group recognized GLI OPEB expense of \$12,574. The School Board component unit professional group recognized GLI OPEB expense of \$998,293. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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At June 30, 2022, the County, School Board component unit non-professional and professional groups reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

(i) County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,336,019	\$ 89,254
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,795,873
Change in assumptions	645,788	1,602,720
Changes in proportion	162,153	69,780
Employer contributions subsequent to measurement date	<u>1,211,011</u>	<u>-</u>
Total	<u>\$ 3,354,971</u>	<u>\$ 4,557,627</u>

(ii) School Board - non-professional group:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 132,710	\$ 8,866
Net difference between projected and actual earnings on GLI OPEB program investments	-	277,720
Change in assumptions	64,147	159,202
Changes in proportion	181,523	201,279
Employer contributions subsequent to the measurement date	<u>131,343</u>	<u>-</u>
Total	<u>\$ 509,723</u>	<u>\$ 647,067</u>

(iii) School Board - professional group:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,170,560	\$ 145,006
Net difference between projected and actual earnings on GLI OPEB program investments	-	4,542,306
Change in assumptions	1,049,177	2,603,855
Changes in proportion	1,000,625	248,604
Employer contributions subsequent to the measurement date	<u>1,986,082</u>	<u>-</u>
Total	<u>\$ 6,206,444</u>	<u>\$ 7,539,771</u>

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County, School Board component unit non-professional and professional contributions of \$1,211,011, \$131,343 and \$1,986,082, respectively, made subsequent to the measurement date and recognized as deferred outflows of resources related to the GLI OPEB will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year ended June 30	County	School Board Non-Professional	School Board Professional
2023	\$ (581,741)	\$ (92,418)	\$ (718,919)
2024	(444,942)	(39,704)	(552,581)
2025	(422,653)	(14,752)	(613,781)
2026	(827,335)	(91,031)	(1,306,249)
2027	(136,996)	(30,782)	(127,879)
Thereafter	-	-	-
Total	<u>\$ (2,413,667)</u>	<u>\$ (268,687)</u>	<u>\$ (3,319,409)</u>

- d) Actuarial assumptions - The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020 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, 2021.

Inflation 2.50%
Salary increased, including inflation:
 Locality general purpose employees 3.50% - 5.35%
 Locality hazardous duty employees 3.50% - 4.75%
 Teachers 3.50% - 5.95%
Investment rate of return 6.75%, net of investment expenses,
including inflation

- 1) Mortality rates - locality general employees (County and School Board - non-professional groups):

Pre-retirement.....Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-retirement.....Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
Post-disablement.....Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

The actuarial assumptions used in the June 30, 2020 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, 2019.

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

Mortality rates (all).....	Updated 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

2) Mortality rates - locality hazardous duty employees:

Pre-retirement	PUB2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% for females set forward 2 years
Post-retirement.....	PUB2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-disablement	PUB2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality rates (all).....	Updated to PUB2010 public sector mortality rates. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement rates.....	Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70 for all
Withdrawal rates	Decreased rates
Disability rates	No change
Salary scale.....	No change
Line of duty disability	No change
Discount rate	No change

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3) Mortality rates - School Board - professional:

Pre-retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; males set forward 1 year; 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

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (all).....	Updated 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 Plan1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability rates	No change
Salary scale.....	No change
Discount rate	No change

- e) Net GLI OPEB Liabilities - The net GLI OPEB liability represents the GLI program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of the measurement date June 30, 2022, the net GLI OPEB liability is as follows:

Total for the Cost-Sharing Employer Plans - GLI (all employers)	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,577,345,268
Plan Fiduciary Net Position	<u>(2,413,073,915)</u>
Employers' Net GLI OPEB Liability	<u>\$ 1,164,271,353</u>
Plan Fiduciary Net Position as a % of the Total GLI OPEB Liability	67.45%

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The total GLI OPEB liability is calculated by the VRS system's actuary and each plan's fiduciary net position is reported in the VRS system's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GAAP in the VRS system's notes to the financial statements and required supplementary information.

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

Asset Class	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	<u>3.00%</u>	6.84%	<u>0.21%</u>
Total	<u>100.00%</u>		4.89%
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>7.39%</u>

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

- g) Discounts - The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by participating entities for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to contribute 100% of the actuarially determined

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contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

- h) Sensitivity - The following presents the employers' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current discount rate.

Employer's proportionate share of the net GLI OPEB liability	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	\$ 17,114,531	\$ 11,713,967	\$ 7,352,767
School Board - non-professional	1,700,022	1,163,573	730,366
School Board - professional	27,805,073	19,031,063	11,945,652

- i) Payables - At June 30, 2022, the County and School Board component unit owed the following amounts to the VRS GLI Program due to the timing of when contractually required contribution payments become due.

County	\$ 114,150
School Board - non-professional	11,557
School Board - professional	170,742

E. Other Postemployment Benefits - Health Insurance Credits

1. Plan Description

Professional staff of the School Board component unit participate in the VRS Teacher Employee HIC Program, a multiple employer, cost-sharing defined benefit plan. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Program. The benefit vests with eligible employees who retire with at least 15 years of service credit. The benefit ends upon the retiree's death. This plan is administered by VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth. Detail information about the HIC Program's fiduciary net position is available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf> or by writing to the VRS system's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.

- a) Benefit - Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to the VRS. The HIC is a tax-free reimbursement in an amount set by the Virginia General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering spouses or dependents, and cannot exceed the actual amount of the premium paid. For teacher and other professional school employees who retire, the monthly benefit is \$4 per year of service per month with no cap on the benefit amount. For teachers and other professional employees who retire on disability, the monthly benefit is either \$4 per month multiplied by twice the amount of service credit or \$4 per month multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

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- b) Contribution - Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the HIC Program were \$4,430,934 and \$4,074,045 for the years ended June 30, 2022 and June 30, 2021, respectively.
- c) Liabilities - At June 30, 2022, the School Board component unit reported a liability of \$48,869,714 for its proportionate share of the net HIC Program OPEB (HIC OPEB) liability. The net HIC OPEB liability was measured as of June 30, 2021 and the total HIC Program OPEB liability used to calculate the net HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The School Board component unit's proportionate share of the net HIC OPEB liability was based on the school division's actuarially determined employer contributions to the HIC OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board component unit's proportion of the HIC Program was 3.81% compared to 3.69% at June 30, 2020.

For the year ended June 30, 2022, the School Board component unit recognized HIC OPEB expense of \$4,207,349. Since there was a change in proportionate share between June 30, 2020 and June 30, 2021, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the School Board component unit reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 852,773
Net difference between projected and actual earnings on HIC OPEB program investments	-	643,762
Change in assumptions	1,321,037	196,404
Changes in proportion	1,885,025	528,942
Employer contributions subsequent to measurement date	4,430,934	-
Total	<u>\$ 7,636,996</u>	<u>\$ 2,221,881</u>

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\$4,430,934 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board component unit's contributions subsequent to the measurement date will be recognized as a reduction of the net HIC OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year ended June 30	School Board Professional
2023	\$ 167,510
2024	160,200
2025	159,819
2026	81,877
2027	177,530
Thereafter	<u>237,245</u>
Total	<u>\$ 984,181</u>

- d) Actuarial assumptions - The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020 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, 2021.

Inflation	2.5%
Salary increased, including inflation:	
Teachers	3.50% - 5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

Mortality rates:

Pre-retirement.....	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
Post-retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-disablement.....	Pub-2010 Amount Weighted Teachers Disable Rates projected generationally; 110% rates for males and females
Mortality Improvement Scale.....	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

- e) Net HIC OPEB Liabilities - The net HIC OPEB liability represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2021, the net HIC OPEB liability is as follows:

Total for the Cost-Sharing Employer Plans - HIC (all employers)	Teachers' Health Insurance Credit Program
Total HIC OPEB Liability	\$ 1,477,873,333
Plan Fiduciary Net Position	(194,304,167)
Employers' Net HIC OPEB Liability	<u>\$ 1,283,569,166</u>
Plan Fiduciary Net Position as a % of the Total HIC OPEB Liability	13.15%

The total HIC OPEB liability is calculated by the VRS system's actuary, and each plan's fiduciary net position is reported in the VRS system's financial statements. The net HIC OPEB liability is disclosed in accordance with the requirements of GAAP in the VRS system's notes to the financial statements and required supplementary information.

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

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Asset Class	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u><u>7.39%</u></u>

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

- g) Discounts - The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by participating entities for the HIC OPEB 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, 2021 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's Program's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.
- h) Sensitivity - The following presents the employers proportionate share of the net HIC OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current discount rate.

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	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Employer's proportionate share of the net HIC OPEB liability	\$ 55,013,752	\$ 48,869,714	\$ 43,670,392

- i) Payables - At June 30, 2022, the School Board component unit owed \$379,851 to the VRS HIC Program due to the timing of when contractually required contribution payments become due.

F. Summary of Deferred Outflows of Resources and Deferred Inflows of Resources by OPEB Plan

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Deferred Outflows of Resources related to OPEB				
Deferred investment experience:				
Other Postemployment Benefit Trust	\$ 1,677,010	\$ 162,180	\$ 1,839,190	\$ 1,208,880
Other Postemployment Benefit Trust - Line of Duty	648,813	-	648,813	-
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	940,292	90,934	1,031,226	830,477
Other Postemployment Benefit Trust - Line of Duty	2,950,449	-	2,950,449	-
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	2,170,560
VRS cost-sharing Group Life Insurance Plan	1,238,756	97,263	1,336,019	132,710
Deferred change in assumptions:				
Other Postemployment Benefit Trust	232,533	22,487	255,020	2,495,044
Other Postemployment Benefit Trust - Line of Duty	1,053,240	-	1,053,240	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	1,321,037
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,049,177
VRS cost-sharing Group Life Insurance Plan	598,774	47,014	645,788	64,147
Deferred change in proportionate share:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	1,885,025
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,000,625
VRS cost-sharing Group Life Insurance Plan	150,348	11,805	162,153	181,523
Deferred contributions:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	4,430,934
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,986,082
VRS cost-sharing Group Life Insurance Plan	1,122,850	88,161	1,211,011	131,343
Total deferred outflows of resources related to OPEB	<u>\$ 10,613,065</u>	<u>\$ 519,844</u>	<u>\$ 11,132,909</u>	<u>\$ 18,887,564</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
Deferred Inflows of Resources related to OPEB				
Deferred investment experience:				
VRS cost-sharing Teacher Health Insurance Credit Program				\$ 643,762
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool				4,542,306
VRS cost-sharing Group Life Insurance Plan	\$ 2,592,333	\$ 203,540	\$ 2,795,873	277,720
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	4,663,658	451,014	5,114,672	29,168,511
Other Postemployment Benefit Trust - Line of Duty	2,078,882	-	2,078,882	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	852,773
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	145,006
VRS cost-sharing Group Life Insurance Plan	82,757	6,497	89,254	8,866
Deferred change in assumptions:				
Other Postemployment Benefit Trust	10,338,851	999,851	11,338,702	12,169,202
Other Postemployment Benefit Trust - Line of Duty	3,724,261	-	3,724,261	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	196,404
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	2,603,855
VRS cost-sharing Group Life Insurance Plan	1,486,042	116,678	1,602,720	159,202
Deferred change in proportionate share:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	528,942
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	248,604
VRS cost-sharing Group Life Insurance Plan	64,700	5,080	69,780	201,279
Total deferred inflows of resources related to OPEB	<u>\$ 25,031,484</u>	<u>\$ 1,782,660</u>	<u>\$ 26,814,144</u>	<u>\$ 51,746,432</u>

	Water	Wastewater	Non-major Airport	Total
Enterprise funds				
Deferred Outflows of Resources related OPEB				
Deferred investment experience:				
Other Postemployment Benefit Trust	\$ 74,917	\$ 84,925	\$ 2,338	\$ 162,180
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	42,007	47,615	1,312	90,934
VRS cost-sharing Group Life Insurance Plan	40,750	54,643	1,870	97,263
Deferred change in assumptions				
Other Postemployment Benefit Trust	10,387	11,776	324	22,487
VRS cost-sharing Group Life Insurance Plan	19,696	26,414	904	47,014
Deferred change in proportionate share				
VRS cost-sharing Group Life Insurance Plan	4,945	6,633	227	11,805
Deferred contributions:				
VRS cost-sharing Group Life Insurance Plan	36,936	49,530	1,695	88,161
Total deferred outflows of resources related to OPEB	<u>\$ 229,638</u>	<u>\$ 281,536</u>	<u>\$ 8,670</u>	<u>\$ 519,844</u>

County of Chesterfield, Virginia
Notes to Financial Statements
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Enterprise funds	Water	Wastewater	Non-major Airport	Total
Deferred Inflows of Resources related to OPEB				
Deferred investment experience:				
VRS cost-sharing Group Life Insurance Plan	\$ 85,275	\$ 114,351	\$ 3,914	\$ 203,540
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	208,341	236,172	6,501	451,014
VRS cost-sharing Group Life Insurance Plan	2,722	3,650	125	6,497
Deferred change in assumptions:				
Other Postemployment Benefit Trust	461,871	523,565	14,415	999,851
VRS cost-sharing Group Life Insurance Plan	48,883	65,552	2,243	116,678
Deferred change in proportionate share:				
VRS cost-sharing Group Life Insurance Plan	2,128	2,856	96	5,080
Total deferred inflows of resources related to OPEB	<u>\$ 809,220</u>	<u>\$ 946,146</u>	<u>\$ 27,294</u>	<u>\$ 1,782,660</u>

Internal Service funds	Vehicle and Communications	Risk Management	Total
Deferred Outflows of Resources related to OPEB			
Deferred investment experience:			
Other Postemployment Benefit Trust	\$ 37,465	\$ 4,517	\$ 41,982
VRS cost-sharing Group Life Insurance Plan	-	-	-
Deferred OPEB difference between expected and actual:			
Other Postemployment Benefit Trust	21,005	2,534	23,539
VRS cost-sharing Group Life Insurance Plan	26,721	7,748	34,469
Deferred change in assumptions:			
Other Postemployment Benefit Trust	5,195	627	5,822
VRS cost-sharing Group Life Insurance Plan	12,915	3,746	16,661
Deferred change in proportionate share:			
VRS cost-sharing Group Life Insurance Plan	3,243	940	4,183
Deferred contributions:			
VRS cost-sharing Group Life Insurance Plan	24,220	7,024	31,244
Total deferred outflows of resources related to OPEB	<u>\$ 130,764</u>	<u>\$ 27,136</u>	<u>\$ 157,900</u>

County of Chesterfield, Virginia
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June 30, 2022

Internal Service funds	Vehicle and Communications	Risk Management	Total
Deferred Inflows of Resources related to OPEB			
Deferred investment experience:			
VRS cost-sharing Group Life Insurance Plan	\$ 55,917	\$ 16,217	\$ 72,134
Deferred OPEB difference between expected and actual:			
Other Postemployment Benefit Trust	104,188	12,562	116,750
VRS cost-sharing Group Life Insurance Plan	1,786	516	2,302
Deferred change in assumptions:			
Other Postemployment Benefit Trust	230,974	27,848	258,822
VRS cost-sharing Group Life Insurance Plan	32,055	9,296	41,351
Deferred change in proportionate share:			
VRS cost-sharing Group Life Insurance Plan	1,396	403	1,799
Total deferred inflows of resources related to OPEB	<u>\$ 426,316</u>	<u>\$ 66,842</u>	<u>\$ 493,158</u>

G. Summary of Net OPEB Liability and Expense by OPEB Plan

	Primary Government			Component Unit
	Governmental	Business-type	Total	School Board
	Activities	Activities		
Net OPEB Liability				
Postemployment Retiree Healthcare Benefits	\$ 42,417,383	\$ 4,102,105	\$ 46,519,488	\$ 121,378,048
Line of Duty	5,525,658	-	5,525,658	-
Group Life Insurance Plan	10,861,191	852,776	11,713,967	1,163,573
Group Life Insurance Plan - Teachers' Pool	-	-	-	19,031,063
Health Insurance Credits	-	-	-	48,869,714
Total net OPEB liability	<u>\$ 58,804,232</u>	<u>\$ 4,954,881</u>	<u>\$ 63,759,113</u>	<u>\$ 190,442,398</u>
OPEB Expense				
Postemployment Retiree Healthcare Benefits	\$ 874,959	\$ 84,615	\$ 959,574	\$ 1,441,507
Line of Duty	1,277,595	-	1,277,595	-
Group Life Insurance Plan	440,638	34,597	475,235	12,574
Group Life Insurance Plan - Teachers' Pool	-	-	-	998,293
Health Insurance Credits	-	-	-	4,207,349
Total OPEB expense	<u>\$ 2,593,192</u>	<u>\$ 119,212</u>	<u>\$ 2,712,404</u>	<u>\$ 6,659,723</u>

County of Chesterfield, Virginia
Notes to Financial Statements
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Enterprise funds	Water	Wastewater	Non-major Airport	Total
Net OPEB Liability				
Postemployment Retiree Healthcare Benefits	\$ 1,894,928	\$ 2,148,036	\$ 59,141	\$ 4,102,105
Group Life Insurance Plan	357,276	479,100	16,400	852,776
Total net OPEB liability	<u>\$ 2,252,204</u>	<u>\$ 2,627,136</u>	<u>\$ 75,541</u>	<u>\$ 4,954,881</u>
OPEB Expense				
Postemployment Retiree Healthcare Benefits	\$ 39,087	\$ 44,308	\$ 1,220	\$ 84,615
Group Life Insurance Plan	14,495	19,437	665	34,597
Total OPEB expense	<u>\$ 53,582</u>	<u>\$ 63,745</u>	<u>\$ 1,885</u>	<u>\$ 119,212</u>
Internal Service funds	Vehicle and Communications	Risk Management	Total	
Net OPEB Liability				
Postemployment Retiree Healthcare Benefits	\$ 947,621	\$ 114,255	\$ 1,061,876	
Group Life Insurance Plan	234,279	67,941	302,220	
Total net OPEB liability	<u>\$ 1,181,900</u>	<u>\$ 182,196</u>	<u>\$ 1,364,096</u>	
OPEB Expense				
Postemployment Retiree Healthcare Benefits	\$ 19,547	\$ 2,357	\$ 21,904	
Group Life Insurance Plan	9,505	2,756	12,261	
Total OPEB expense	<u>\$ 29,052</u>	<u>\$ 5,113</u>	<u>\$ 34,165</u>	

14. Tax Abatements

A. General

Incentive Program for Rehabilitation of Commercial Properties - The County has adopted an ordinance granting a partial tax exemption for certain commercial or industrial structures that have been rehabilitated, renovated or replaced. This program is established under the authority provided by the Code of Virginia §58.1-3221. Upon approval, the partial exemption will be in effect for seven years. The amount of the exemption is based solely on the increase in assessed value and does not change over the seven-year period. Generally, to qualify, the commercial or industrial structures must be no less than 25 years of age, the increase in assessed value must be 15% or more and the taxpayer must apply for the exemption within 12 months after the filing date of the building permit application for the rehabilitation, renovation or replacement structure. Because real property taxes are not abated until after the improvements have been made, there are no provisions for recapturing abated taxes. In fiscal year 2022, tax abatements for the County's incentive program for rehabilitation of commercial properties totaled \$215,961. No other commitments are made by the County as part of these agreements.

County of Chesterfield, Virginia
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B. Technology Zone Programs

The County has five technology zones, which are distinct geographical areas of the County, that provide a package of incentives designed to encourage business expansion and recruitment. This program is established under the authority provided by the Code of Virginia §58.1-3245.

Machinery and Tools – Any business which after January 1, 2006 either locates in a technology zone or undergoes a facility expansion or renovation which results in an increase of 15% or \$50,000, whichever is greater, in the assessed value of its machinery and tools over the value of its machinery and tools from the previous year can qualify for a 100% rebate of the increase in machinery and tools taxes for five consecutive years. The taxpayer must apply for and access the rebate within one year of start of operations in the technology zone, or within one year of a qualifying facility expansion or renovation in order to receive the rebate. In fiscal year 2022, tax abatements for the County's Technology Zone Programs for Machinery and Tools taxes totaled \$63,369. No other commitments are made by the County as part of these agreements.

Business License – Any business required to obtain a license based on gross receipts or purchases and is located in or makes improvements to a building within a technology zone, on or after the date on which the technology zone was established, may be qualified to receive tax relief of the increase in gross receipts or purchases over the business' gross receipts or purchase during the base year. To qualify for the relief, the business must apply within one year of start of operations in the zone. The tax and fee relief period will begin in the tax year after the business qualifies for the relief and will last for four additional tax years, or for so long as the business remains within any technology zone, whichever period is shorter. In fiscal year 2022, tax abatements for the County's Technology Zone Programs for Business License fees totaled \$53,310. No other commitments are made by the County as part of these agreements.

C. Tourism, Public Entertainment and Recreation, and Other Grants

Under the authority provided by the Code of Virginia §15.2-4905, the Board may approve, through local resolution, individual incentive packages to encourage growth that provides significant economic benefits to the County in terms of capital investment, sports tourism and/or public entertainment and recreation. Economic Development staff negotiate the terms of these agreements and the County agrees to rebate a portion of agreed upon taxes and, in exchange, the taxpayer agrees to meet certain performance measures, which typically include a minimum capital investment and the creation of a minimum number of new, full-time jobs. Each performance agreement specifies the duration of the tax abatement period and other any terms or conditions that apply to the transaction. There were no rebates paid in fiscal year 2022.

D. Tax Increment Financing

Under the authority of Code of Virginia §58.1-3245.2, the County adopted various tax increment financing agreements with community development authorities that were created by the County for the purpose of financing, planning, acquisition and construction of infrastructure improvements within each authority's designated development district. The authorities have pledged the tax increments to pay debt service on long-term debt issued to finance infrastructure improvements. Based on the individual agreements, the County has agreed to pay a range of 64% to 100% of incremental real estate taxes that exceed base amounts to each authority. In fiscal year 2022, the County paid \$945,162 in real property tax increments. The County also agreed to pay from 34% to 100% of its the local portion of sales tax revenue collected each calendar year from retail establishments within the districts to each authority. For fiscal year 2022, the County paid \$537,271 in sales tax revenues related to calendar year 2021.

County of Chesterfield, Virginia
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E. Land Trust

Under the authority of Code of Virginia §15.2-7501 the County designated Maggie Walker Community Land Trust to carry out the functions of a land bank entity for the purpose of assisting the County to address vacant, abandoned, and tax delinquent properties in the county. Under the authority of Code of Virginia §15.2-7509 when real property is conveyed by the land bank entity, fifty percent of the real property taxes collected on such property shall be remitted to the land bank entity. Such remittance of real property taxes collected shall commence with the first taxable year following the date of conveyance and continue for a period of ten years. The remittance shall not be renewed at the conclusion of the ten-year period. There were no remittances to the Land Bank in fiscal year 2022.

15. Joint Ventures

A. Appomattox River Water Authority

The County, in conjunction with the Counties of Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights, participated in the creation of the Appomattox River Water Authority (Water Authority). The Water Authority was established under the provisions of the Virginia Water and Sewer Authorities Act. The Water Authority, whose five-member board is comprised of one representative from each participating entity, is responsible for providing a supply of filtered water to be purchased by the members of the Water Authority and for improvements and expansion to meet the current and future demands of the participating jurisdictions.

The County retains an ongoing financial responsibility for the joint venture due to the requirement to purchase water and the capacity rights, (note 1.D.6), received in connection with the expansion of the treatment plant. The County's purchases of water for the year ended June 30, 2022, were \$8,412,021. Complete financial statements for the Water Authority can be obtained from the Water Authority's Office at 21300 Chesdin Road, South Chesterfield, Virginia 23803.

B. Capital Region Airport Commission

The County, together with the City of Richmond and the Counties of Henrico and Hanover, participates in an intergovernmental joint venture, the Capital Region Airport Commission (Commission). The Commission owns and operates the Richmond International Airport (Airport).

The Commission is comprised of a fourteen-member board of directors, with four members each being appointed by the City of Richmond, County of Henrico and County of Chesterfield governing bodies and two members being appointed by the County of Hanover governing body. The Commission generates revenues from service charges to users of the Airport facilities to recover the costs of maintaining, repairing and operating the Airport. Virginia law requires that the Commission submit an annual budget showing estimated revenues and estimated expenditures to the governing bodies of the localities for their approval. The Commission's budget submittal must identify any deficits and the proportion of the deficit to be borne by, or requested of, each participating locality's governing body. Allocation of the Commission's deficit among the participating localities shall be proportionate to their respective populations. If a participating locality's governing body approves the Commission's operating and capital budgets with deficits, the locality shall appropriate to the Commission its share of the deficit. If during any fiscal year the Commission shall receive general fund revenues in excess of those estimated in its approved operating budget, the budgeted deficit shall be reduced and so shall the proportionate appropriation of the participating localities unless otherwise agreed upon by the parties. No contribution was made by the County in fiscal year 2022. Complete financial statements for the Commission can be obtained from the Commission's Office at Richmond International Airport, 1 Richard E. Byrd Terminal Dr., Suite A, Richmond, VA 23250.

County of Chesterfield, Virginia
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C. Greater Richmond Convention Center Authority

The Greater Richmond Convention Center Authority (the Convention Authority) is a political subdivision of the Commonwealth of Virginia and was created by the City of Richmond and the Counties of Chesterfield, Hanover and Henrico for the purpose of expanding, owning and operating a regional convention center facility. 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.

Each participating jurisdiction is authorized to levy an 8% transient occupancy tax and has agreed in the Hotel Tax Payment Agreement to appropriate and to pay to the Convention Authority an amount equal to the total amount of transient occupancy tax collected. The County recorded an expenditure of \$6,642,030 for transient occupancy tax to the Convention Authority during the year ended June 30, 2022.

Each participating jurisdiction intends that its respective tax payment will be sufficient to fund its allocated share of operating costs as defined in the Interlocal Agreement. The County received \$2,539,907 from the Convention Authority for tax payments made in excess of its allocated share of operating costs during the year ended June 30, 2022.

On May 19, 1998, the Convention Authority entered into a fiscal services agreement with the County. The agreement specifies that the County provide services to the Convention Authority to (1) direct and monitor the investment and disbursement of funds from future revenue bonds held by the trustee; (2) receive and manage revenues transferred on behalf of the Convention Authority to the Treasurer of Chesterfield County; (3) maintain accounting records in accordance with generally accepted accounting principles and coordinate with outside independent auditors; (4) monitor and control the Convention Authority's budget; and (5) secure arbitrage reporting and financial advisory services. In accordance with the terms of the fiscal agent agreement, the Convention Authority made payments of \$131,600 to the County for the year ended June 30, 2022. The agreement is effective until the Convention Authority or the County gives written notice to the other of its desire to terminate the agreement. Complete financial statements for the Convention Authority can be obtained from Chesterfield County, Accounting Department, 9901 Lori Road, Chesterfield, VA 23832.

D. Greater Richmond Transit Company

The Greater Richmond Transit Company (GRTC) is a public service corporation organized to provide mass transportation services to the Richmond metropolitan area. GRTC is owned jointly by the County and the City of Richmond, each owning a 50% share of the corporation. The County does not have an explicit or measurable claim to the resources of GRTC.

The Board of Directors is comprised of nine members, with three members each representing the jurisdictions of the City of Richmond, Chesterfield County and Henrico County. The majority of the capital, operating and liability costs are paid by fare revenue, state and federal grants, and when necessary, route subsidies. Each locality participates in GRTC's cost only to the extent that the locality chooses to have GRTC operate routes within its jurisdiction. The County's ongoing financial responsibility in GRTC is due to this commitment. A \$1,381,617 contribution was made by the County in fiscal year 2022. Complete financial statements for GRTC can be obtained from GRTC at 301 East Belt Blvd., Richmond, VA, 23224.

County of Chesterfield, Virginia
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E. Riverside Regional Jail Authority

The Riverside Regional Jail Authority (RRJA) was created by Chapter 726 of the 1990 Acts of the General Assembly and was formed on June 21, 1990. RRJA is comprised of the Cities of Colonial Heights, Hopewell and Petersburg and the Counties of Charles City, Chesterfield, Prince George and Surry. A fourteen-member board comprised of one appointed member and the sheriff from each participating jurisdiction governs RRJA. Each member must reside in and be appointed by the governing body of his political subdivision.

The regional jail is located in the County of Prince George adjacent to the Federal Correctional Institution and is used to hold prisoners primarily from each member jurisdiction. In accordance with the Jail Authority Service Agreement, each participating locality is required to commit a determined percentage of its inmates, paying per diem rates, to the jail. The County retains an ongoing financial responsibility for this joint venture due to this requirement of the agreement. The County's per diem payments for the year ended June 30, 2022, were \$7,817,766. Complete financial statements for RRJA can be obtained from the Riverside Regional Jail Authority's office at 500 Folar Trail, North Prince George, VA 23860.

F. South Central Wastewater Authority

On July 2, 1996, the County, in conjunction with the Counties of Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights participated in the creation of the South Central Wastewater Authority (Wastewater Authority), by concurrent resolutions in accordance with the Virginia Water and Sewer Authorities Act. The purpose of the Wastewater Authority, whose five-member board is comprised of one representative from each participating jurisdiction, is to acquire, finance, construct, expand, improve, operate and maintain wastewater treatment and related facilities and for compliance with all requirements of applicable laws and regulations, except as otherwise provided in the service agreements.

The County paid \$4,786,709 on July 2, 1996, representing its share of acquired debt and an initial operations and maintenance deposit. The County will be responsible for its portion of operation and maintenance expenses on a monthly basis, based on the Service Agreement. The County's purchases of wastewater services for the year ended June 30, 2022 were \$766,274. Complete financial statements for the Wastewater Authority can be obtained from the South Central Wastewater Authority's Office at 900 Magazine Road, Petersburg, VA 23803.

16. Related Organizations and Jointly Governed Organizations

A. Health Center Commission for the County of Chesterfield

The Health Center Commission for the County of Chesterfield (Health Center Commission) was created on January 13, 1993 by the County Board, pursuant to Chapter 37, Title 15.1 of the Code of Virginia, for the purpose of operating a long-term care facility and independent living campus (Lucy Corr Village). The seven members of the Health Center Commission are appointed by the Board; however there is no ability of the Board to direct the members of the Health Center Commission with respect to carrying out the Health Center Commission's fiscal and management functions and the Health Center Commission has no significant financial benefit or financial burden relationship with the County. The County provides support services to the Health Center Commission on a cost basis. For fiscal year 2022, the County received \$26,169 from the Health Center Commission for providing support services.

County of Chesterfield, Virginia
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June 30, 2022

B. Central Virginia Waste Management Authority

The Central Virginia Waste Management Authority (Waste Authority) was established under the provision of the Virginia Water and Sewer Authorities Act. The Waste 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, Hopewell and Richmond and the Town of Ashland. The twenty member board is comprised of no less than one and up to no more than four members from each of the participating jurisdictions, determined on a population basis. The County has three representatives serving. The Waste Authority is responsible for creating and implementing recycling and solid waste management programs for its local member jurisdictions in order to meet waste reduction mandates set by the Virginia General Assembly. Except for contribution requirements and direct payments for special projects, no participant has any ongoing financial interest or responsibility in the Waste Authority. The County's contribution and direct payments for special projects for the year ended June 30, 2022, were \$3,449,839.

C. 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 two representatives serving on the Greater Richmond Partnership's seventeen member Board of Directors and contributed \$385,000 for the year ended June 30, 2022.

D. Richmond Region Tourism

Richmond Region Tourism (RRT), formerly the Richmond Metropolitan Convention and Visitors Bureau, serves the Cities of Richmond and Colonial Heights, the Town of Ashland and the Counties of Chesterfield, Hanover, Henrico, and New Kent 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 RRT has twenty-four members and the County has one representative serving on RRT's Board of Directors and contributed \$1,120,700 for the year ended June 30, 2022.

E. Richmond Regional Planning District Commission

The Richmond Regional Planning District Commission (RRPDC) is comprised of thirty-three 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 objectives 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. 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 the future. The County has seven representatives and one alternate serving on the RRPDC and paid total dues of \$167,958 for the year ended June 30, 2022.

F. Lower Magnolia Green Community Development Authority

Lower Magnolia Green Community Development Authority (LMGCDA) was established by an ordinance adopted by the County's Board of Supervisors on August 22, 2007 at the request of the owner of the property at that time, and pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Section 15.2-5152 of the Code of Virginia. The sole purpose of the LMGCD is to finance, construct and maintain certain public improvements within the Lower Magnolia Green Special Assessment District (LMGSAD). The operating revenue of LMGCD is primarily from Special Assessments collected by the County on behalf of LMGCD against the taxable real property in the LMGSAD. The County agreed to manage the construction of road improvements to be paid for by

County of Chesterfield, Virginia
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LMGCDA. The total cost of the project is estimated to be \$25,000,000. In fiscal year 2022, the County received reimbursements for expenditures relating to the LMGCD road widening project in the amount of \$373,195.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information (Unaudited)
Primary Government
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Local Plan

Schedule of Changes in Net Pension Liability and Related Ratios*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability								
Service cost	\$ 22,359,979	\$ 22,190,584	\$ 22,272,468	\$ 23,239,284	\$ 23,782,639	\$ 23,887,734	\$ 26,311,332	\$ 26,220,272
Interest	60,537,206	63,626,498	65,494,255	67,908,912	70,546,359	73,176,982	75,395,644	79,713,046
Changes of assumptions	-	-	-	2,022,586	-	33,012,481	-	48,781,987
Difference between expected and actual experience	-	(17,191,373)	(8,183,531)	(6,527,022)	(3,619,063)	(2,807,910)	20,446,165	(18,700,096)
Benefit payments, including refunds of member contributions	(37,609,453)	(39,919,429)	(43,967,501)	(46,208,684)	(51,723,215)	(54,535,995)	(56,828,478)	(59,554,807)
Net change in total pension liability	45,287,732	28,706,280	35,615,691	40,435,076	38,986,720	72,733,292	65,324,663	76,460,402
Plan total pension liability - beginning	883,621,959	928,909,691	957,615,971	993,231,662	1,033,666,738	1,072,653,458	1,145,386,750	1,210,711,413
Plan total pension liability - ending	<u>\$ 928,909,691</u>	<u>\$ 957,615,971</u>	<u>\$ 993,231,662</u>	<u>\$ 1,033,666,738</u>	<u>\$ 1,072,653,458</u>	<u>\$ 1,145,386,750</u>	<u>\$ 1,210,711,413</u>	<u>\$ 1,287,171,815</u>
Plan fiduciary net position								
Contributions - employer	\$ 26,084,703	\$ 26,685,876	\$ 27,306,288	\$ 23,642,700	\$ 24,044,622	\$ 25,567,311	\$ 26,735,004	\$ 29,952,331
Contributions - employee	8,820,383	8,787,349	9,096,346	9,245,876	9,212,218	9,462,407	9,910,875	10,001,761
Net investment income	103,473,934	34,502,076	13,653,023	95,910,844	64,159,374	60,814,725	18,184,370	259,941,671
Benefit payments, including refunds of member contributions	(37,609,453)	(39,919,429)	(43,967,501)	(46,208,684)	(51,723,215)	(54,535,995)	(56,828,478)	(59,554,807)
Administrative expense	(554,506)	(469,584)	(484,906)	(555,458)	(558,774)	(606,813)	(625,503)	(648,038)
Other changes	5,455	(7,320)	(5,789)	(85,337)	(56,997)	(38,278)	(21,791)	21,064
Net change in Plan fiduciary net position	100,220,516	29,578,968	5,597,461	81,949,941	45,077,228	40,663,357	(2,645,523)	239,713,982
Plan fiduciary net position - beginning	655,888,263	756,108,779	785,687,747	791,285,208	873,235,149	918,312,377	958,975,734	956,330,211
Plan fiduciary net position - ending	<u>\$ 756,108,779</u>	<u>\$ 785,687,747</u>	<u>\$ 791,285,208</u>	<u>\$ 873,235,149</u>	<u>\$ 918,312,377</u>	<u>\$ 958,975,734</u>	<u>\$ 956,330,211</u>	<u>\$ 1,196,044,193</u>
Plan net pension liability - ending	<u>\$ 172,800,912</u>	<u>\$ 171,928,224</u>	<u>\$ 201,946,454</u>	<u>\$ 160,431,589</u>	<u>\$ 154,341,081</u>	<u>\$ 186,411,016</u>	<u>\$ 254,381,202</u>	<u>\$ 91,127,622</u>
Plan fiduciary net position as a percentage of the total pension liability	81.40%	82.05%	79.67%	84.48%	85.61%	83.73%	78.99%	92.92%
Covered payroll	\$ 173,942,815	\$ 175,451,036	\$ 181,566,910	\$ 184,361,751	\$ 187,590,142	\$ 202,738,683	\$ 202,618,965	\$ 218,503,269
Plan net pension liability as a percentage of covered payroll	99.34%	97.99%	111.22%	87.02%	82.28%	91.95%	125.55%	41.71%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

Per GAAP, net pension liabilities are reported using the measurement date, which is one year prior to the reporting date.

* Schedules are intended to show information for 10 years. Since 2014 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Local Plan

Schedule of Changes in Net Pension Liability and Related Ratios*

	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability								
Service cost	\$ 2,949,849	\$ 2,915,998	\$ 2,651,127	\$ 2,018,689	\$ 1,479,580	\$ 1,744,280	\$ 1,829,998	\$ 1,836,935
Interest	7,295,839	7,583,876	7,846,485	7,895,142	7,789,094	7,694,378	7,676,782	7,763,263
Difference between expected and actual experience	-	406,101	(1,687,860)	(2,853,536)	(2,665,360)	(532,711)	(211,953)	(1,107,815)
Changes of assumptions	-	-	-	(400,345)	-	2,931,319	-	4,361,917
Benefit payments, including refunds of member contributions	(5,762,476)	(6,499,271)	(7,809,560)	(8,419,736)	(7,930,103)	(7,982,718)	(8,070,970)	(7,956,272)
Net change in total pension liability	4,483,212	4,406,704	1,000,192	(1,759,786)	(1,326,789)	3,854,548	1,223,857	4,898,028
Plan total pension liability - beginning	107,107,506	111,590,718	115,997,422	116,997,614	115,237,828	113,911,039	117,765,587	118,989,444
Plan total pension liability - ending	<u>\$ 111,590,718</u>	<u>\$ 115,997,422</u>	<u>\$ 116,997,614</u>	<u>\$ 115,237,828</u>	<u>\$ 113,911,039</u>	<u>\$ 117,765,587</u>	<u>\$ 118,989,444</u>	<u>\$ 123,887,472</u>
Plan fiduciary net position								
Contributions - employer	\$ 3,168,042	\$ 2,839,204	\$ 2,166,394	\$ 1,485,751	\$ 1,585,825	\$ 2,490,225	\$ 2,478,507	\$ 1,775,380
Contributions - employee	1,388,336	1,317,080	994,249	772,643	815,103	999,604	970,747	921,367
Net investment income	12,967,640	4,266,413	1,577,265	10,957,663	7,077,891	6,456,989	1,896,056	26,368,154
Benefit payments, including refunds of member contributions	(5,762,476)	(6,499,271)	(7,809,560)	(8,419,736)	(7,930,103)	(7,982,718)	(8,070,970)	(7,956,272)
Administrative expense	(70,338)	(59,811)	(61,331)	(67,765)	(64,350)	(66,968)	(67,564)	(68,836)
Other changes	683	(897)	(685)	(9,587)	(6,181)	(4,052)	(3,378)	2,249
Net change in Plan fiduciary net position	11,691,887	1,862,718	(3,133,668)	4,718,969	1,478,185	1,893,080	(2,796,602)	21,042,042
Plan fiduciary net position - beginning	82,963,489	94,655,376	96,518,094	93,384,426	98,103,395	99,581,580	101,474,660	98,678,058
Plan fiduciary net position - ending	<u>\$ 94,655,376</u>	<u>\$ 96,518,094</u>	<u>\$ 93,384,426</u>	<u>\$ 98,103,395</u>	<u>\$ 99,581,580</u>	<u>\$ 101,474,660</u>	<u>\$ 98,678,058</u>	<u>\$ 119,720,100</u>
Plan net pension liability - ending	<u>\$ 16,935,342</u>	<u>\$ 19,479,328</u>	<u>\$ 23,613,188</u>	<u>\$ 17,134,433</u>	<u>\$ 14,329,459</u>	<u>\$ 16,290,927</u>	<u>\$ 20,311,386</u>	<u>\$ 4,167,372</u>
Plan fiduciary net position as a percentage of the total pension liability	84.82%	83.21%	79.82%	85.13%	87.42%	86.17%	82.93%	96.64%
Covered payroll	\$ 27,158,776	\$ 25,240,789	\$ 19,762,536	\$ 16,006,363	\$ 17,089,386	\$ 20,822,912	\$ 21,813,838	\$ 20,159,457
Plan net pension liability as a percentage of covered payroll	62.36%	77.17%	119.48%	107.05%	83.85%	78.24%	93.11%	20.67%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

Per GAAP, net pension liabilities are reported using the measurement date, which is one year prior to the reporting date.

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County of Chesterfield, Virginia
 Required Supplementary Information (Unaudited)
 School Board Component Unit
 (See Accompanying Report of the Independent Auditor)
 Virginia Retirement System - Teachers' Pool

Schedule of School Board's Proportionate Share of the Net Pension Liability*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Employer's proportion of the Net Pension Liability	3.65792%	3.68087%	3.64488%	3.68164%	3.75075%	3.72883%	3.70121%	3.80244%
Employer's proportionate share of the Net Pension Liability	\$ 442,048,000	\$ 463,287,000	\$ 510,798,000	\$ 452,768,000	\$ 441,087,000	\$ 490,735,218	\$ 538,623,255	\$ 295,187,120
Employer's covered payroll	267,338,117	273,364,177	277,791,240	290,256,816	303,034,105	312,334,155	323,215,546	336,644,633
Employer's proportionate share of the Net Pension Liability as a percentage of its covered payroll	165.35%	169.48%	183.88%	155.99%	145.56%	157.12%	166.65%	87.69%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.48%	85.82%

Notes to Schedule:

Per GAAP, net pension liabilities are reported using the measurement date, which is one year prior to the reporting date.

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County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer VRS Contributions

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government*					
2015	\$ 26,685,876	\$ 26,685,876	\$ -	\$ 175,451,036	15.21%
2016	27,306,288	27,306,288	-	181,566,910	15.04
2017	23,642,700	23,642,700	-	184,361,751	12.82
2018	24,044,622	24,044,622	-	187,590,142	12.82
2019	25,567,311	25,567,311	-	202,738,683	12.61
2020	26,735,004	26,735,004	-	202,618,965	13.19
2021	29,952,322	29,952,322	-	218,503,269	13.71
2022	32,237,731	32,237,731	-	222,848,593	14.47
School Board Component Unit - Non-professional*					
2015	\$ 2,839,204	\$ 2,839,204	\$ -	\$ 25,240,789	11.25%
2016	2,166,394	2,166,394	-	19,762,536	10.96
2017	1,485,751	1,485,751	-	16,006,363	9.28
2018	1,585,825	1,585,825	-	17,089,386	9.25
2019	2,490,225	2,490,225	-	20,822,912	11.96
2020	2,478,507	2,478,507	-	21,813,838	11.36
2021	1,775,565	1,775,565	-	20,159,457	8.63
2022	2,085,968	2,085,968	-	23,961,819	8.71
School Board Component Unit - Professional (Teachers)*					
2015	\$ 39,521,472	\$ 39,521,472	\$ -	\$ 273,364,177	14.46%
2016	38,757,881	38,757,881	-	277,791,240	13.95
2017	41,864,534	41,864,534	-	290,256,816	14.42
2018	48,478,812	48,478,812	-	303,034,105	16.00
2019	47,755,750	47,755,750	-	312,334,155	15.29
2020	48,971,623	48,971,623	-	323,215,546	15.15
2021	53,746,776	53,746,776	-	336,644,633	15.97
2022	58,258,828	58,258,828	-	370,997,230	15.70

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

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System
Notes to VRS Required Supplemental Information

Change in benefit terms -

Primary Government and School Board Component Unit Non-professional:

There have been no actuarially significant changes to the System provisions since the prior actuarial valuation.

Changes of assumptions -

Primary Government and School Board Component Unit Non-professional:

The actuarial assumptions used in the June 30, 2020, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-Hazardous Duty:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age

- Adjusted rates to better fit experience at each year age and service through 9 years of age

- No change to disability rates

- No change to line of duty disability rate

- No change to discount rate

Largest 10 - Hazardous Duty:

- Updated to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

- Adjusted rates to better fit experience and changed final retirement age from 65 to 70

- Decreased withdrawal rates

- No change to disability rates

- No change to salary scale

- No change to line of duty disability

- No change to discount rate

VRS Teachers Pool:

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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service

- No change to disability rates

- No change to discount rate

Methods and assumptions used to determine contribution rates:

Primary Government and School Board Component Unit - Non-professional:

	<u>Non-Hazardous</u>	<u>Hazardous Duty</u>
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percent closed	Level percent closed
Remaining amortization period	14-23 years	14-23 years
Asset valuation method	5-year smoothed fair value	5-year smoothed fair value
Inflation rate	2.5%	2.5%
Projected salary increases	3.50% - 5.35%	3.50% - 5.35 %
Investment rate of return	6.75%	6.75%

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government
(See Accompanying Report of the Independent Auditor)
Supplemental Retirement Plan

Schedule of Changes in Net Pension Liability and Related Ratios*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total pension liability									
Service cost	\$ 436,406	\$ 403,634	\$ 389,168	\$ 341,753	\$ 276,487	\$ 278,100	\$ 282,413	\$ 267,803	\$ 376,731
Interest	2,175,203	2,230,938	2,246,553	2,356,749	2,328,557	2,390,185	2,474,123	2,623,719	3,121,684
Difference between expected and actual experience	(326,029)	(771,910)	314,521	(1,267,047)	272,174	690,599	(1,741,882)	6,964,276	5,558,100
Changes of assumptions	-	-	-	-	-	-	3,491,791	-	-
Benefit payments, including refunds of member contributions	(1,380,465)	(1,467,615)	(1,574,809)	(1,753,487)	(1,846,337)	(2,015,074)	(2,128,601)	(2,252,109)	(2,355,365)
Net change in total pension liability	905,115	395,047	1,375,433	(322,032)	1,030,881	1,343,810	2,377,844	7,603,689	6,701,150
Plan total pension liability - beginning	34,117,066	35,022,181	35,417,228	36,792,661	36,470,629	37,501,510	38,845,320	41,223,164	48,826,853
Plan total pension liability - ending	<u>\$ 35,022,181</u>	<u>\$ 35,417,228</u>	<u>\$ 36,792,661</u>	<u>\$ 36,470,629</u>	<u>\$ 37,501,510</u>	<u>\$ 38,845,320</u>	<u>\$ 41,223,164</u>	<u>\$ 48,826,853</u>	<u>\$ 55,528,003</u>
Plan fiduciary net position									
Contributions - employer	\$ 2,400,000	\$ 2,200,000	\$ 1,779,372	\$ 1,614,144	\$ 1,210,600	\$ 734,151	\$ 711,711	\$ 1,554,869	\$ 6,687,871
Net investment income (loss)	3,988,515	836,727	(68,103)	3,212,058	2,482,713	2,287,966	1,197,704	8,807,696	(5,340,399)
Benefit payments, including refunds of member contributions	(1,292,402)	(1,467,615)	(1,574,809)	(1,753,487)	(1,846,337)	(2,015,074)	(2,128,601)	(2,252,109)	(2,355,365)
Administrative expense	(88,063)	(76,370)	(77,676)	(78,142)	(92,337)	(81,499)	(82,843)	(84,400)	(90,758)
Net change in Plan fiduciary net position	5,008,050	1,492,742	58,784	2,994,573	1,754,639	925,544	(302,029)	8,026,056	(1,098,651)
Plan fiduciary net position - beginning	26,134,199	31,142,249	32,634,991	32,693,775	35,688,348	37,442,987	38,368,531	38,066,502	46,092,558
Plan fiduciary net position - ending	<u>\$ 31,142,249</u>	<u>\$ 32,634,991</u>	<u>\$ 32,693,775</u>	<u>\$ 35,688,348</u>	<u>\$ 37,442,987</u>	<u>\$ 38,368,531</u>	<u>\$ 38,066,502</u>	<u>\$ 46,092,558</u>	<u>\$ 44,993,907</u>
Plan net pension liability - ending	<u>\$ 3,879,932</u>	<u>\$ 2,782,237</u>	<u>\$ 4,098,886</u>	<u>\$ 782,281</u>	<u>\$ 58,523</u>	<u>\$ 476,789</u>	<u>\$ 3,156,662</u>	<u>\$ 2,734,295</u>	<u>\$ 10,534,096</u>
Plan fiduciary net position as a percentage of the total pension liability	88.92%	92.14%	88.86%	97.86%	99.84%	98.77%	92.34%	94.40%	81.03%
Covered payroll	\$ 152,639,449	\$ 146,058,394	\$ 137,953,101	\$ 127,044,622	\$ 126,065,622	\$ 122,908,897	\$ 113,542,877	\$ 111,878,471	\$ 120,058,140
Plan net pension liability as a percentage of covered payroll	2.54%	1.90%	2.97%	0.62%	0.05%	0.39%	2.78%	2.44%	8.77%

Notes to Schedule:

There were no benefit changes or changes to actuarial assumptions or methods for the 2014-2016 Plan year. In 2017, the inflation rate was changed to 2%.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return	16.08%	3.37%	0.30%	11.34%	6.94%	6.39%	3.02%	23.60%	(11.20%)

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County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Supplemental Retirement Program

Schedule of Changes in Net Pension Liability and Related Ratios*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability									
Service cost	\$ 1,938,164	\$ 1,668,165	\$ 1,915,218	\$ 2,888,145	\$ 1,000,515	\$ 926,887	\$ 874,851	\$ 860,716	\$ 836,867
Interest	6,885,837	5,057,421	4,964,736	5,476,927	6,582,063	5,110,745	4,864,125	4,704,307	4,774,409
Change in benefit terms	-	-	-	-	(7,428,337)	-	-	-	-
Difference between expected and actual experience	(5,862,476)	-	8,053,289	3,425,955	(5,915,675)	3,648,076	1,465,604	3,510,913	2,258,905
Changes of assumptions	3,954,534	(2,088,417)	10,225,013	(11,095,641)	(2,062,950)	-	1,021,847	-	4,416,348
Benefit payments, including refunds of member contributions	(12,252,008)	(12,268,111)	(11,252,201)	(12,270,541)	(14,402,588)	(15,072,710)	(11,782,929)	(9,559,129)	(6,388,086)
Net change in total pension liability	(5,335,949)	(7,630,942)	13,906,055	(11,575,155)	(22,226,972)	(5,387,002)	(3,556,502)	(483,193)	5,898,443
Program total pension liability - beginning	91,811,165	86,475,216	105,132,384	119,038,439	107,463,284	85,236,312	79,849,310	76,292,808	75,809,615
Program total pension liability - ending	<u>\$ 86,475,216</u>	<u>\$ 78,844,274</u>	<u>\$ 119,038,439</u>	<u>\$ 107,463,284</u>	<u>\$ 85,236,312</u>	<u>\$ 79,849,310</u>	<u>\$ 76,292,808</u>	<u>\$ 75,809,615</u>	<u>\$ 81,708,058</u>
Program fiduciary net position									
Contributions - employer	\$ 9,386,241	\$ 11,161,699	\$ 10,305,625	\$ 14,840,273	\$ 16,270,315	\$ 15,947,949	\$ 14,523,844	\$ 13,123,712	\$ 34,300,000
Net investment income	3,277,353	522,611	72,592	1,954,218	1,965,443	2,580,666	1,509,679	10,428,903	(7,099,525)
Benefit payments, including refunds of member contributions	(12,252,008)	(12,268,111)	(11,252,201)	(12,270,641)	(14,402,588)	(15,072,710)	(11,782,929)	(9,559,129)	(6,388,086)
Other	-	-	-	-	2,187	-	-	-	-
Administrative expense	(63,582)	(84,314)	(73,670)	(85,363)	(109,809)	(140,253)	(181,632)	(210,888)	(233,202)
Net change in Program fiduciary net position	348,004	(668,115)	(947,654)	4,438,487	3,725,548	3,315,652	4,068,962	13,782,598	20,579,187
Program fiduciary net position - beginning	21,108,004	21,456,008	20,787,893	19,840,239	24,278,726	28,004,274	31,319,926	35,388,888	49,171,486
Program fiduciary net position - ending	<u>\$ 21,456,008</u>	<u>\$ 20,787,893</u>	<u>\$ 19,840,239</u>	<u>\$ 24,278,726</u>	<u>\$ 28,004,274</u>	<u>\$ 31,319,926</u>	<u>\$ 35,388,888</u>	<u>\$ 49,171,486</u>	<u>\$ 69,750,673</u>
Program net pension liability - ending	<u>\$ 65,019,208</u>	<u>\$ 58,056,381</u>	<u>\$ 99,198,200</u>	<u>\$ 83,184,558</u>	<u>\$ 57,232,038</u>	<u>\$ 48,529,384</u>	<u>\$ 40,903,920</u>	<u>\$ 26,638,129</u>	<u>\$ 11,957,385</u>
Program fiduciary net position as a percentage of the total pension liability	24.81%	26.37%	16.67%	22.59%	32.85%	39.22%	46.39%	64.86%	85.37%
Covered payroll	\$ 258,789,820	\$ 267,847,464	\$ 205,589,540	\$ 212,785,174	\$ 188,769,652	\$ 176,753,714	\$ 167,675,124	\$ 163,038,026	\$ 161,614,324
Program net pension liability as a percentage of covered payroll	25.12%	21.68%	48.25%	39.09%	30.32%	27.46%	24.39%	16.34%	7.40%

Notes to Schedule:

Beginning balance for FY2016 was adjusted to correct for the application of retirement eligibility criteria consistent with the Program.

Changes in assumptions: Projected salary increases were changed from 3.5% to 3.0% effective June 30, 2016.

The increase in assumed contribution as a percentage of the recommended contribution is based on the actual experience over the last five years. Eligibility criteria and benefits were amended July 1, 2018.

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Discount rate used to estimate total pension liability	6.16%	6.60%	4.73%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Annual money-weighted rate of return	15.75%	2.36%	0.33%	9.63%	6.30%	6.45%	4.49%	29.49%	(15.30%)

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer SRP Contributions

Date	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government*					
2014	\$ 1,850,332	\$ 2,400,000	\$ (549,668)	\$ 152,639,449	1.57%
2015	1,703,209	2,200,000	(496,791)	146,058,394	1.51
2016	1,579,372	1,779,372	(200,000)	137,953,101	1.29
2017	1,614,144	1,614,144	-	127,044,622	1.27
2018	736,003	1,210,600	(474,597)	126,065,622	0.96
2019	734,151	734,151	-	122,908,697	0.60
2020	711,711	711,711	-	113,542,877	0.63
2021	854,869	1,554,869	(700,000)	111,878,471	1.39
2022	1,337,871	6,687,871	(5,350,000)	120,058,140	5.57
School Board Component Unit*					
2014	\$ 14,424,056	\$ 9,386,241	\$ 5,037,815	\$ 258,789,820	3.63%
2015	13,306,271	11,161,699	2,144,572	267,847,464	4.17
2016	13,352,847	10,305,625	3,047,222	205,589,540	5.01
2017	12,367,273	14,840,273	(2,473,000)	212,785,174	6.97
2018	9,965,431	16,270,315	(6,304,884)	188,769,652	8.62
2019	9,028,451	15,947,949	(6,919,498)	176,753,714	9.02
2020	8,240,043	14,523,844	(6,283,801)	167,675,127	8.66
2021	7,536,373	13,123,712	(5,587,339)	163,038,026	8.05
2022	5,933,497	34,300,000	(28,366,503)	161,614,324	21.22

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

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

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government
(See Accompanying Report of the Independent Auditor)
Other Postemployment Benefits Plan - Retiree Healthcare
Schedule of Changes in Net OPEB Liability and Related Ratios*

Total OPEB liability	2017	2018	2019	2020	2021	2022
Service cost	\$ 927,910	\$ 890,903	\$ 861,270	\$ 960,293	\$ 969,038	\$ 1,049,858
Interest	8,038,741	8,564,885	7,081,545	6,335,601	6,183,125	6,150,197
Difference between expected and actual experience	-	(2,083,231)	(3,376,015)	756,151	838,797	(2,729,064)
Changes of assumptions	-	(13,070,740)	(7,295,365)	(1,639,704)	357,028	(819,561)
Benefit payments, including refunds of member contributions	<u>(8,620,676)</u>	<u>(8,738,195)</u>	<u>(7,786,765)</u>	<u>(8,275,080)</u>	<u>(8,934,721)</u>	<u>(8,862,469)</u>
Net change in total OPEB liability	345,975	(14,436,378)	(10,515,330)	(1,862,739)	(586,733)	(5,211,039)
Plan total OPEB liability - beginning	<u>118,221,591</u>	<u>118,567,566</u>	<u>104,131,188</u>	<u>93,615,858</u>	<u>91,753,119</u>	<u>91,166,386</u>
Plan total OPEB liability - ending	<u>\$ 118,567,566</u>	<u>\$ 104,131,188</u>	<u>\$ 93,615,858</u>	<u>\$ 91,753,119</u>	<u>\$ 91,166,386</u>	<u>\$ 85,955,347</u>
Plan fiduciary net position						
Contributions - employer	\$ 9,120,677	\$ 9,368,195	\$ 8,186,765	\$ 8,612,080	\$ 9,841,721	\$ 8,862,469
Net investment income	2,954,980	2,519,903	1,341,593	934,117	9,817,235	(4,045,596)
Benefit payments, including refunds of member contributions	<u>(8,620,677)</u>	<u>(8,738,195)</u>	<u>(7,786,765)</u>	<u>(8,275,080)</u>	<u>(8,934,721)</u>	<u>(8,862,469)</u>
Administrative expense	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>
Net change in Plan fiduciary net position	3,454,480	3,149,403	1,741,093	1,270,617	10,723,735	(4,046,096)
Plan fiduciary net position - beginning	<u>23,142,627</u>	<u>26,597,107</u>	<u>29,746,510</u>	<u>31,487,603</u>	<u>32,758,220</u>	<u>43,481,955</u>
Plan fiduciary net position - ending	<u>\$ 26,597,107</u>	<u>\$ 29,746,510</u>	<u>\$ 31,487,603</u>	<u>\$ 32,758,220</u>	<u>\$ 43,481,955</u>	<u>\$ 39,435,859</u>
Plan net OPEB liability - ending	<u>\$ 91,970,459</u>	<u>\$ 74,384,678</u>	<u>\$ 62,128,255</u>	<u>\$ 58,994,899</u>	<u>\$ 47,684,431</u>	<u>\$ 46,519,488</u>
Plan fiduciary net position as a percentage of the total OPEB liability	22.43%	28.57%	33.63%	35.70%	47.70%	45.88%
Covered payroll	\$ 181,884,658	\$ 188,928,493	193,640,564	203,568,979	202,192,740	219,426,121
Plan net OPEB liability as a percentage of covered payroll	50.57%	39.37%	32.08%	28.98%	23.58%	21.20%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)

* Schedules are intended to show information for 10 years. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government
(See Accompanying Report of the Independent Auditor)
Other Postemployment Benefits Plan - Line of Duty
Schedule of Changes in Net OPEB Liability and Related Ratios*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB liability						
Service cost	\$ 601,750	\$ 792,650	\$ 766,287	\$ 1,017,086	\$ 1,026,697	\$ 1,141,895
Interest	945,421	975,937	852,476	1,126,955	1,116,343	1,185,232
Difference between expected and actual experience	-	1,125,285	1,928,493	(1,459,176)	(1,163,500)	975,881
Changes of assumptions	-	(4,886,754)	689,110	(70,620)	701,804	(383,053)
Benefit payments	<u>(368,000)</u>	<u>(650,950)</u>	<u>(430,589)</u>	<u>(706,164)</u>	<u>(847,139)</u>	<u>(776,477)</u>
Net change in total OPEB liability	1,179,171	(2,643,832)	3,805,777	(91,919)	834,205	2,143,478
Plan total OPEB liability - beginning	<u>13,088,262</u>	<u>14,267,433</u>	<u>11,623,601</u>	<u>15,429,378</u>	<u>15,337,459</u>	<u>16,171,664</u>
Plan total OPEB liability - ending	<u>\$ 14,267,433</u>	<u>\$ 11,623,601</u>	<u>\$ 15,429,378</u>	<u>\$ 15,337,459</u>	<u>\$ 16,171,664</u>	<u>\$ 18,315,142</u>
Plan fiduciary net position						
Contributions - employer	\$ 959,000	\$ 1,080,950	\$ 730,589	\$ 1,432,164	\$ 1,647,139	\$ 776,477
Net investment income	773,132	702,889	385,669	274,013	3,067,393	(1,311,960)
Benefit payments	(368,000)	(650,950)	(430,589)	(706,164)	(847,139)	(776,477)
Administrative expense	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>
Net change in Plan fiduciary net position	1,363,632	1,132,389	685,169	999,513	3,866,893	(1,312,460)
Plan fiduciary net position - beginning	<u>6,054,348</u>	<u>7,417,980</u>	<u>8,550,369</u>	<u>9,235,538</u>	<u>10,235,051</u>	<u>14,101,944</u>
Plan fiduciary net position - ending	<u>\$ 7,417,980</u>	<u>\$ 8,550,369</u>	<u>\$ 9,235,538</u>	<u>\$ 10,235,051</u>	<u>\$ 14,101,944</u>	<u>\$ 12,789,484</u>
Plan net OPEB liability - ending	<u>\$ 6,849,453</u>	<u>\$ 3,073,232</u>	<u>\$ 6,193,840</u>	<u>\$ 5,102,408</u>	<u>\$ 2,069,720</u>	<u>\$ 5,525,658</u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.99%	73.56%	59.86%	66.73%	87.20%	69.83%
Covered payroll	\$ 65,181,494	\$ 67,756,971	\$ 67,615,562	\$ 73,410,549	\$ 75,017,926	\$ 87,967,796
Plan net OPEB liability as a percentage of covered payroll	10.51%	4.54%	9.16%	6.95%	2.76%	6.28%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)

* Schedules are intended to show information for 10 years. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Other Postemployment Benefits Plan - Retiree Healthcare
Schedule of Changes in Net OPEB Liability and Related Ratios*

Total OPEB liability	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Service cost	\$ 1,806,182	\$ 1,342,954	\$ 1,298,283	\$ 1,695,437	\$ 1,507,807	\$ 1,658,089
Interest	14,953,724	14,878,280	13,615,717	12,490,441	12,061,650	11,561,650
Difference between expected and actual experience	-	2,742,227	(20,512,870)	(2,322,927)	(115,678)	(21,208,196)
Changes of assumptions	-	(22,407,529)	4,990,088	(1,932,185)	(5,284,318)	(1,073,020)
Benefit payments, including refunds of member contributions	(15,784,000)	(16,279,013)	(15,769,337)	(15,961,410)	(15,772,821)	(15,141,717)
Net change in total OPEB liability	975,906	(19,723,081)	(16,378,119)	(6,030,644)	(7,603,360)	(24,203,194)
Plan total OPEB liability - beginning	219,710,450	220,686,356	200,963,275	184,585,156	178,554,512	170,951,152
Plan total OPEB liability - ending	<u>\$ 220,686,356</u>	<u>\$ 200,963,275</u>	<u>\$ 184,585,156</u>	<u>\$ 178,554,512</u>	<u>\$ 170,951,152</u>	<u>\$ 146,747,958</u>
Plan fiduciary net position						
Contributions - employer	\$ 17,652,329	\$ 17,279,013	\$ 16,769,337	\$ 16,961,410	\$ 16,772,821	\$ 16,141,717
Net investment income	1,403,555	1,351,473	749,403	544,814	5,965,480	(2,499,723)
Benefit payments, including refunds of member contributions	(15,784,000)	(16,279,013)	(15,769,337)	(15,961,410)	(15,772,821)	(15,141,717)
Administrative expense	(500)	(500)	(500)	(500)	(500)	(500)
Net change in Plan fiduciary net position	3,271,384	2,350,973	1,748,903	1,544,314	6,964,980	(1,500,223)
Plan fiduciary net position - beginning	10,989,579	14,260,963	16,611,936	18,360,839	19,905,153	26,870,133
Plan fiduciary net position - ending	<u>\$ 14,260,963</u>	<u>\$ 16,611,936</u>	<u>\$ 18,360,839</u>	<u>\$ 19,905,153</u>	<u>\$ 26,870,133</u>	<u>\$ 25,369,910</u>
Plan net OPEB liability - ending	<u>\$ 206,425,393</u>	<u>\$ 184,351,339</u>	<u>\$ 166,224,317</u>	<u>\$ 158,649,359</u>	<u>\$ 144,081,019</u>	<u>\$ 121,378,048</u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.46%	8.27%	9.95%	11.15%	15.72%	17.29%
Covered payroll	\$ 319,003,486	\$ 323,355,357	335,848,117	343,080,214	354,671,638	387,128,329
Plan net OPEB liability as a percentage of covered payroll	64.71%	57.01%	49.49%	46.24%	40.62%	31.35%

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)

* Schedules are intended to show information for 10 years. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer OPEB Contributions - Retiree Healthcare and Line of Duty

Date	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government - Retiree Healthcare*					
2017	\$ 8,409,418	\$ 9,120,677	\$ (711,259)	\$ 181,884,658	5.01%
2018	8,534,872	9,368,195	(833,323)	188,928,493	4.96
2019	7,298,780	8,186,765	(887,985)	193,640,564	4.23
2020	6,869,108	8,612,080	(1,742,972)	203,568,979	4.23
2021	6,919,321	9,841,721	(2,922,400)	202,192,740	4.87
2022	6,195,120	8,862,469	(2,667,349)	219,426,121	4.04
School Board Component Unit - Retiree Healthcare*					
2017	\$ 15,478,605	\$ 17,652,329	\$ (2,173,724)	\$ 319,003,486	5.53%
2018	15,895,413	17,279,013	(1,383,600)	323,355,357	5.34
2019	14,182,931	16,769,337	(2,586,406)	335,848,117	4.99
2020	14,234,480	16,961,410	(2,726,930)	343,080,214	4.94
2021	13,940,805	16,772,821	(2,832,016)	354,671,638	4.73
2022	13,451,395	16,141,717	(2,690,322)	387,128,329	4.17
Primary Government - Line of Duty*					
2017	\$ 999,464	\$ 959,000	\$ 40,464	\$ 65,181,494	1.47%
2018	1,011,363	1,080,950	(69,587)	67,756,971	1.60
2019	957,372	730,589	226,783	67,615,562	1.08
2020	1,431,687	1,432,164	(477)	73,410,549	1.95
2021	1,387,159	1,647,139	(259,980)	75,017,926	2.20
2022	1,341,382	776,477	564,905	87,967,796	0.88

Notes to Schedule

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay
Asset valuation method	Fair value
Healthcare cost trend rate	5.80-4.14% (2017); 5.50-3.84% (2018); 5.40-3.94% (2019); 4.70-4.04% (2020) 6.00-4.04% (2021); 6.00-3.94% (2022)
Projected long-term salary increases	3.50-4.75%
Investment rate of return	7.0% per annum, compounded annually

Remaining amortization period:

Primary Government-Retiree Healthcare	13 years
School Board Component Unit-Retiree Healthcare	18 years
Primary Government-Line of Duty	29 years

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

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Group Life Insurance Program
Schedule of Employers' Proportionate Share of the Net OPEB Liability *

Primary Government

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Employer's proportion of the Net GLI OPEB Liability	1.00018%	0.99337%	0.99219%	0.99689%	1.00612%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 15,052,000	\$ 15,087,000	\$ 16,145,572	\$ 16,636,462	\$ 11,713,967
Employer's covered payroll	184,488,316	188,887,754	194,504,842	205,164,275	207,726,561
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%

Notes to Schedule:

Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

Component Unit - School Board - Non-professional Plan

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Employer's proportion of the Net GLI OPEB Liability	0.08521%	0.09024%	0.10825%	0.10526%	0.09994%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 1,282,000	\$ 1,371,000	\$ 1,761,516	\$ 1,756,617	\$ 1,163,573
Employer's covered payroll	15,718,215	17,158,846	21,219,445	21,663,068	20,663,804
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%

Notes to Schedule:

Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

Component Unit - School Board - Professional Plan

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Employer's proportion of the Net GLI OPEB Liability	1.57670%	1.59756%	1.59763%	1.57354%	1.63459%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 23,727,000	\$ 24,263,000	\$ 25,997,693	\$ 26,259,806	\$ 19,031,063
Employer's covered payroll	290,828,580	303,772,620	313,188,521	323,840,126	337,481,425
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%

Notes to Schedule:

Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

* Schedules are intended to show information for 10 years. Since 2017 is the first year of this presentation, no other data is available. Additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer OPEB-VRS Group Life Insurance Contributions

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government*					
2017	\$ 959,339	\$ 959,339	\$ -	\$ 184,488,316	0.52%
2018	982,216	982,216	-	188,887,754	0.52
2019	1,011,422	1,011,422	-	194,504,842	0.52
2020	1,066,854	1,066,854	-	205,164,275	0.52
2021	1,121,759	1,121,759	-	207,726,561	0.54
2022	1,211,011	1,211,011	-	222,848,593	0.54
School Board Component Unit - Non-professional*					
2017	\$ 81,735	\$ 81,735	\$ -	\$ 15,718,215	0.52%
2018	89,226	89,226	-	17,158,846	0.52
2019	110,341	110,341	-	21,219,445	0.52
2020	112,648	112,648	-	21,663,068	0.52
2021	111,344	111,344	-	20,663,804	0.54
2022	131,343	131,343	-	23,961,819	0.55
School Board Component Unit - Professional (Teachers)*					
2017	\$ 1,512,309	\$ 1,512,309	\$ -	\$ 290,828,580	0.52%
2018	1,579,618	1,579,618	-	303,772,620	0.52
2019	1,628,580	1,628,580	-	313,188,521	0.52
2020	1,683,969	1,683,969	-	323,840,126	0.52
2021	1,822,228	1,822,228	-	337,481,425	0.54
2022	1,986,082	1,986,082	-	370,997,230	0.54

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

**County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Other Postemployment Benefits - Group Life Insurance Program
Notes to VRS Required Supplemental Information**

Change in benefit terms -

Primary Government and School Board Component Unit:

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

Changes of assumptions -

Primary Government and School Board Component Unit Non-professional:

The actuarial assumptions used in the June 30, 2020, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-Hazardous Duty:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

Largest 10 - Hazardous Duty:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decreased termination rates
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

VRS Teachers Pool:

The actuarial assumptions used in the June 30, 2020, 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, 2019. Changes to the actuarial assumptions as a

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service decrement
- No change to disability rates
- No change to the discount rate

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Component Unit - School Board
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Teacher Health Insurance Credit Plan
Schedule of School Board's Proportionate Share of the Net OPEB Liability*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Employer's proportion of the Net HIC OPEB Liability	3.68064%	3.74939%	3.72923%	3.68972%	3.80733%
Employer's proportionate share of the Net HIC OPEB Liability	\$ 46,693,000	\$ 47,605,000	\$ 48,819,247	\$ 48,133,006	\$ 48,869,714
Employer's covered payroll	290,476,817	303,227,835	312,796,215	323,468,947	336,718,341
Employer's proportionate share of the Net HIC OPEB Liability as a percentage of its covered payroll	16.07%	15.70%	15.61%	14.88%	14.51%
Plan Fiduciary Net Position as a percentage of the Total HIC OPEB Liability	7.04%	8.08%	8.97%	9.95%	13.15%

Notes to Schedule:

Per GAAP, Net HIC OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date. Schedule is intended to show information for 10 years.

*Since 2017 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Schedule of Employer VRS Teacher Health Insurance Credit Plan Contributions

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
School Board Component Unit					
2017	\$ 3,224,293	\$ 3,224,293	\$ -	\$ 290,476,817	1.11%
2018	3,729,702	3,729,702	-	303,227,835	1.23
2019	3,753,555	3,753,555	-	312,796,215	1.20
2020	3,881,627	3,881,627	-	323,468,947	1.20
2021	4,074,045	4,074,045	-	336,718,341	1.21
2022	4,430,934	4,430,934	-	370,997,230	1.19

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

**County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Teacher Health Insurance Credit Plan
Notes to VRS Required Supplemental Information**

Change in benefit terms -

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

Changes of assumptions -

The actuarial assumptions used in the June 30, 2020, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-Hazardous Duty:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

SUPPLEMENTARY INFORMATION



Non-major Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of revenue sources that are legally restricted to expenditure for specified purposes.

Grants Fund - This fund reflects revenues and expenditures related to various federal and state programs such as the federal government's Department of Housing and Urban Development grants, Community Corrections and Supervision grants and Virginia Juvenile Community Crime Control Act.

Children's Services Fund - This fund reflects the revenues and expenditures of providing child-centered, family focused and locally based services for at-risk youth.

Stormwater Fund - This fund reflects revenues collected from stormwater utility fees and expenditures related to meeting initiatives related to the County's stormwater management program.

Mental Health Support Services - This fund reflects the revenues and expenditures for providing mental health, developmental disabilities and substance abuse disorder services for children and adults in the County.

Jail Canteen - This fund reflects commissions received from sales of snacks, toiletries, and the like. Commissions are used to fund expenses that benefit inmates within the facility.

Central Virginia Transportation Authority - Local - This fund was established to receive sales and vehicle fuel tax collected by the CVTA where use is restricted to funding approved transportation projects.

County of Chesterfield, Virginia
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2022

Special Revenue Funds

	Central Virginia Transportation Authority Local	Stormwater	Grants	Mental Health	Children's Services	Jail Canteen	Total Non-major Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 41,699,504	\$ 17,675,022	\$ 12,060,470	\$ 13,682,456	\$ 4,469,794	\$ 289,384	\$ 89,876,630
Accounts receivable, net	-	2,509,676	1,374,246	4,463,636	259,682	31,325	8,638,565
Due from other governments	4,823,437	-	2,204,639	57,179	1,894,505	-	8,979,760
Total assets	<u>\$ 46,522,941</u>	<u>\$ 20,184,698</u>	<u>\$ 15,639,355</u>	<u>\$ 18,203,271</u>	<u>\$ 6,623,981</u>	<u>\$ 320,709</u>	<u>\$ 107,494,955</u>
LIABILITIES							
Accounts payable	-	8,052.00	2,264,396	376,807	1,694,349.00	39,758.00	4,383,362
Accrued liabilities	-	-	468,295	2,586,532	-	-	3,054,827
Retainages payable	-	172,301	-	-	-	-	172,301
Unearned revenues	-	-	1,346,805	562,696	-	-	1,909,501
Total liabilities	<u>-</u>	<u>180,353</u>	<u>4,079,496</u>	<u>3,526,035</u>	<u>1,694,349</u>	<u>39,758</u>	<u>9,519,991</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues	-	2,341,555	-	-	-	-	2,341,555
Unavailable revenues	-	168,121	428,721	1,876,097	111,057	-	2,583,996
Total deferred inflows of resources	<u>-</u>	<u>2,509,676</u>	<u>428,721</u>	<u>1,876,097</u>	<u>111,057</u>	<u>-</u>	<u>4,925,551</u>
FUND BALANCES							
Restricted	46,522,941	17,494,669	1,912,025	-	-	-	65,929,635
Assigned	-	-	9,219,113	12,801,139	4,818,575	280,951	27,119,778
Total fund balances	<u>46,522,941</u>	<u>17,494,669</u>	<u>11,131,138</u>	<u>12,801,139</u>	<u>4,818,575</u>	<u>280,951</u>	<u>93,049,413</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,522,941</u>	<u>\$ 20,184,698</u>	<u>\$ 15,639,355</u>	<u>\$ 18,203,271</u>	<u>\$ 6,623,981</u>	<u>\$ 320,709</u>	<u>\$ 107,494,955</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds						Total Non-major Governmental Funds
	Central Virginia Transportation Authority Local	Stormwater	Grants	Mental Health	Children's Services	Jail Canteen	
Revenues							
From local sources:							
Use of money and property	\$ 57,382	\$ -	\$ 439	\$ -	\$ -	\$ -	\$ 57,821
Charges for services	-	4,748,956	9,330,355	21,341,383	60,000	-	35,480,694
Miscellaneous	-	-	135,035	32,043	-	202,341	369,419
Recovered costs	-	-	125,380	149,015	812,324	-	1,086,719
Donations and contributions	-	-	166,611	898	-	-	167,509
From component unit - School Board	-	-	-	-	5,143,200	-	5,143,200
Local sales and use tax	21,133,720	-	-	-	-	-	21,133,720
Local vehicle fuels tax	8,177,471	-	-	-	-	-	8,177,471
From other governments	-	-	22,831,353	6,522,992	10,307,341	-	39,661,686
Total revenues	29,368,573	4,748,956	32,589,173	28,046,331	16,322,865	202,341	111,278,239
Expenses							
Current:							
Administration of justice	-	-	1,380,723	-	-	-	1,380,723
Public safety	-	-	9,853,690	-	-	156,016	10,009,706
Public works	-	508,359	-	-	-	-	508,359
Health and welfare	-	-	3,833,332	39,232,572	17,021,749	-	60,087,653
Parks, recreation and cultural	-	-	179,783	-	-	-	179,783
Community development	-	-	15,624,341	-	-	-	15,624,341
Debt Service:							
Principal	-	-	151,825	552,603	-	-	704,428
Interest	-	-	13,775	26,359	-	-	40,134
Capital Outlay	-	-	-	214,479	-	-	214,479
Total expenditures	-	508,359	31,037,469	40,026,013	17,021,749	156,016	88,749,606
Excess (deficiency) of revenues over (under) expenditures	29,368,573	4,240,597	1,551,704	(11,979,682)	(698,884)	46,325	22,528,633
Other financing sources (uses)							
Leases	-	-	-	214,479	-	-	214,479
Transfers in	-	451,366	1,842,423	13,255,500	1,816,900	-	17,366,189
Transfers out	(2,740,800)	-	(2,047,654)	(1,167,555)	-	(38,000)	(5,994,009)
Total other financing sources (uses), net	(2,740,800)	451,366	(205,231)	12,302,424	1,816,900	(38,000)	11,586,659
Net change in fund balances	26,627,773	4,691,963	1,346,473	322,742	1,118,016	8,325	34,115,292
Total fund balances, July 1, 2021	19,895,168	12,802,706	9,784,665	12,478,397	3,700,559	272,626	58,934,121
Total fund balances, June 30, 2022	\$ 46,522,941	\$ 17,494,669	\$ 11,131,138	\$ 12,801,139	\$ 4,818,575	\$ 280,951	\$ 93,049,413

See accompanying independent auditors' report.



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

General Fund

This fund reflects the general operations of the government and is used to account for all financial resources except those required to be accounted for in another fund.

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
From local sources:				
General property taxes:				
Real property taxes	\$ 417,367,900	\$ 417,387,900	\$ 440,922,104	\$ 23,534,204
Real and personal public service				
corporation taxes	17,360,000	17,360,000	16,240,147	(1,119,853)
Personal property taxes	85,206,700	96,476,700	117,538,196	21,061,496
Machinery and tools taxes	4,462,300	4,462,300	5,857,184	1,394,884
Penalties and interest	3,702,900	3,702,900	4,453,695	750,795
Special assessments and service districts	2,534,700	2,534,700	6,465,771	3,931,071
Total general property taxes	<u>530,634,500</u>	<u>541,924,500</u>	<u>591,477,097</u>	<u>49,552,597</u>
Other local taxes:				
Bank stock tax	2,212,200	2,212,200	3,079,680	867,480
Business license taxes	21,319,900	21,319,900	26,756,039	5,436,139
Consumer utility taxes	8,535,800	8,535,800	8,611,855	76,055
Incremental sales tax	525,000	525,000	537,271	12,271
Local sales and use taxes	60,350,400	60,350,400	68,515,480	8,165,080
Motor vehicle licenses	15,050,000	15,050,000	9,865,854	(5,184,146)
Recordation tax	8,498,000	8,498,000	10,829,796	2,331,796
Short-term rental tax	650,000	650,000	894,266	244,266
Telecommunications tax	10,912,000	10,912,000	10,386,152	(525,848)
Transient occupancy tax	4,496,600	4,496,600	6,642,030	2,145,430
Total other local taxes	<u>132,549,900</u>	<u>132,549,900</u>	<u>146,118,423</u>	<u>13,568,523</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	80,000	80,000	67,836	(12,164)
Building permits	6,418,500	8,193,500	8,593,406	399,906
Erosion control fees	130,000	130,000	116,741	(13,259)
Permits and other licenses	1,026,600	1,026,600	614,103	(412,497)
Plan review fees	282,000	282,000	336,435	54,435
Planning fees	817,400	976,920	1,044,914	67,994
Total permits, privilege fees and regulatory licenses	<u>8,754,500</u>	<u>10,689,020</u>	<u>10,773,435</u>	<u>84,415</u>
Fines and forfeitures	<u>1,254,200</u>	<u>1,533,621</u>	<u>2,236,780</u>	<u>703,159</u>
Use of money and property:				
Use of money	3,269,500	3,269,500	(11,671,457)	(14,940,957)
Use of property	1,093,000	1,118,500	1,356,198	237,698
Total use of money and property	<u>4,362,500</u>	<u>4,388,000</u>	<u>(10,315,259)</u>	<u>(14,703,259)</u>
Charges for services:				
Annual recycling fees	2,760,900	2,760,900	2,434,762	(326,138)
Building inspection administrative fee	50,000	50,000	38,703	(11,297)
Building rental	723,700	723,700	678,553	(45,147)
Courthouse maintenance fees	54,000	54,000	48,896	(5,104)
DMV stop fees	400,000	400,000	826,574	426,574
Employee Medical Center	616,000	616,000	774,939	158,939
False alarm charges	90,000	90,000	68,680	(21,320)
Juvenile Detention Home fees	40,000	40,000	51,750	11,750
Landfill fees	1,942,200	1,942,200	1,872,737	(69,463)
Law Library	115,000	115,000	105,023	(9,977)
Library fines and services	131,300	131,300	62,772	(68,528)
Med-flight services	475,200	475,200	463,175	(12,025)

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Charges for services: (continued)				
Parks and Recreation fees	\$ 700,600	\$ 700,600	\$ 757,877	\$ 57,277
Police miscellaneous fees	91,200	91,200	85,602	(5,598)
Police officers fees	1,169,100	1,169,100	1,186,811	17,711
Recycling proceeds	184,300	184,300	285,801	101,501
Sale of publications and maps	2,600	2,600	628	(1,972)
Sheriff fees	838,600	838,600	737,999	(100,601)
Traffic offenses	370,000	370,000	309,649	(60,351)
Treasurer's administrative fees	1,478,200	1,478,200	2,669,530	1,191,330
Other	3,356,000	3,375,000	2,654,552	(720,448)
Total charges for services	15,588,900	15,607,900	16,115,013	507,113
Miscellaneous:				
Public phone commission	80,000	80,000	43,005	(36,995)
Other miscellaneous	1,289,686	1,816,799	2,761,964	945,165
Total miscellaneous	1,369,686	1,896,799	2,804,969	908,170
Recovered costs:				
Interfund reimbursements	1,019,600	1,359,382	1,247,903	(111,479)
Reimbursed by other localities	1,023,700	1,023,700	847,465	(176,235)
Other	2,413,900	2,413,900	2,627,450	213,550
Total recovered costs	4,457,200	4,796,982	4,722,818	(74,164)
Donations and contributions	57,200	87,453	116,120	28,667
Total revenues from local sources	699,028,586	713,474,175	764,049,396	50,575,221
From other governments:				
From the Commonwealth:				
Non-categorical aid:				
Clerk's excess fees	534,000	784,000	770,023	(13,977)
Games of skill tax	-	-	56,448	56,448
Mobile home sales tax	45,300	45,300	77,035	31,735
Personal property tax relief	41,092,000	41,092,000	41,092,048	48
Rolling stock tax	105,000	105,000	99,897	(5,103)
Vehicle rental tax	1,603,200	1,603,200	2,015,938	412,738
Total non-categorical aid	43,379,500	43,629,500	44,111,389	481,889
Shared expenditures:				
Clerk of Circuit Court	1,227,800	1,377,800	1,396,839	19,039
Commissioner of the Revenue	528,700	528,700	556,693	27,993
Commonwealth's Attorney	2,329,500	2,445,500	2,451,829	6,329
Sheriff	4,041,700	4,121,300	3,957,625	(163,675)
Treasurer	487,000	487,000	519,793	32,793
Other	77,500	77,500	124,002	46,502
Total shared expenditures	8,692,200	9,037,800	9,006,781	(31,019)
From other governments:				
From the Commonwealth:				
Categorical aid:				
Annexation House Bill 599	8,295,100	8,295,100	8,295,961	861
Chesterfield County Jail	600,000	780,000	780,570	570
Emergency medical services	355,000	355,000	347,518	(7,482)

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
From other governments: (continued)				
From the Commonwealth:				
Categorical aid:				
Fire programs	\$ 1,205,200	\$ 1,279,200	\$ 1,279,963	\$ 763
Juvenile Detention Home	1,913,800	1,913,800	1,904,722	(9,078)
Library	225,000	225,000	235,765	10,765
Sheriff programs	2,010,100	2,010,100	2,097,985	87,885
Welfare	5,399,900	5,671,877	5,709,113	37,236
Other	3,269,300	4,139,809	5,073,407	933,598
Total categorical aid	<u>23,273,400</u>	<u>24,669,886</u>	<u>25,725,004</u>	<u>1,055,118</u>
Total from the Commonwealth	<u>75,345,100</u>	<u>77,337,186</u>	<u>78,843,174</u>	<u>1,505,988</u>
From the federal government:				
Categorical aid:				
American Recovery and Reinvestment Act	-	262,727.00	1,442,953	1,180,226
Public safety	26,400	26,400	9,976	(16,424)
Welfare	10,021,100	10,115,341	10,253,665	138,324
Other	81,000	81,000	132,837	51,837
Total from the federal government	<u>10,128,500</u>	<u>10,485,468</u>	<u>11,839,431</u>	<u>1,353,963</u>
Total revenues from other governments	<u>85,473,600</u>	<u>87,822,654</u>	<u>90,682,605</u>	<u>2,859,951</u>
Total revenues	<u>784,502,186</u>	<u>801,296,829</u>	<u>854,732,001</u>	<u>53,435,172</u>
Expenditures				
General government:				
Accounting	4,316,773	4,226,773	4,145,762	81,011
Board of Supervisors	349,100	424,100	390,513	33,587
Budget and Management	1,284,282	1,219,282	1,162,019	57,263
Clerk to the Board	275,916	125,916	104,056	21,860
Commissioner of the Revenue	3,275,500	3,175,500	3,076,278	99,222
Communications and Media	860,820	1,120,820	1,087,931	32,889
Constituent Services	-	450,000	404,881	45,119
County Administration	2,745,859	2,345,566	2,279,376	66,190
County Attorney	2,033,765	2,173,765	2,152,877	20,888
Employee benefits	13,377,800	14,207,149	12,487,395	1,719,754
General Services	590,400	575,400	545,448	29,952
Human Resource Management	3,857,665	4,237,665	3,975,532	262,133
Information Systems Technology	21,125,736	20,814,736	20,126,145	688,591
Interest paid on tax refunds	30,000	180,000	148,647	31,353
Internal Audit	1,061,830	1,021,830	976,602	45,228
Learning and Performance Center	1,554,665	1,404,665	1,377,503	27,162
Non-departmental	-	-	3,494	(3,494)
Procurement	2,189,897	2,139,897	2,108,408	31,489
Real Estate Assessments	3,197,612	3,207,612	3,183,311	24,301
Registrar	1,765,700	2,195,700	2,021,919	173,781
Treasurer	4,087,340	5,087,340	5,065,646	21,694
Total general government	<u>67,980,660</u>	<u>70,333,716</u>	<u>66,823,743</u>	<u>3,509,973</u>

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Administration of justice:				
Circuit Court Clerk	\$ 4,116,500	\$ 4,391,500	\$ 4,179,194	\$ 212,306
Circuit Court Judges	848,277	973,277	834,552	138,725
Commonwealth's Attorney	5,320,289	5,605,600	5,567,590	38,010
General District Court	208,098	357,098	239,637	117,461
Juvenile and Domestic Relations Court	230,700	285,700	228,929	56,771
Law Library	116,300	121,300	116,718	4,582
Magistrate	6,400	7,400	7,189	211
Total administration of justice	<u>10,846,564</u>	<u>11,741,875</u>	<u>11,173,809</u>	<u>568,066</u>
Public safety:				
Building Inspections	5,059,049	5,720,358	5,576,836	143,522
Community Corrections	3,382,277	3,481,794	3,403,835	77,959
Emergency Communications Center	8,273,547	7,738,547	7,436,161	302,386
Fire and EMS	69,708,364	73,580,986	71,262,249	2,318,737
Juvenile Detention Home	5,538,122	5,487,455	5,470,762	16,693
Juvenile Probation	89,200	89,200	71,995	17,205
Police	79,190,908	86,043,296	82,223,600	3,819,696
Regional Jail	8,368,400	8,596,528	7,817,766	778,762
Sheriff and Jail	29,047,059	32,091,073	32,206,714	(115,641)
Total public safety	<u>208,656,926</u>	<u>222,829,237</u>	<u>215,469,918</u>	<u>7,359,319</u>
Public works:				
Buildings and Grounds	8,559,877	8,288,797	8,023,712	265,085
Capital Projects Management	938,646	948,646	927,320	21,326
Environmental Engineering	5,959,336	5,899,744	5,516,319	383,425
Right of Way	20,000	75,000	67,607	7,393
Street lights and road improvements	902,746	917,486	881,889	35,597
Waste and Resource Recovery	6,491,422	7,511,422	7,231,693	279,729
Total public works	<u>22,872,027</u>	<u>23,641,095</u>	<u>22,648,540</u>	<u>992,555</u>
Health and welfare:				
Citizen Information	2,905,600	2,571,584	2,396,384	175,200
Health	2,419,900	2,619,900	2,509,367	110,533
Social Services	21,637,425	20,103,055	19,285,626	817,429
Tax relief for the elderly	12,564,900	15,594,900	15,591,343	3,557
Total health and welfare	<u>39,527,825</u>	<u>40,889,439</u>	<u>39,782,720</u>	<u>1,106,719</u>
Parks, recreation and cultural:				
Community Contracts	932,500	952,500	944,000	8,500
District Improvements Funds	167,500	59,970	5,500	54,470
Library	10,496,094	9,986,244	9,914,909	71,335
Parks and Recreation	14,183,463	13,688,473	13,247,932	440,541
Total parks, recreation and cultural	<u>25,779,557</u>	<u>24,687,187</u>	<u>24,112,341</u>	<u>574,846</u>

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Community development:				
Community Enhancement	\$ 2,404,426	\$ 2,482,029	\$ 2,416,887	\$ 65,142
Convention Center	4,496,600	6,046,600	6,642,030	(595,430)
Cooperative Extension	477,912	387,912	361,783	26,129
Economic Development	3,786,600	31,886,600	30,544,970	1,341,630
Economic development incentives	210,000	180,000	100,000	80,000
Planning	4,697,249	4,597,249	4,245,897	351,352
Tax increment financing payments	2,821,200	3,121,200	3,109,485	11,715
Transportation	1,671,474	1,641,474	1,461,711	179,763
Total community development	20,565,461	50,343,064	48,882,763	1,460,301
Non-departmental	517,400	193,868	36,000	157,868
Debt service:				
Retirement of principal	20,541,900	20,541,900	20,499,243	42,657
Interest	8,431,100	8,431,100	8,477,766	(46,666)
Other	899,800	129,800	24,896	104,904
Total debt service	29,872,800	29,102,800	29,001,905	100,895
Total expenditures	426,619,220	473,762,281	457,931,739	15,830,542
Excess of revenues over expenditures	357,882,966	327,534,548	396,800,262	69,265,714
Other financing sources (uses)				
Transfers in:				
Grants Fund	2,591,900	2,591,900	2,047,654	(544,246)
Mental Health Fund	326,600	326,600	326,600	-
Total transfers in	2,918,500	2,918,500	2,374,254	(544,246)
Transfers out:				
County Capital Projects Fund	(21,920,000)	(171,109,856)	(24,560,390)	146,549,466
Stormwater Fund	-	(3,511,619)	(451,366)	3,060,253
School Capital Projects Fund	-	(190,212)	(31,816)	158,396
Grants Fund	(1,117,400)	(1,979,391)	(1,456,482)	522,909
Children's Services Fund	(1,816,900)	(1,816,900)	(1,816,900)	-
Mental Health Fund	(13,255,500)	(13,255,500)	(13,255,500)	-
Vehicle and Communications Fund	-	(2,732,000)	(1,973,797)	758,203
Airport Fund	(377,000)	(3,217,857)	(1,533,603)	1,684,254
School Operating Fund	(344,744,300)	(393,528,337)	(372,198,937)	21,329,400
Total transfers out	(383,231,100)	(591,341,672)	(417,278,791)	174,062,881
Total other financing uses, net	(380,312,600)	(588,423,172)	(414,904,537)	173,518,635
Net change in fund balance	(22,429,634)	(260,888,624)	(18,104,275)	242,784,349
Fund balance, July 1, 2021	548,241,015	548,241,015	548,241,015	-
Fund balance, June 30, 2022	\$ 525,811,381	\$ 287,352,391	\$ 530,136,740	\$ 242,784,349

See accompanying independent auditors' report.

Non-major Enterprise Funds

Enterprise Funds are used to account for the County's ongoing organizations and activities similar to those often found in the private sector.

Economic Development Authority of the County of Chesterfield (EDA) - This fund reflects the operations of the EDA, a blended component unit of the County. The EDA was created to, among other activities, issue tax-exempt bonds on behalf of bond issuers so that they may acquire, improve, maintain, equip, own, lease or dispose of properties by inducing manufacturing and industrial enterprises to locate or remain in the Commonwealth of Virginia.

Airport Fund - This fund reflects the operations of the County's Airport.

County of Chesterfield, Virginia
Combining Statement of Net Position
Non-major Enterprise Funds
June 30, 2022

	Enterprise Funds		
	Economic Development Authority	Airport	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,692,791	\$ 1,352,920	\$ 8,045,711
Restricted cash equivalents with trustees	9,298,180	-	9,298,180
Receivables	293,060	53,677	346,737
Lease receivable	140,175	302,492	442,667
Due from other governments	164,892	437,428	602,320
Due from other funds	626,427	-	626,427
Total current assets	<u>17,215,525</u>	<u>2,146,517</u>	<u>19,362,042</u>
Non-current assets:			
Lease receivable	82,060	5,632,175	5,714,235
Capital assets:			
Land and land improvements	45,518,502	2,720,032	48,238,534
Buildings	-	9,023,372	9,023,372
Improvements other than buildings	1,936,873	28,291,520	30,228,393
Infrastructure	9,887,662	-	9,887,662
Machinery and equipment	-	4,010,542	4,010,542
Construction in progress	25,000	667,145	692,145
Total capital assets	<u>57,368,037</u>	<u>44,712,611</u>	<u>102,080,648</u>
Less accumulated depreciation	<u>(2,890,759)</u>	<u>(26,245,084)</u>	<u>(29,135,843)</u>
Net capital assets	<u>54,477,278</u>	<u>18,467,527</u>	<u>72,944,805</u>
Total non-current assets	<u>54,559,338</u>	<u>24,099,702</u>	<u>78,659,040</u>
Total assets	<u>71,774,863</u>	<u>26,246,219</u>	<u>98,021,082</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	2,226	2,226
Deferred outflows related to pensions	-	63,638	63,638
Deferred outflows related to other postemployment benefits	-	8,670	8,670
Total deferred outflows of resources	<u>-</u>	<u>74,534</u>	<u>74,534</u>

County of Chesterfield, Virginia
Combining Statement of Net Position
Non-major Enterprise Funds
June 30, 2022

	Enterprise Funds		
	Economic Development Authority	Airport	Total
LIABILITIES			
Current liabilities:			
Accounts payable	174,085	384,620	558,705
Due to other funds	8,223,525	-	8,223,525
Accrued liabilities	1,297,094	263,768	1,560,862
Unearned revenue	255,000	-	255,000
Compensated absences	-	5,346	5,346
Certificates of participation, net	-	79,118	79,118
Airport Revolving Loan Fund	-	92,300	92,300
Revenue bonds payable, net	-	4,621	4,621
Total current liabilities	<u>9,949,704</u>	<u>829,773</u>	<u>10,779,477</u>
Non-current liabilities:			
Deposits and advances	-	25,000	25,000
Retainages payable	280,199	7,215	287,414
Compensated absences	-	35,763	35,763
Net pension liabilities	-	48,851	48,851
Net other postemployment benefit liabilities	-	75,541	75,541
Certificates of participation, net	-	73,873	73,873
Airport Revolving Loan Fund	-	1,476,800	1,476,800
Revenue bond payable, net	-	19,732	19,732
Total non-current liabilities	<u>280,199</u>	<u>1,762,775</u>	<u>2,042,974</u>
Total liabilities	<u>10,229,903</u>	<u>2,592,548</u>	<u>12,822,451</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	105,406	105,406
Deferred inflows related to other postemployment benefits	-	27,294	27,294
Deferred inflows related to leases	221,944	5,887,983	6,109,927
Total deferred inflows of resources	<u>221,944</u>	<u>6,020,683</u>	<u>6,242,627</u>
NET POSITION			
Net investment in capital assets	54,197,079	16,716,092	70,913,171
Restricted by contractual agreements	25,000	-	25,000
Unrestricted	7,100,937	991,430	8,092,367
Total net position	<u>\$ 61,323,016</u>	<u>\$ 17,707,522</u>	<u>\$ 79,030,538</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-major Enterprise Funds
For the Year Ended June 30, 2022

	Enterprise Funds		
	Economic Development Authority	Airport	Total
Operating revenues			
Charges for services	\$ 1,056,910	\$ 853,858	\$ 1,910,768
From other governments	164,892	76,337	241,229
Other	50,573	142,082	192,655
Total operating revenues	<u>1,272,375</u>	<u>1,072,277</u>	<u>2,344,652</u>
Operating expenses			
Salaries and wages	-	254,675	254,675
Contractual services	631,119	181,735	812,854
Materials and supplies	-	37,310	37,310
Heat, light and power	-	83,456	83,456
Depreciation	469,792	1,391,046	1,860,838
Repairs and maintenance	-	96,250	96,250
Other	1,048,119	7,261	1,055,380
Total operating expenses	<u>2,149,030</u>	<u>2,051,733</u>	<u>4,200,763</u>
Operating loss	<u>(876,655)</u>	<u>(979,456)</u>	<u>(1,856,111)</u>
Non-operating revenues (expenses)			
Interest and dividend income	12,404	-	12,404
Lease revenue	105,132	-	105,132
Interest expense	-	(52,229)	(52,229)
Other	(5,831,659)	(310,245)	(6,141,904)
Total non-operating revenues (expenses), net	<u>(5,714,123)</u>	<u>(362,474)</u>	<u>(6,076,597)</u>
Loss before capital contributions and transfers	(6,590,778)	(1,341,930)	(7,932,708)
Capital contributions	-	808,246	808,246
Transfers in	<u>26,527,578</u>	<u>1,533,602</u>	<u>28,061,180</u>
Change in net position	19,936,800	999,918	20,936,718
Total net position - July 1, 2021	<u>41,386,216</u>	<u>16,707,604</u>	<u>58,093,820</u>
Total net position - June 30, 2022	<u>\$ 61,323,016</u>	<u>\$ 17,707,522</u>	<u>\$ 79,030,538</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Year Ended June 30, 2022

	Enterprise Funds		
	Economic Development Authority	Airport	Total
Cash flows from operating activities			
Receipts from customers	\$ 1,065,606	\$ 949,966	\$ 2,015,572
Lease interest receipts	-	119,121	119,121
Payments to suppliers	(1,762,677)	(434,961)	(2,197,638)
Payments to employees	-	(269,995)	(269,995)
Net cash provided by (used in) operating activities	(697,071)	364,131	(332,940)
Cash flows from non-capital financing activities			
Transfers in	100,000	162,000	262,000
Net cash provided by non-capital financing activities	100,000	162,000	262,000
Cash flows from capital and related financing activities			
Purchase of capital assets	(32,411,211)	(1,708,427)	(34,119,638)
Capital contributions	26,189,076	1,772,923	27,961,999
Interest paid on certificates of participation and revenue bonds	-	(57,193)	(57,193)
Principal paid on certificates of participation and revenue bonds	-	(190,157)	(190,157)
Net cash provided by (used in) capital and related financing activities	(6,222,135)	(182,854)	(6,404,989)
Cash flows from investing activities			
Interest received	11,555	-	11,555
Net cash provided by investing activities	11,555	-	11,555
Net increase (decrease) in cash and cash equivalents	(6,807,651)	343,277	(6,464,374)
Cash and cash equivalents, July 1, 2021	22,798,622	1,009,643	23,808,265
Cash and cash equivalents, June 30, 2022	\$ 15,990,971	\$ 1,352,920	\$ 17,343,891
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (876,655)	\$ (979,456)	\$ (1,856,111)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	469,792	1,391,046	1,860,838
Changes in assets and liabilities:			
Receivables, net	(217,675)	(28,190)	(245,865)
Accounts and other payables	(72,533)	(19,269)	(91,802)
Net cash provided by (used in) operating activities	\$ (697,071)	\$ 364,131	\$ (332,940)
Noncash transactions related to financing, capital and investing activities:			
Contributions of capital assets	\$ -	\$ 9,317	\$ 9,317

See accompanying independent auditors' report.



Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one County department to other County departments and to other governmental units, on a cost-reimbursement basis.

Vehicle and Communications Maintenance Fund - This fund reflects operations of the County's garage and radio shop, which maintains County vehicles and communication equipment. Revenues are derived from interfund charges and charges to the School Board on a cost-reimbursement basis. Major expenses consist primarily of salaries and wages and materials and supplies.

Risk Management Fund - This fund reflects operations of the County's risk management function, which provides services to the County and School Board. The fund's major sources of revenue are charges for services for providing risk financing and recoveries. Major expenses consist of reinsurance costs and claims.

Healthcare Fund - This fund reflects operations of the County's self-insured healthcare function, which provides services to the County and School Board. The fund's major sources of revenue are charges for services used to pay medical claims and administrative fees.

County of Chesterfield, Virginia
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Vehicle and Communications Maintenance	Risk Management	Healthcare	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 19,568,422	\$ 18,757,899	\$ 37,779,331	\$ 76,105,652
Receivables	75,974	5,094	-	81,068
Due from other governments	75,949	-	-	75,949
Inventories	1,112,696	-	-	1,112,696
Total current assets	<u>20,833,041</u>	<u>18,762,993</u>	<u>37,779,331</u>	<u>77,375,865</u>
Non-current assets:				
Capital assets:				
Buildings	2,197,288	-	-	2,197,288
Improvements other than buildings	311,805	-	-	311,805
Machinery and equipment	18,188,775	421,901	-	18,610,676
Construction in progress	8,271,159	4,726	-	8,275,885
Total capital assets	28,969,027	426,627	-	29,395,654
Less accumulated depreciation	(14,369,940)	(370,018)	-	(14,739,958)
Net capital assets	14,599,087	56,609	-	14,655,696
Total assets	<u>35,432,128</u>	<u>18,819,602</u>	<u>37,779,331</u>	<u>92,031,061</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,231,819	325,270	-	1,557,089
Deferred outflows related to other postemployment benefits	130,764	27,136	-	157,900
Total deferred outflows of resources	<u>1,362,583</u>	<u>352,406</u>	<u>-</u>	<u>1,714,989</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,102,614	565,327	744,282	3,412,223
Accrued liabilities	456,788	130,712	-	587,500
Compensated absences	74,465	20,251	-	94,716
Judgments and claims	504,460	2,939,847	8,467,000	11,911,307
Total current liabilities	<u>3,138,327</u>	<u>3,656,137</u>	<u>9,211,282</u>	<u>16,005,746</u>
Non-current liabilities:				
Retainage payable	336,192	-	-	336,192
Compensated absences	492,175	110,177	-	602,352
Judgments and claims	716,124	852,000	-	1,568,124
Net pension liabilities	1,550,814	33,724	-	1,584,538
Net other postemployment benefit obligations	1,181,900	182,196	-	1,364,096
Total non-current liabilities	4,277,205	1,178,097	-	5,455,302
Total liabilities	<u>7,415,532</u>	<u>4,834,234</u>	<u>9,211,282</u>	<u>21,461,048</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	2,040,246	538,740	-	2,578,986
Deferred inflows related to other postemployment benefits	426,316	66,842	-	493,158
Total deferred inflows of resources	<u>2,466,562</u>	<u>605,582</u>	<u>-</u>	<u>3,072,144</u>
NET POSITION				
Investment in capital assets	14,262,895	56,609	-	14,319,504
Unrestricted	12,649,722	13,675,583	28,568,049	54,893,354
Total net position	<u>\$ 26,912,617</u>	<u>\$ 13,732,192</u>	<u>\$ 28,568,049</u>	<u>\$ 69,212,858</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2022

	Vehicle and Communications <u>Maintenance</u>	Risk Management	Healthcare	Total
Operating revenues				
Charges for services	\$ 22,433,051	\$ 10,000,800	\$ 133,539,061	\$ 165,972,912
Other	16,485	2,269,828	-	2,286,313
Total operating revenues	<u>22,449,536</u>	<u>12,270,628</u>	<u>133,539,061</u>	<u>168,259,225</u>
Operating expenses				
Salaries and wages	5,649,193	1,609,350	-	7,258,543
Contractual services	1,891,434	3,352,158	-	5,243,592
Materials and supplies	10,497,357	7,399	-	10,504,756
Heat, light and power	54,708	-	-	54,708
Depreciation	1,626,171	92,343	-	1,718,514
Repairs and maintenance	1,533,307	121,126	-	1,654,433
Insurance	-	4,111,356	-	4,111,356
Claims	-	4,004,413	128,909,040	132,913,453
Other	18,081	17,848	-	35,929
Total operating expenses	<u>21,270,251</u>	<u>13,315,993</u>	<u>128,909,040</u>	<u>163,495,284</u>
Operating income (loss)	<u>1,179,285</u>	<u>(1,045,365)</u>	<u>4,630,021</u>	<u>4,763,941</u>
Non-operating revenues				
Interest and dividend income	32,534	65,816	-	98,350
Gain (loss) on disposal of capital assets	282,629	-	-	282,629
Total non-operating revenues, net	<u>315,163</u>	<u>65,816</u>	<u>-</u>	<u>380,979</u>
Income (loss) before capital contributions and transfers	1,494,448	(979,549)	4,630,021	5,144,920
Capital contributions	98,151	-	-	98,151
Transfers in	1,973,797	-	-	1,973,797
Change in net position	3,566,396	(979,549)	4,630,021	7,216,868
Total net position - July 1, 2021	<u>23,346,221</u>	<u>14,711,741</u>	<u>23,938,028</u>	<u>61,995,990</u>
Total net position - June 30, 2022	<u>\$ 26,912,617</u>	<u>\$ 13,732,192</u>	<u>\$ 28,568,049</u>	<u>\$ 69,212,858</u>

County of Chesterfield, Virginia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Vehicle and Communications Maintenance	Risk Management	Healthcare	Total
Cash flows from operating activities				
Receipts from customers	\$ 22,341,991	\$ 12,270,628	\$ 133,539,061	\$ 168,151,680
Payments to suppliers	(11,728,921)	(7,127,384)	-	(18,856,305)
Payments to employees	(5,984,022)	(1,689,745)	-	(7,673,767)
Claims paid	-	(2,771,116)	(127,390,716)	(130,161,832)
Net cash provided by (used in) operating activities	<u>4,629,048</u>	<u>682,383</u>	<u>6,148,345</u>	<u>11,459,776</u>
Cash flows from non-capital financing activities				
Transfers In	<u>1,973,797</u>	-	-	<u>1,973,797</u>
Net cash provide by (used in) non-capital financing activities	<u>1,973,797</u>	-	-	<u>1,973,797</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(8,920,136)	(21,881)	-	(8,942,017)
Proceeds from sale of capital assets	291,237	-	-	291,237
Capital contributions	<u>69,100</u>	-	-	<u>69,100</u>
Net cash provided by (used in) capital and related financing activities	<u>(8,559,799)</u>	<u>(21,881)</u>	-	<u>(8,581,680)</u>
Cash flows from investing activities				
Interest received	<u>32,534</u>	<u>65,816</u>	-	<u>98,350</u>
Net increase (decrease) in cash and cash equivalents	(1,924,420)	726,318	6,148,345	4,950,243
Cash and cash equivalents, July 1, 2021	<u>21,492,842</u>	<u>18,031,581</u>	<u>31,630,986</u>	<u>71,155,409</u>
Cash and cash equivalents, June 30, 2022	<u>\$ 19,568,422</u>	<u>\$ 18,757,899</u>	<u>\$ 37,779,331</u>	<u>\$ 76,105,652</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,179,285	\$ (1,045,365)	\$ 4,630,021	\$ 4,763,941
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,626,171	92,343	-	1,718,514
Changes in assets and liabilities:				
Receivables, net	(107,545)	-	-	(107,545)
Inventories	(272,502)	17,743	-	(254,759)
Accounts and other payables	<u>2,203,639</u>	<u>1,617,662</u>	<u>1,518,324</u>	<u>5,339,625</u>
Net cash provided by (used in) operating activities, net	<u>\$ 4,629,048</u>	<u>\$ 682,383</u>	<u>\$ 6,148,345</u>	<u>\$ 11,459,776</u>
Noncash transactions related to financing, capital and investing activities are as follows:				
Contributions of capital assets	\$ 29,051	\$ -	\$ -	\$ 29,051

See accompanying independent auditors' report.

Fiduciary Funds

Trust Funds

Supplemental Retirement Plan Pension Trust - County - This fund reflects the funds held in trust to pay benefits for the County's Supplemental Retirement Plan.

Pooled Postemployment Retiree Healthcare Benefits Trust - County - This fund reflects the funds held in trust to pay benefits for the County's OPEB plan for healthcare benefits.

Pooled Postemployment Retiree Healthcare Benefits Trust - Schools - This fund reflects the funds held in trust to pay benefits for the School's OPEB plan for healthcare benefits.

Pooled Postemployment Line of Duty Benefits Trust - County - This fund reflects the funds held in trust to pay benefits for the County's OPEB plan for line of duty benefits.

Custodial Funds

Greater Richmond Convention Center Authority - This fund reflects the funds held by the County as fiscal agent for the Greater Richmond Convention Center Authority.

Special Welfare Fund - This fund reflects the receipt and disbursement of monies maintained in individual agency accounts for certain County welfare recipients.

Mental Health Support Services Social Security Administration Fund (MHSS SSA) - This fund reflects the receipt and disbursement of monies maintained for mental health clients receiving Social Security and other disability benefits.

Police Safekeeping Fund - The fund reflects the receipt and disbursements of monies held temporarily by the County upon police department seizure.

Inmate Trust Fund - This fund reflects prisoner monies held for inmates while held in County Jail.

Central Virginia Transportation Authority - This fund reflects the funds held by the County as fiscal agent for the Central Virginia Transportation Authority.

Appomattox Regional Governor's School for the Arts and Technology - This fund reflects the funds held by the County as fiscal agent for the Appomattox Regional Governor's School for the Arts and Technology.

County of Chesterfield, Virginia
Combining Statement of Fiduciary Net Position
Trust Funds
June 30, 2022

	Supplemental Retirement Plan Pension Trust County	Pooled Postemployment Retiree Healthcare Benefits Trust County	Pooled Postemployment Retiree Healthcare Benefits Trust Schools	Pooled Postemployment Line of Duty Benefits Trust County	Total Trust Funds
ASSETS					
Cash and cash equivalents	\$ 6,438,648	\$ -	\$ 1,000,000	\$ -	\$ 7,438,648
Accounts receivable	59,580	-	195	-	59,775
Due from broker	15,180	-	-	-	15,180
Investments:					
Mutual funds	6,888,760	-	-	-	6,888,760
Common and preferred stocks	8,876,988	-	-	-	8,876,988
Corporate bonds	4,222,308	-	-	-	4,222,308
Municipal bonds	32,267	-	-	-	32,267
U. S. government and agency securities	3,707,955	-	-	-	3,707,955
Exchange traded funds	7,236,489	-	-	-	7,236,489
Collateralized mortgage backed securities	401,854	-	-	-	401,854
Fund of funds	7,113,878	-	-	-	7,113,878
Pooled funds	-	39,435,859	25,369,716	12,789,484	77,595,059
Total investments	38,480,499	39,435,859	25,369,716	12,789,484	116,075,558
Total assets	44,993,907	39,435,859	26,369,911	12,789,484	123,589,161
LIABILITIES					
Due to broker	-	-	1,000,000	-	1,000,000
Total liabilities	-	-	1,000,000	-	1,000,000
FIDUCIARY NET POSITION					
Restricted for:					
Pension benefits	44,993,907	-	-	-	44,993,907
Other postemployment benefits	-	39,435,859	25,369,911	12,789,484	77,595,254
Total net position	\$ 44,993,907	\$ 39,435,859	\$ 25,369,911	\$ 12,789,484	\$ 122,589,161

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Combining Statement of Changes in Fiduciary Net Position
Trust Funds
For the Year Ended June 30, 2022

	Supplemental Retirement Plan Pension Trust County	Pooled Postemployment Retiree Healthcare Benefits Trust County	Pooled Postemployment Retiree Healthcare Benefits Trust Schools	Pooled Postemployment Line of Duty Benefits Trust County	Total Trust Funds
Additions:					
Contributions					
Employer	\$ 6,687,871	\$ 8,862,469	\$ 16,141,717	\$ 776,477	\$ 32,468,534
Investment earnings:					
Interest and dividends	1,877,783	18,799	9,912	4,962	1,911,456
Net increase in the fair value of investments	(6,989,171)	(4,030,873)	(2,489,013)	(1,306,123)	(14,815,180)
Total investment income (loss)	(5,111,388)	(4,012,074)	(2,479,101)	(1,301,161)	(12,903,724)
Less investment expenses	(229,011)	(33,522)	(20,621)	(10,799)	(293,953)
Net investment earnings (losses)	(5,340,399)	(4,045,596)	(2,499,722)	(1,311,960)	(13,197,677)
Total additions, net	1,347,472	4,816,873	13,641,995	(535,483)	19,270,857
Deductions:					
Benefit payments	2,355,365	8,862,469	15,141,717	776,477	27,136,028
Administrative expenses	90,758	500	500	500	92,258
Total deductions	2,446,123	8,862,969	15,142,217	776,977	27,228,286
Increase in net position restricted for pensions/other postemployment benefits	(1,098,651)	(4,046,096)	(1,500,222)	(1,312,460)	(7,957,429)
Fiduciary net position - July 1, 2021	46,092,558	43,481,955	26,870,133	14,101,944	130,546,590
Fiduciary net position - June 30, 2022	\$ 44,993,907	\$ 39,435,859	\$ 25,369,911	\$ 12,789,484	\$ 122,589,161

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

	Greater Richmond Convention Center Authority	Special Welfare	MHSS SSA	Police Safekeeping	Inmate Trust	Central Virginia Transportation Authority	Appomattox Regional Governor's School	Total
ASSETS								
Cash and cash equivalents	\$ 15,752,500	\$ 29,170	\$ 197,212	\$ 1,688,137	\$ 207,249	\$ 53,954,862	\$ 1,924,040	\$ 73,753,170
Investments with fiscal agent						54,244,060		54,244,060
Accounts receivable	224,243	-	-	-	8,530	-	358	233,131
Restricted assets:								
Cash and cash equivalents	6,250,166	-	-	-	-	-	-	6,250,166
Investments	8,125,563	-	-	-	-	-	-	8,125,563
Cash, cash equivalents and investments with trustee	12,097,759	-	-	-	-	-	-	12,097,759
Due from other governments	2,870,816	-	-	-	-	-	-	2,870,816
Interest receivable	2,143	-	-	-	-	-	-	2,143
Total restricted assets	29,346,447	-	-	-	-	-	-	29,346,447
Total assets	45,323,190	29,170	197,212	1,688,137	215,779	108,198,922	1,924,398	\$ 157,576,808
LIABILITIES								
Accounts payable	341,823	-	-	10,000	171,225	128,586	28,587	680,221
Wages and benefits	-	-	-	-	-	-	310,683	310,683
Unearned revenue	-	-	-	-	-	-	405,000	405,000
Due to Chesterfield County	-	-	5,439	-	13,949	-	-	19,388
Due to other governments	18,037,263	4,045	-	17,700	-	-	-	18,059,008
Total liabilities	18,379,086	4,045	5,439	27,700	185,174	128,586	744,270	19,474,300
NET POSITION								
Restricted for individuals, other governments and entities	\$ 26,944,104	\$ 25,125	\$ 191,773	\$ 1,660,437	\$ 30,605	\$ 108,070,336	\$ 1,180,128	\$ 138,102,508

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022

	Greater Richmond Convention Center Authority	Special Welfare	MHSS SSA	Police Safekeeping	Inmate Trust	Central Virginia Transportation Authority	Appomattox Regional Governor's School	Total
ADDITIONS								
Receipts:								
Deposits from and on behalf of others	\$ -	\$ -	\$ -	\$ 1,067,063	\$ 1,362,489	\$ -	\$ -	\$ 2,429,552
Social Security Administration deposits	-	10,778	762,967	-	-	-	-	773,745
Local sales and use tax collections	-	-	-	-	-	148,681,265	-	148,681,265
Fuel tax collections	-	-	-	-	-	49,983,001	-	49,983,001
Transient occupancy tax collections	30,817,871	-	-	-	-	-	-	30,817,871
Food stamp recoupment	-	10,540	-	-	-	-	-	10,540
From other governments	-	-	-	-	-	-	1,342,024	1,342,024
Tuition deposits from localities	-	-	-	-	-	-	3,113,450	3,113,450
Proceeds from sale of revenue bonds	57,645,000	-	-	-	-	-	-	57,645,000
Other	270,324	1,256	11,412	52,949	2,501	-	6,748	345,190
Investment earnings:								
Interest and dividends	96,385	-	458	-	-	221,444	-	318,287
Net decrease in the fair value of investments	(711,544)	-	-	-	-	(150,318)	-	(861,862)
Total investment income (loss)	(615,159)	-	458	-	-	71,126	-	(543,575)
Less investment expense	(3,475)	-	-	-	-	-	-	(3,475)
Net investment earnings (losses)	(618,634)	-	458	-	-	71,126	-	(547,050)
Total additions, net	88,114,561	22,574	774,837	1,120,012	1,364,990	198,735,392	4,462,222	\$ 294,594,588
DEDUCTIONS								
Operational payments	4,304,585	-	-	-	-	-	4,392,431	\$ 8,697,016
Debt service payments	8,596,508	-	-	-	-	-	-	8,596,508
Payments to escrow agent for revenue bond refunding	58,755,338	-	-	-	-	-	-	58,755,338
Payments to beneficiaries and participating entities	18,037,263	20,036	796,591	1,445,854	1,370,595	128,822,124	-	150,492,463
General and administrative expenses	163,850	-	-	-	-	356,782	-	520,632
Other payments	-	-	26,453	-	5,007	-	-	31,460
Total deductions	89,857,544	20,036	823,044	1,445,854	1,375,602	129,178,906	4,392,431	\$ 227,093,417
Increase (decrease) in net position	(1,742,983)	2,538	(48,207)	(325,842)	(10,612)	69,556,486	69,791	67,501,171
Fiduciary net position, July 1, 2021	28,687,087	22,587	239,980	1,986,279	41,217	38,513,850	1,110,337	70,601,337
Fiduciary net position, June 30, 2022	\$ 26,944,104	\$ 25,125	\$ 191,773	\$ 1,660,437	\$ 30,605	\$ 108,070,336	\$ 1,180,128	\$ 138,102,508

See accompanying independent auditors' report.



**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

County of Chesterfield, Virginia
Schedule of Capital Assets Used in the Operation of Governmental Funds
by Function and Activity
June 30, 2022

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
General government:						
Accounting	\$ 18,204	\$ -	\$ -	\$ -	\$ 18,204	\$ -
Board of Supervisors	7,933	-	-	-	7,933	-
Budget and Management	7,135	-	-	-	7,135	-
Capital Projects Management	39,530	-	14,992	-	24,538	-
Communications and Media	11,222	-	-	-	11,222	-
Commissioner of the Revenue	49,432	-	-	-	49,432	-
County Administration	2,005,872	-	248,128	37,510	1,720,234	-
County Attorney	24,466	-	-	-	24,466	-
General Services	14,665,749	1,134,006	12,739,625	344,721	447,397	-
Human Resource Management	39,555	-	-	-	39,555	-
Information Systems Technology	30,612,654	129,800	6,322,724	162,719	23,997,411	-
Internal Audit	14,790	-	-	-	14,790	-
Learning and Performance Center	134,911	-	-	-	134,911	-
License Inspector	35,393	-	-	-	35,393	-
Procurement	55,000	-	-	-	55,000	-
Real Estate Assessments	2,460,527	85,500	442,144	-	1,932,883	-
Registrar	1,166,645	-	-	-	1,166,645	-
Treasurer	7,538,993	-	-	-	7,538,993	-
Total general government	58,888,011	1,349,306	19,767,613	544,950	37,226,142	-
Administration of justice:						
Circuit Court Clerk	2,120,423	-	-	-	2,120,423	-
Circuit Court Judges	25,084	-	-	-	25,084	-
Commonwealth's Attorney	260,440	-	114,474	-	145,966	-
Community Corrections	1,664,325	336,091	1,194,090	-	134,144	-
General District Court	33,446,197	22,441	32,333,555	118,080	972,121	-
Juvenile and Domestic Relations Court	18,242,367	53,173	18,107,972	-	81,222	-
Total administration of justice	55,758,836	411,705	51,750,091	118,080	3,478,960	-
Public safety:						
Animal Control	4,159,053	181,324	3,234,631	96,150	646,948	-
Building Inspections	2,148,097	105,932	110,100	-	1,932,065	-
Emergency Communications Center	38,175,582	71,740	63,857	-	38,039,985	-
Fire and EMS	124,953,471	3,373,829	52,374,601	2,952,795	66,252,246	-
Jail	32,604,330	19,950	31,192,900	-	1,391,480	-
Juvenile Detention Home	17,504,044	14,000	17,032,310	-	457,734	-
Juvenile Probation	41,884	-	-	-	41,884	-
Police	76,068,218	1,607,607	42,061,103	143,790	32,255,718	-
Sheriff	3,922,157	-	9,719	-	3,912,438	-
Chesterfield Adolescent Reporting Program	885,470	-	810,668	-	74,802	-
Total public safety	300,462,306	5,374,382	146,889,889	3,192,735	145,005,300	-
Public works:						
Buildings and Grounds	52,236,586	29,965,912	16,843,082	2,794,364	2,633,228	-
Environmental Engineering	46,471,560	1,100	382,168	7,850	2,695,227	43,385,215
Stormwater	1,310,355	1,310,355	-	-	-	-
Waste and Resource Recovery	12,059,272	800,254	679,339	8,278,798	2,300,881	-
Total public works	112,077,773	32,077,621	17,904,589	11,081,012	7,629,336	43,385,215
Health and welfare:						
Citizen Information	45,933	-	-	-	45,933	-
Health	388,569	-	329,123	-	59,446	-
Mental Health Support Services	17,158,752	28,000	14,808,144	-	2,322,608	-
Social Services	24,792,865	297,200	22,414,396	-	2,081,269	-
Total health and welfare	42,386,119	325,200	37,551,663	-	4,509,256	-

County of Chesterfield, Virginia
Schedule of Capital Assets Used in the Operation of Governmental Funds
by Function and Activity
June 30, 2022

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
Parks, recreation and cultural:						
Library	\$ 71,966,201	\$ 3,568,393	\$ 62,775,697	\$ 354,988	\$ 5,267,123	\$ -
Parks and Recreation	<u>119,660,562</u>	<u>22,543,941</u>	<u>21,191,453</u>	<u>69,815,715</u>	<u>5,754,174</u>	<u>355,279</u>
Total parks, recreation and cultural	<u>191,626,763</u>	<u>26,112,334</u>	<u>83,967,150</u>	<u>70,170,703</u>	<u>11,021,297</u>	<u>355,279</u>
Education:						
School Board	<u>1,273,793,831</u>	<u>31,974,562</u>	<u>1,206,597,485</u>	<u>35,221,784</u>	<u>-</u>	<u>-</u>
Community development:						
Community Development	27,667,162	4,611,401	18,974,574	-	4,081,187	-
Economic Development	6,098	-	-	-	6,098	-
Transportation	<u>516,928</u>	<u>494,500</u>	<u>-</u>	<u>-</u>	<u>22,428</u>	<u>-</u>
Total community development	<u>28,190,188</u>	<u>5,105,901</u>	<u>18,974,574</u>	<u>-</u>	<u>4,109,713</u>	<u>-</u>
Total governmental funds' capital assets allocated by function	<u>2,063,183,827</u>	<u>\$ 102,731,011</u>	<u>\$ 1,583,403,054</u>	<u>\$ 120,329,264</u>	<u>\$ 212,980,004</u>	<u>\$ 43,740,494</u>
Construction in progress	<u>95,449,678</u>					
Total governmental funds' capital assets	<u>\$ 2,158,633,505</u>					

This schedule presents only the gross capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds
by Function and Activity
For the Year Ended June 30, 2022

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>
General government:				
Accounting	\$ 18,204	\$ -	\$ -	\$ 18,204
Board of Supervisors	7,933	-	-	7,933
Budget and Management	7,135	-	-	7,135
Capital Projects Management	39,530	-	-	39,530
Communications and Media	11,222	-	-	11,222
Commissioner of the Revenue	49,432	-	-	49,432
County Administration	2,000,229	5,643	-	2,005,872
County Attorney	24,466	-	-	24,466
General Services	14,497,027	168,722	-	14,665,749
Human Resource Management	39,555	-	-	39,555
Information Systems Technology	31,528,948	316,070	1,232,364	30,612,654
Internal Audit	14,790	-	-	14,790
Learning and Performance Center	134,911	-	-	134,911
License Inspector	35,393	-	-	35,393
Procurement	55,000	-	-	55,000
Real Estate Assessments	2,363,323	97,204	-	2,460,527
Registrar	1,055,765	110,880	-	1,166,645
Treasurer	7,475,753	69,116	5,876	7,538,993
Total general government	<u>59,358,616</u>	<u>767,635</u>	<u>1,238,240</u>	<u>58,888,011</u>
Administration of justice:				
Circuit Court Clerk	2,120,423	-	-	2,120,423
Circuit Court Judges	12,230	12,854	-	25,084
Commonwealth's Attorney	260,440	-	-	260,440
Community Corrections	1,654,981	9,344	-	1,664,325
General District Court	33,301,197	145,000	-	33,446,197
Juvenile and Domestic Relations Court	18,242,367	-	-	18,242,367
Total administration of justice	<u>55,591,638</u>	<u>167,198</u>	<u>-</u>	<u>55,758,836</u>
Public safety:				
Animal Control	4,095,968	70,949	7,864	4,159,053
Building Inspections	2,148,097	-	-	2,148,097
Emergency Communications Center	35,244,549	2,931,033	-	38,175,582
Fire and EMS	121,118,610	5,276,495	1,441,634	124,953,471
Jail	32,526,067	78,263	-	32,604,330
Juvenile Detention Home	17,352,699	151,345	-	17,504,044
Juvenile Probation	41,884	-	-	41,884
Police	75,976,137	1,392,218	1,300,137	76,068,218
Sheriff	3,825,119	130,726	33,688	3,922,157
Chesterfield Adolescent Reporting Program	874,402	11,068	-	885,470
Total public safety	<u>293,203,532</u>	<u>10,042,097</u>	<u>2,783,323</u>	<u>300,462,306</u>

County of Chesterfield, Virginia
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds
by Function and Activity
For the Year Ended June 30, 2022

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>
Public works:				
Buildings and Grounds	\$ 45,182,722	\$ 7,119,378	\$ 65,514	\$ 52,236,586
Environmental Engineering	45,313,870	1,157,690	-	46,471,560
Stormwater	1,310,355	-	-	1,310,355
Waste and Resource Recovery	10,798,555	1,410,283	149,566	12,059,272
Total public works	<u>102,605,502</u>	<u>9,687,351</u>	<u>215,080</u>	<u>112,077,773</u>
Health and welfare:				
Citizen Information	45,933	-	-	45,933
Health	388,569	-	-	388,569
Mental Health Support Services	17,200,896	-	42,144	17,158,752
Social Services	24,792,865	-	-	24,792,865
Total health and welfare	<u>42,428,263</u>	<u>-</u>	<u>42,144</u>	<u>42,386,119</u>
Parks, recreation and cultural:				
Library	71,855,577	110,624	-	71,966,201
Parks and Recreation	114,283,054	6,107,191	729,683	119,660,562
Total parks, recreation and cultural	<u>186,138,631</u>	<u>6,217,815</u>	<u>729,683</u>	<u>191,626,763</u>
Education:				
School Board	1,241,077,666	36,781,047	4,064,882	1,273,793,831
Community development:				
Community Development	29,629,880	117,952	2,080,670	27,667,162
Economic Development	6,098	-	-	6,098
Transportation	22,428	494,500	-	516,928
	<u>29,658,406</u>	<u>612,452</u>	<u>2,080,670</u>	<u>28,190,188</u>
Construction in progress	<u>75,792,219</u>	<u>66,664,103</u>	<u>47,006,644</u>	<u>95,449,678</u>
Total governmental funds' capital assets	<u>\$ 2,085,854,473</u>	<u>\$ 130,939,698</u>	<u>\$ 58,160,666</u>	<u>\$ 2,158,633,505</u>

This schedule presents only the gross capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Schedule of Capital Assets Used in the Operation of Governmental Funds
by Source
June 30, 2022

Governmental funds' capital assets:

Land	\$ 102,731,011
Buildings	1,583,403,054
Improvements other than buildings	120,329,264
Machinery and equipment	212,980,004
Infrastructure	43,740,494
Construction in progress	95,449,678
Total governmental funds' capital assets	<u>\$ 2,158,633,505</u>

Investment in governmental funds' capital assets by source:

General obligation bonds	\$ 1,461,610,747
General government revenues	484,181,495
Federal and State grants	36,480,906
Capital lease purchases	80,948,756
Special Revenue Fund revenues	9,713,851
Contributions from public	85,697,750
Total investment in governmental funds' capital assets	<u>\$ 2,158,633,505</u>

This schedule presents only the gross capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

See accompanying independent auditors' report.

School Board Discretely Presented Component Unit

Governmental Fund

Special Revenue Fund

School Operating Fund - This fund reflects the activity related to the operations of the County's public school system.

School Activity Fund - This fund reflects monies held for students to use for educational, recreational, or cultural purposes.

Fiduciary Funds

Pension Trust Fund

Supplemental Retirement Program Fund - This fund reflects activity related to pension trust assets to provide certain qualified School Board employees with additional retirement benefits.

County of Chesterfield, Virginia
Discretely Presented Component Unit - School Board
Balance Sheet - Governmental Fund
June 30, 2022

	Special Revenue Funds		
	School Operating	Non-major School Activity Funds	Total School Board
ASSETS			
Cash and cash equivalents	\$ 25,295,746	\$ 6,389,155	\$ 31,684,901
Investments	19,323	-	19,323
Accounts receivable	466,193	121,109	587,302
Due from other governments	22,750,622	-	22,750,622
Due from primary government	106,229,621	-	106,229,621
Inventories	76,701	-	76,701
Total assets	<u>\$ 154,838,206</u>	<u>\$ 6,510,264</u>	<u>\$ 161,348,470</u>
LIABILITIES			
Accounts payable	\$ 11,025,495	\$ 190,152	\$ 11,215,647
Accrued liabilities	57,746,818	-	57,746,818
Retainages payable	26,705	-	26,705
Unearned revenues	1,177,788	-	1,177,788
Total liabilities	<u>69,976,806</u>	<u>190,152</u>	<u>70,166,958</u>
FUND BALANCE			
Nonspendable	76,701	-	76,701
Restricted	20,067,396	-	20,067,396
Assigned	64,717,303	6,320,112	71,037,415
Total fund balance	<u>84,861,400</u>	<u>6,320,112</u>	<u>91,181,512</u>
Total liabilities and fund balance	<u>\$ 154,838,206</u>	<u>\$ 6,510,264</u>	<u>\$ 161,348,470</u>

Reconciliation of total fund balances for governmental funds to total net position (deficit) of governmental activities:

Total fund balance for School Board Funds		91,181,512
Amounts reported for the School Board's governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation/depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		84,605,193
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Deferred outflows related to pensions	\$ 149,250,992	
Deferred outflows related to other postemployment benefits	<u>18,887,564</u>	168,138,556
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This adjustment combines the net changes of the following balances:		
Right-to-use asset obligations	(1,878,690)	
Financed purchase obligations	(8,289,317)	
Compensated absences	(23,897,808)	
Judgments and claims	(4,524,000)	
Net pension liabilities	(311,311,877)	
Net other postemployment benefits obligation liabilities	(190,442,398)	
Interest payable	<u>(180,839)</u>	(540,524,929)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:		
Deferred inflows related to pensions	(235,067,556)	
Deferred inflows related to other postemployment benefits	<u>(51,746,432)</u>	(286,813,988)
Total net position (deficit) of the School Board's governmental activities		<u>\$ (483,413,656)</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Discretely Presented Component Unit - School Board
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund
For the Year Ended June 30, 2022

	<u>Special Revenue Funds</u>		
	<u>School Operating</u>	<u>Non-major School Activity Funds</u>	<u>School Board Total</u>
Revenues			
From local sources:			
Use of money and property	\$ 228,615	\$ 42,112	\$ 270,727
Charges for services	3,144,432	1,162,740	4,307,172
Donations	790,793	700,394	1,491,187
Miscellaneous	2,190,759	4,741,548	6,932,307
Payment from primary government	316,274,508	-	316,274,508
From other governments	<u>506,300,237</u>	<u>-</u>	<u>506,300,237</u>
Total revenues	<u>828,929,344</u>	<u>6,646,794</u>	<u>835,576,138</u>
Expenditures			
Current:			
Education	794,313,748	6,229,388	800,543,136
Debt service	5,610,201	-	5,610,201
Payment to primary government	<u>11,894,176</u>	<u>-</u>	<u>11,894,176</u>
Total expenditures	<u>811,818,125</u>	<u>6,229,388</u>	<u>818,047,513</u>
Excess of revenues over expenditures	17,111,219	417,406	17,528,625
Other financing sources (uses)			
Proceeds from right-to-use asset transactions	1,949,307	-	1,949,307
Financed purchase proceeds	11,617,039	-	11,617,039
Transfers in	-	96,637	96,637
Transfers out	<u>(96,637)</u>	<u>-</u>	<u>(96,637)</u>
Total other financing sources (uses), net	<u>13,469,709</u>	<u>96,637</u>	<u>13,566,346</u>
Net change in fund balance	30,580,928	514,043	31,094,971
Total fund balance, July 1, 2021	<u>54,280,472</u>	<u>5,806,069</u>	<u>60,086,541</u>
Total fund balance, June 30, 2022	<u>\$ 84,861,400</u>	<u>\$ 6,320,112</u>	<u>\$ 91,181,512</u>

County of Chesterfield, Virginia
Discretely Presented Component Unit - School Board
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund
For the Year Ended June 30, 2022

Reconciliation of Fund Balance of Governmental Funds to the Statement of Activities:

Net change in fund balance \$ 31,094,971

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

The governmental fund reports capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capitalized assets	\$ 31,070,825	
Depreciation/amortization	<u>(19,195,397)</u>	11,875,428

The net effect of miscellaneous transactions involving capital assets (prepayments, trade-ins, donations, and disposals) increased net position. (247,613)

School Board's share of the Commonwealth's special contribution to VRS Teacher Employee Plan

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases

Payments	5,523,653	
Proceeds	<u>(13,751,315)</u>	(8,227,662)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund, such as:

Compensated absences	(2,273,853)	
Judgments and claims	(303,535)	
Other postemployment benefits expense	16,042,267	
Pension expense	84,143,654	
Interest payable	<u>(172,630)</u>	<u>97,435,903</u>

Change in net position of governmental activities \$ 131,931,027

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Discretely Presented Component Unit - School Board
School Operating Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
From local sources:				
Use of money and property	\$ 1,780,755	\$ 1,780,755	\$ 1,457,811	\$ (322,944)
Charges for services	13,043,350	13,051,180	3,652,843	(9,398,337)
Donations	823,450	961,994	790,793	(171,201)
Miscellaneous	2,179,145	2,410,692	2,190,759	(219,933)
Recovered costs	234,100	140,051	142,360	2,309
From the Commonwealth	409,005,800	417,992,861	415,851,299	(2,141,562)
From the federal government	43,711,600	149,255,504	90,448,938	(58,806,566)
Total revenues	<u>470,778,200</u>	<u>585,593,037</u>	<u>514,534,803</u>	<u>(71,058,234)</u>
Expenditures				
Current:				
Education:				
Instruction	553,617,134	664,269,717	591,093,103	73,176,614
Administration, attendance and health	27,078,896	28,123,725	25,686,911	2,436,814
Pupil transportation	42,301,064	48,986,365	42,215,473	6,770,892
Operations and maintenance	66,376,612	93,480,594	68,100,735	25,379,859
Technology	23,486,906	37,506,844	29,383,373	8,123,471
Food service	28,320,706	28,895,706	26,525,414	2,370,292
Debt service	61,439,800	61,484,060	62,020,209	(536,149)
Total expenditures	<u>802,621,118</u>	<u>962,747,011</u>	<u>845,025,218</u>	<u>117,721,793</u>
Deficiency of revenues under expenditures	<u>(331,842,918)</u>	<u>(377,153,974)</u>	<u>(330,490,415)</u>	<u>46,663,559</u>
Other financing sources (uses)				
Transfers in:				
General Fund	332,744,300	393,528,337	372,198,937	(21,329,400)
School Capital Projects Fund	62,500	166,667	18,210	(148,457)
Total transfers in	<u>332,806,800</u>	<u>393,695,004</u>	<u>372,217,147</u>	<u>(21,477,857)</u>
Transfers out:				
County Grants Fund	-	-	-	-
County Healthcare Fund	-	(1,000,000)	(1,000,000)	-
School Capital Projects Fund	<u>(10,419,100)</u>	<u>(61,677,840)</u>	<u>(10,894,176)</u>	<u>50,783,664</u>
Total transfers out	<u>(10,419,100)</u>	<u>(62,677,840)</u>	<u>(11,894,176)</u>	<u>50,783,664</u>
Bonds issued	-	-	438,795	438,795
Premium on bonds issued	-	-	309,577	309,577
Total other financing sources, net	<u>322,387,700</u>	<u>331,017,164</u>	<u>361,071,343</u>	<u>30,054,179</u>
Net change in fund balance	<u>(9,455,218)</u>	<u>(46,136,810)</u>	<u>30,580,928</u>	<u>76,717,738</u>
Fund balance, July 1, 2021	<u>54,280,472</u>	<u>54,280,472</u>	<u>54,280,472</u>	<u>-</u>
Fund balance, June 30, 2022	<u>\$ 44,825,254</u>	<u>\$ 8,143,662</u>	<u>\$ 84,861,400</u>	<u>\$ 76,717,738</u>

County of Chesterfield, Virginia
Discretely Presented Component Unit - School Board
School Operating Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2022

Schedule C-3

Explanation of differences between actual amounts on the budgetary basis and GAAP basis:

Revenues

Total revenues on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	\$ 514,534,803
Budgetary intrafund reimbursements and recovered costs are accounted for as revenues and expenditures but are eliminated for financial reporting purposes.	(1,879,967)
Budgetary transfers from the primary government, excluding transfers for payment of debt "on behalf" of the School Board, are revenues for financial reporting purposes.	316,274,508
Transactions from non-major School Activity Funds are not reported on budgetary basis statements.	<u>6,646,794</u>
Total revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 835,576,138</u>

Expenditures

Total expenditures on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	\$ 845,025,218
For budgetary purposes, interfund reimbursements, recovered costs, and transfers to grants and food service are accounted for as expenditures but are eliminated for financial reporting purposes.	(1,879,967)
Budgetary transfers to the primary government are expenditures for financial reporting purposes.	11,894,176
Budgetary expenditures for disbursements made to the non-major special revenue fund - School Activity funds are accounted for as transfers and eliminated on combining statements for financial reporting purposes.	(96,637)
Expenditures of School Activity Funds are not reported on budgetary basis statements	6,229,388
Capital outlay related to financed purchased obligations are expenditures for financial reporting purposes.	11,617,039
Capital outlay related to lease obligations are expenditures for financial reporting purposes .	1,949,307
Payments of debt "on behalf" of the School Board are eliminated for financial reporting purposes.	<u>(56,691,011)</u>
Total expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 818,047,513</u>

Other financing sources (uses)

Total other financing sources on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	\$ 361,071,343
Budgetary transfers from the primary government are revenues for financial reporting purposes.	(372,217,147)
Net proceeds from debt issued by the primary government "on behalf" of the School Board are eliminated for financial reporting purposes.	(748,372)
Proceeds from financed purchases are other financing sources for financial reporting purposes.	11,617,039
Proceeds from new lease obligations are other financing sources for financial reporting purposes.	1,949,307
Budgetary transfers to the primary government are expenditures for financial reporting purposes.	<u>11,894,176</u>
Total other financing sources on the Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 13,566,346</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Discretely Presented Component Unit - School Board
Statement of Net Position
Fiduciary Fund
June 30, 2022

	<u>Pension Trust Fund</u>
	<u>Supplemental Retirement Program Fund</u>
ASSETS	
Cash and cash equivalents with trustee	\$ 606,946
Investments with trustee	69,125,409
Interest receivable	40,705
Due from broker	<u>2,269</u>
Total assets	<u>69,775,329</u>
LIABILITIES	
Due to Broker	<u>24,656</u>
Total Liabilities	<u>24,656</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 69,750,673</u>

See accompanying independent auditors' report.

**County of Chesterfield, Virginia
Discretely Presented Component Unit - School Board
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended June 30, 2022**

	<u>Pension Trust Fund</u>
	<u>Supplemental Retirement Program</u>
Additions	
Contributions	\$ 34,300,000
Investment earnings:	
Interest and dividends	887,162
Net increase in the fair value of investments	<u>(7,986,687)</u>
Net investment earnings	<u>(7,099,525)</u>
Total additions	<u>27,200,475</u>
 Deductions	
Benefit payments	6,388,086
Administrative expenses	<u>233,202</u>
Total deductions	<u>6,621,288</u>
 Increase in net position	 20,579,187
 Net position - July 1, 2021	 <u>49,171,486</u>
Net position - June 30, 2022	<u>\$ 69,750,673</u>

See accompanying independent auditors' report.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NOTES

County of Chesterfield, VA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
Department of Agriculture		
Pass-through payments:		
Department of Agriculture & Consumer Services:		
National School Lunch Program (211VA347N2535)	10.555	\$ 1,118,081
Department of Education:		
National School Lunch Program (202121N119941)	10.555	23,193,188
Department of Juvenile Justice:		
National School Lunch Program (Commodities)	10.555	<u>63,835</u>
Total - National School Lunch Program - 10.555		\$ 24,375,104
Department of Education:		
School Breakfast Program (202121N119941)	10.553	7,813,808
Total - School Breakfast Program - 10.553		7,813,808
Summer Food Service Program for Children (202120N109941) (202120N202941)	10.559	2,869,445
Total - Summer Food Service Program for Children - 10.559		2,869,445
Fresh Fruit and Vegetable Program (202120L160341)	10.582	299,432
Total - Fresh Fruit and Vegetable Program - 10.582		<u>299,432</u>
Total Child Nutrition Cluster - 10.553/10.555/10.559/10.582		35,357,789
Department of Health:		
Child and Adult Care Food Program (10309) (59431)	10.558	8,219
Department of Social Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (0010121)	10.561	<u>2,902,454</u>
Total Supplemental Nutrition Assistance Program Cluster - 10.561		<u>2,902,454</u>
Total Department of Agriculture		<u>38,268,462</u>
Department of Defense		
Direct payments:		
JROTC	12.U01	<u>269,337</u>
Total Department of Defense		<u>269,337</u>
Department of Education		
Pass-through payments:		
City of Richmond School Board:		
Adult Education - Basic Grants to States (V002A200047) (V002A210047)	84.002	556,341
College of William and Mary:		
Education for Homeless Children and Youth (S196A200048) (S196A210048)	84.196	65,188

County of Chesterfield, VA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
Department of Education (continued)		
Department of Behavioral Health and Development Service: Special Education - Grants for Infants and Families (H181A210017)	84.181	\$ 334,885
Department of Education: Career and Technical Education - Basic Grants to States (V048A200046) (V048A210046)	84.048	607,834
English Language Acquisition State Grants (S365A190046) (S365A200046) (S365A210046)	84.365	394,475
Improving Teacher Quality State Grants (S367A180044) (S367A190044) (S367A200044) (S367A210044)	84.367	1,587,556
Special Education Grants to States (H027A190107) (H027A200107) (H027A210107) (H027X210107)	84.027	\$ 12,526,496
Special Education Preschool Grants (H173A190112) (H173A200112) (H173X210112)	84.173	<u>191,504</u>
Total Special Education Cluster (IDEA) - 84.027 and 84.173		12,718,000
Student Support and Academic Enrichment Program (S424S180048) (S424A190048) (S424A200048) (S424A210048)	84.424	561,320
COVID-19 - Education Stabilization Fund (S425C200042) (S425D200008) (S425C210042) (S425D210008) (S425U210008) (S425W210048)	84.425	24,963,121
Title I Grants to Local Educational Agencies (S010A180046) (S010A190046) (S010A200046) (S010A210046)	84.010	8,433,676
Title I State Agency Program for Neglected and Delinquent Children and Youth (S010A210046)	84.013	2,202

County of Chesterfield, VA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
Department of Education (continued)		
Twenty-First Century Community Learning Centers	84.287	\$ 1,278,788
(00021-60565-S287C190047)		
(00021-60565-S287C200047)		
(00021-60565-S287C210047)		
Total Department of Education		51,503,386
Federal Communications Commission		
Direct payments:		
Emergency Connectivity Fund Program	32.009	205,850
No Grant ID		
Total Federal Communications Commission		205,850
Department of Health and Human Services		
Direct payments:		
Head Start	93.600	\$ 1,638,913
COVID19 - Head Start	93.600	377
Total Head Start Cluster - 93.600		1,639,290
Pass-through payments:		
Department of Behavioral Health and Development Service:		
Block Grants for Community Mental Health Services	93.958	129,934
(50125)		
(50165)		
Block Grants for Prevention and Treatment of		
Substance Abuse	93.959	944,908
(50165)		
(50195)		
(B08TIO83547)		
Opioid STR	93.788	619,954
(1H79TIO83296-01)		
(5H79TIO81682-02)		
Assistance Programs for Chronic Disease Prevention and		
Control	93.945	-
(NU58DP004832-05-00)		
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart		
Disease and Stroke (PPHF)	93.757	
Department of Social Services:		
Guardianship Assistance	93.090	706
(1110121)		
Title IV-E Prevention Program	93.472	27,142
(1140122)		
Temporary Assistance for Needy Families	93.558	1,464,336
(0400121)		
Child Care and Development Block Grant	93.575	11,562
(0773121)		
Child Care Mandatory and Matching Funds of the Child Care		
and Development Fund	93.596	270,598
(0760121)		
Total Child Care Development Fund Cluster - 93.575 and 93.596		282,160

County of Chesterfield, VA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
Department of Health and Human Services (continued)		
Adoption Assistance (1120121)	93.659	\$ 1,224,234
Chafee Education and Training Vouchers Program (ETV) (9160120)	93.599	17,633
John H Chafee Foster Care Program for Successful Transition to Adulthood (9150120)	93.674	37,500
Elder Abuse Prevention Interventions Program (8000221)	93.747	26,873
Children's Health Insurance Program (0540121)	93.767	14,831
Foster Care Title IV-E (1100121)	93.658	1,338,995
Low-Income Home Energy Assistance (0600421)	93.568	211,827
Medical Assistance Program (1200121)	93.778	<u>\$ 1,570,421</u>
Total Medicaid Cluster - 93.778		1,570,421
MaryLee Allen Promoting Safe and Stable Families Program (0950120)	93.556	194,121
Refugee and Entrant Assistance State/Replacement Designee Administered Programs (0500121)	93.566	9,668
Social Services Block Grant (1000121)	93.667	1,256,910
Stephanie Tubbs Jones Child Welfare Services Program (0900121)	93.645	<u>2,621</u>
Total Department of Health and Human Services		<u>11,014,064</u>
Department of Homeland Security		
Pass-through payments:		
Department of Emergency Management:		
Disaster Grants - Public Assistance (Presidentially Declared Disasters) (4602DR-VA) (4411)	97.036	136,813
Emergency Management Performance Grants (63) (8095) (8389) (8619)	97.042	42,673
Pre-Disaster Mitigation Grant Program (PDMC-PJ-03-VA-2018-008)	97.047	945,647

County of Chesterfield, VA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
Department of Homeland Security (continued)		
Homeland Security Grant Program	97.067	\$ 388,749
(8115)		
(8184)		
(8186)		
(8225)		
(8614)		
(8615)		
(8616)		
(8622)		
(8645)		
(5)		
(19)		
(36)		
(71)		
(84)		
Total Department of Homeland Security		1,513,882
Department of Housing and Urban Development		
Direct payments:		
Community Development Block Grants/Entitlement Grants	14.218 ⁽¹⁾	\$ 1,218,504
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218 ⁽¹⁾	1,128,862
Total Community Development Block Grants		
Entitlement Grants Cluster - 14.218		2,347,366
Home Investment Partnerships Program	14.239 ⁽²⁾	389,638
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900 ⁽³⁾	218,298
Section 8 Housing Choice Vouchers	14.871	188,912
Total Housing Voucher Cluster - 14.871		188,912
Total Department of Housing and Urban Development		3,144,214
The Institute of Museum and Library Services		
Pass-through payments:		
Library of Virginia:		
Grants to States	45.310	28,175
(LS-250242-OLS-21)		
Total The Institute of Museum and Library Services		28,175
Department of the Interior		
Direct payments:		
National Wildlife Refuge Fund	15.659	4,895
Pass-through payments:		
National Park Service:		
Battlefield Park Protection	15.930	498,884
(P20AP00450)		
Total Department of the Interior		503,779

County of Chesterfield, VA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
Department of Justice		
Direct payments:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738 ⁽⁴⁾	\$ 22,752
Equitable Sharing Program	16.922	14,944
Public Safety Partnership and Community Policing Grants	16.710	993,445
State Criminal Alien Assistance Program	16.606	127,941
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838 ⁽⁵⁾	309,567
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034 ⁽⁶⁾	15,582
Juvenile Justice and Delinquency Prevention	16.540	27,528
Stop School Violence	16.839	102,156
Pass-through payments:		
Department of Criminal Justice Services:		
Edward Byrne Memorial Justice Assistance Grant Program (9575)	16.738 ⁽⁴⁾	1,766
Crime Victim Assistance (22-O1003VW19) (22-C4705VP20)	16.575	550,262
Violence Against Women Formula Grants (21-Y9371VA20) (21-Y9370VA20) (21-Y9845VA20) (22-Z9370VA21) (22-Y9371VA21) (22-Y9845VA21)	16.588	120,676
COVID-19 - Coronavirus Emergency Supplemental Funding Program (9625)	16.034 ⁽⁶⁾	49,920
Institute for Intergovernmental Research:		
Building Bridges Between Jails and Community-Based Treatment for Opioid Use Disorder (2020-BRIDGES-0061)	16.838 ⁽⁵⁾	27,679
Total Department of Justice		2,364,218
Department of Transportation		
Direct payments:		
Airport Improvement Program	20.106	\$ 471,409
COVID-19 - Airport Improvement Program	20.106	111,379
Total - Airport Improvement Program - 20.106		582,788

(1) Total Payments to Subrecipients ALN 14.218 was \$2,015,586

(2) Total Payments to Subrecipients ALN 14.239 was \$389,638

(3) Total Payments to Subrecipients ALN #14.900 was \$192,573

(4) ALN 16.738 Total \$24,518

(5) ALN 16.838 Total \$337,246

(6) ALN 16.034 Total \$65,502

County of Chesterfield, VA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
Department of Transportation (continued)		
Pass-through payments:		
Department of Motor Vehicles:		
Alcohol Open Container Requirements (154AL-2021-51136-21136) (154AL-2022-52226-22226)	20.607	\$ 117,650
National Priority Safety Programs (FHLE-2021-51159-21159)	20.616	\$ 2,653
State and Community Highway Safety (FSC-2021-51138-21138) (FSC-2022-52231-22231) (FPS-2022-52232-22232)	20.600	<u>139,215</u>
Total Highway Safety Cluster - 20.600 and 20.616		141,868
Department of Conservation and Recreation:		
Recreation Trails Program (VRT-325-D-190)	20.219	35,976
Department of Transportation:		
Highway Planning and Construction (101020) (101028) (102952) (104886) (104889) (104890) (108639) (108885) (108887) (109229) (109322) (111105) (111467) (111712) (111714) (111715) (113439) (113440) (113843) (114200) (115063) (115193) (115202) (115208) (115415) (115534) (115784) (118067)	20.205	26,156,607

County of Chesterfield, VA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
Department of Transportation (continued)		
(118068)		
(118144)		
(118145)		
Department of Mines, Minerals and Energy:		
Highway Planning and Construction	20.205	\$ 69,100
(C226036)		
Total Highway Planning and Construction Cluster - 20.205 and 20.219		\$ 26,261,683
Department of Rail & Public Transportation:		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	164,566
(44021-12)		
(44022-15)		
Total Transit Services Programs Cluster - 20.513		164,566
Total Department of Transportation		<u>27,268,555</u>
Department of Treasury		
Direct payments:		
COVID-19 - Emergency Rental Assistance Program	21.023 ⁽⁷⁾	1,035,133
ARPA - Emergency Rental Assistance Program	21.023 ⁽⁷⁾	8,226,893
ARPA Funds	21.027 ⁽⁸⁾	4,961,148
Pass-through payments:		
Department of Accounts:		
COVID-19 - Coronavirus Relief Fund	21.019 ⁽⁹⁾	112,583
(SLT0022)		
Compensation Board:		
ARPA Funds	21.027 ⁽⁸⁾	390,770
Department of Criminal Justice Services:		
ARPA Funds	21.027 ⁽⁸⁾	97,439
(11993)		
(22-A4705ARRF)		
Department of Housing & Community Development:		
ARPA Funds	21.027 ⁽⁸⁾	1,446,279
No Grant ID		
Department of Education:		
ARPA Funds	21.027 ⁽⁸⁾	1,364,522
(SLFRP1026)		
Department of Elections:		
COVID-19 - Coronavirus Relief Fund	21.019 ⁽⁹⁾	292,243
(0000055186)		
Virginia Tourism Corporation		
ARPA Funds	21.027 ⁽⁸⁾	260,000
No Grant ID		
Total Department of Treasury		<u>18,187,010</u>
Grand Total		<u>\$ 154,270,932</u>

⁽⁷⁾Total Payments to Subrecipients ALN #21.023 was \$9,189,759

⁽⁸⁾ ALN 21.027 Total \$8,520,158

⁽⁹⁾ ALN 21.019 Total \$404,826

County of Chesterfield, Virginia
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all Federal assistance programs of the primary government and the School Board.

2. Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting for governmental funds and accrual basis of accounting for proprietary funds, both of which is described in Note 1 to the County's basic financial statements. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. Relationship to Financial Statements

Federal expenditures are reported in the County's basic financial statements as follows:

<u>Fund</u>	<u>Federal Expenditures</u>
<u>Primary Government</u>	
Governmental Activities	
General Fund	\$ 12,698,962
County Capital Projects Fund	30,060,929
Vehicles and Communication- Internal Service Fund	69,100
Non-major - Children's Services Fund	190,444
Non-major - Grants Fund	16,628,230
Non-major - Mental Health Fund	<u>1,005,403</u>
Total Governmental Activities	60,653,068
Business-type Activities	
Water Fund	2,577,132
Wastewater Fund	13,637
Non-major - Airport Fund	<u>582,788</u>
Total Business-type Activities	<u>3,173,557</u>
Total Primary Government	63,826,625
<u>Component Unit</u>	
Governmental Activities	
School Operating Fund	<u>90,444,307</u>
Total	<u>\$ 154,270,932</u>

4. Use of Indirect Cost Rate

The County did not elect to use the 10% de minimus cost rate.

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This part of Chesterfield County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial position.

	<u>Pages</u>
Financial Trends	241-245
<i>These schedules contain trend information to help the reader understand how Chesterfield's financial performance and well-being have changed over time.</i>	
Revenue Capacity	246-250
<i>These schedules contain information to help the reader assess Chesterfield's most significant local revenue source, property tax.</i>	
Debt Capacity	251-253
<i>These schedules present information to help the reader assess the affordability of Chesterfield's current levels of outstanding debt and the ability to issue additional debt in the future.</i>	
Demographic and Economic Information	254-255
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which Chesterfield operates.</i>	
Operating Information	256-258
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the financial report relates to the services Chesterfield provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

County of Chesterfield, Virginia
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities ⁽⁴⁾										
Net investment in capital assets	\$ 627,400,224	\$ 645,911,815	\$ 655,698,497	\$ 689,654,404	\$ 735,341,966	\$ 780,470,955	\$ 814,462,269	\$ 850,405,014	\$ 901,172,315	\$ 922,258,513
Restricted	51,154,743	58,156,804	67,370,966	70,554,116	56,082,770	50,758,262	60,771,285	49,267,277	84,527,153	130,702,552
Unrestricted ⁽³⁾	<u>185,082,324</u>	<u>12,913,401</u>	<u>31,322,429</u>	<u>87,873,727</u>	<u>28,288,647</u>	<u>83,769,679</u>	<u>142,943,579</u>	<u>221,113,923</u>	<u>285,287,817</u>	<u>295,870,289</u>
Total governmental activities net position ⁽¹⁾⁽²⁾	<u>\$ 863,637,291</u>	<u>\$ 716,982,020</u>	<u>\$ 754,391,892</u>	<u>\$ 848,082,247</u>	<u>\$ 819,713,383</u>	<u>\$ 914,998,896</u>	<u>\$ 1,018,177,133</u>	<u>\$ 1,120,786,214</u>	<u>\$ 1,270,987,285</u>	<u>\$ 1,348,831,354</u>
Business-type activities ⁽⁴⁾										
Net investment in capital assets	\$ 785,112,123	\$ 787,859,447	\$ 795,520,705	\$ 809,352,317	\$ 821,397,739	\$ 823,755,861	\$ 835,285,972	\$ 863,656,676	\$ 912,962,124	\$ 969,931,589
Restricted	16,559,193	15,838,389	16,053,703	9,237,200	9,423,700	9,650,000	10,114,333	10,437,550	13,525,708	12,313,884
Unrestricted ⁽³⁾	<u>159,659,711</u>	<u>178,869,952</u>	<u>204,092,283</u>	<u>236,886,193</u>	<u>270,950,710</u>	<u>323,244,774</u>	<u>381,001,243</u>	<u>447,439,752</u>	<u>489,337,561</u>	<u>520,275,134</u>
Total business-type activities net position ⁽²⁾	<u>\$ 961,331,027</u>	<u>\$ 982,567,788</u>	<u>\$ 1,015,666,691</u>	<u>\$ 1,055,475,710</u>	<u>\$ 1,101,772,149</u>	<u>\$ 1,156,650,635</u>	<u>\$ 1,226,401,548</u>	<u>\$ 1,321,533,978</u>	<u>\$ 1,415,825,393</u>	<u>\$ 1,502,520,607</u>
Primary government ⁽⁴⁾										
Net investment in capital assets	\$ 1,412,512,347	\$ 1,433,771,262	\$ 1,451,219,202	\$ 1,499,006,721	\$ 1,556,739,705	\$ 1,604,226,816	\$ 1,649,748,241	\$ 1,714,061,690	\$ 1,814,134,439	\$ 1,892,190,102
Restricted	67,713,936	73,995,193	83,424,669	79,791,316	65,506,470	60,408,262	70,885,618	59,704,827	98,052,861	143,016,436
Unrestricted ⁽³⁾	<u>344,742,035</u>	<u>191,783,353</u>	<u>235,414,712</u>	<u>324,759,920</u>	<u>299,239,357</u>	<u>407,014,453</u>	<u>523,944,822</u>	<u>668,553,675</u>	<u>774,625,378</u>	<u>816,145,423</u>
Total primary government net position ⁽¹⁾⁽²⁾	<u>\$ 1,824,968,318</u>	<u>\$ 1,699,549,808</u>	<u>\$ 1,770,058,583</u>	<u>\$ 1,903,557,957</u>	<u>\$ 1,921,485,532</u>	<u>\$ 2,071,649,531</u>	<u>\$ 2,244,578,681</u>	<u>\$ 2,442,320,192</u>	<u>\$ 2,686,812,678</u>	<u>\$ 2,851,351,961</u>

(1) Due to implementation of GASB Statement 61 in 2013, the Economic Development Authority is reflected as a blended component unit in the business-type activity of the primary government. Historical data was not restated.

(2) Due to implementation of GASB Statement 63 in 2013, all references to net assets were changed to net position.

(3) Due to implementation of GASB Statement 65 in 2014, deferred bond issuance costs are no longer reported as an asset on the Statement of Net Position and total net position at the beginning of the year was restated.

(4) 2014 net position was restated to reflect the adoption of GASB Statement 68. 2017 net position was restated to reflect the adoption of GASB Statement 75. 2020 net position was restated to reflect the adoption of GASB Statement 84.

County of Chesterfield, Virginia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 61,583,107	\$ 96,779,940	\$ 117,197,913	\$ 125,427,912	\$ 126,708,814	\$ 125,580,003	\$ 144,275,963	\$ 144,847,040	\$ 155,326,544	\$ 167,321,705
Administration of justice	9,672,405	11,684,376	10,653,019	11,101,741	10,896,810	10,957,857	11,127,032	12,355,336	13,895,646	13,876,993
Public safety	176,821,834	176,699,204	175,196,278	173,299,691	183,370,852	178,417,303	182,033,985	197,866,264	222,267,096	219,699,082
Public works	41,785,217	31,041,438	42,172,196	40,504,952	45,072,932	53,275,901	57,560,844	85,545,961	80,214,637	92,246,480
Health and welfare	73,067,353	74,100,466	76,361,327	80,438,889	84,390,086	89,977,088	90,421,955	94,363,474	96,786,251	99,138,739
Parks, recreation and cultural	22,970,560	23,224,544	23,582,693	24,321,586	26,351,945	27,912,496	28,426,360	26,551,663	27,953,929	31,310,767
Education - School Board ⁽⁵⁾	277,126,087	278,232,715	303,960,336	291,984,801	308,043,018	321,030,368	279,510,506	284,364,549	301,488,394	356,264,344
Community development	18,844,043	19,393,334	20,536,333	19,903,410	21,062,911	23,234,184	25,172,733	23,114,692	35,259,749	36,988,846
Interest on long-term debt	19,285,140	16,870,029	16,000,836	14,212,999	14,269,395	15,326,987	16,544,732	18,780,607	20,193,563	20,276,554
Total governmental activities expenses	<u>701,155,746</u>	<u>728,026,046</u>	<u>785,660,931</u>	<u>781,195,981</u>	<u>820,166,763</u>	<u>845,712,187</u>	<u>835,074,110</u>	<u>887,789,586</u>	<u>953,385,809</u>	<u>1,037,123,510</u>
Business-type activities:										
Water	40,454,185	38,375,432	38,754,527	40,998,118	40,873,429	41,633,594	44,734,748	46,809,824	48,016,333	49,475,931
Wastewater	41,534,715	39,090,012	38,114,324	39,897,750	39,030,892	40,566,705	41,049,411	42,090,099	44,008,120	45,502,660
Non-major funds	9,369,149	4,055,728	10,335,478	2,850,847	5,561,422	4,135,956	3,173,621	4,106,814	9,555,258	10,394,896
Total business-type activities expenses	<u>91,358,049</u>	<u>81,521,172</u>	<u>87,204,329</u>	<u>83,746,715</u>	<u>85,465,743</u>	<u>86,336,255</u>	<u>88,957,780</u>	<u>93,006,737</u>	<u>101,579,711</u>	<u>105,373,487</u>
Total primary government expenses	<u>\$ 792,513,795</u>	<u>\$ 809,547,218</u>	<u>\$ 872,865,260</u>	<u>\$ 864,942,696</u>	<u>\$ 905,632,506</u>	<u>\$ 932,048,442</u>	<u>\$ 924,031,890</u>	<u>\$ 980,796,323</u>	<u>\$ 1,054,965,520</u>	<u>\$ 1,142,496,997</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government ⁽³⁾	\$ 26,076,591	\$ 66,075,291	\$ 74,618,852	\$ 87,579,064	\$ 89,880,633	\$ 92,966,265	\$ 106,181,986	\$ 103,894,653	\$ 103,439,746	\$ 112,489,028
Public safety	16,973,314	16,485,692	18,371,561	18,657,124	19,565,438	18,588,424	21,687,330	19,773,290	23,263,146	22,196,324
Health and welfare	22,239,975	22,804,250	23,781,553	22,882,370	24,742,209	30,813,568	26,160,024	24,955,947	22,854,304	24,057,350
Other activities ⁽⁴⁾	14,594,343	14,743,719	17,153,696	16,427,067	20,830,090	14,807,815	20,836,311	22,968,270	24,149,717	24,266,298
Operating grants and contributions ⁽⁵⁾	96,078,901	98,916,691	102,888,009	124,992,376	119,088,730	120,872,849	61,667,457	72,649,328	139,730,077	85,307,387
Capital grants and contributions	23,441,463	21,062,977	25,298,534	22,966,675	33,389,320	38,957,791	39,517,908	59,709,830	80,630,575	91,614,747
Total governmental activities program revenues	<u>199,404,587</u>	<u>240,088,620</u>	<u>262,112,205</u>	<u>293,504,676</u>	<u>307,496,420</u>	<u>317,006,712</u>	<u>276,051,016</u>	<u>303,951,318</u>	<u>394,067,565</u>	<u>359,931,134</u>
Business-type activities:										
Charges for services:										
Water	38,354,424	38,445,173	42,259,584	43,582,483	47,735,250	50,258,066	51,994,177	56,821,001	57,308,263	62,398,994
Wastewater	37,315,136	38,392,347	41,235,104	43,742,327	46,868,841	49,402,056	50,582,323	52,388,858	54,323,838	57,311,163
Non-major funds	2,029,452	994,995	1,310,723	1,010,202	1,592,940	1,269,885	1,205,041	1,233,014	1,560,256	2,344,652
Operating grants and contributions	-	-	5,500,000	-	-	-	-	-	1,080,885	1,558,863
Capital grants and contributions	24,777,852	29,325,331	28,249,364	33,153,748	39,834,148	37,817,134	45,948,164	60,764,954	56,436,537	55,666,679
Total business-type activities program revenues	<u>102,476,864</u>	<u>107,157,846</u>	<u>118,554,775</u>	<u>121,488,760</u>	<u>136,031,179</u>	<u>138,747,141</u>	<u>149,729,705</u>	<u>171,207,827</u>	<u>170,709,779</u>	<u>179,280,351</u>
Total primary government program revenues	<u>\$ 301,881,451</u>	<u>\$ 347,246,466</u>	<u>\$ 380,666,980</u>	<u>\$ 414,993,436</u>	<u>\$ 443,527,599</u>	<u>\$ 455,753,853</u>	<u>\$ 425,780,721</u>	<u>\$ 475,159,145</u>	<u>\$ 564,777,344</u>	<u>\$ 539,211,485</u>

(Continued)

County of Chesterfield, Virginia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (501,751,159)	\$ (487,937,426)	\$ (523,548,726)	\$ (487,691,305)	\$ (512,670,343)	\$ (528,705,475)	\$ (559,023,094)	\$ (583,838,268)	\$ (559,318,244)	\$ (677,192,376)
Business-type activities	11,118,815	25,636,674	31,350,446	37,742,045	50,565,436	52,410,886	60,771,925	78,201,090	69,130,068	73,906,864
Total primary government net expense	<u>\$ (490,632,344)</u>	<u>\$ (462,300,752)</u>	<u>\$ (492,198,280)</u>	<u>\$ (449,949,260)</u>	<u>\$ (462,104,907)</u>	<u>\$ (476,294,589)</u>	<u>\$ (498,251,169)</u>	<u>\$ (505,637,178)</u>	<u>\$ (490,188,176)</u>	<u>\$ (603,285,512)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 357,536,014	\$ 370,147,198	\$ 384,534,312	\$ 401,858,578	\$ 421,227,697	\$ 439,570,375	\$ 466,036,351	\$ 488,202,356	\$ 534,368,072	\$ 594,253,958
Property taxes, levied for special purposes	1,633,193	1,951,192	1,881,961	2,667,960	3,224,211	3,221,313	2,643,307	1,755,786	-	-
Utility taxes	7,692,460	7,802,992	7,927,826	7,867,528	8,043,759	8,216,114	8,329,669	8,283,882	8,498,528	8,611,855
Sales taxes	42,293,047	42,924,462	44,938,389	45,306,831	47,915,376	50,014,870	51,659,170	54,492,560	62,333,768	68,515,480
Motor vehicle licenses	7,097,823	12,194,196	14,167,545	14,275,048	13,944,691	15,210,404	15,240,626	15,072,427	15,882,533	9,865,854
Business license taxes	17,250,726	18,351,123	19,756,323	20,742,026	20,580,987	21,217,270	22,538,092	24,487,081	24,184,161	26,756,039
Other	10,662,930	10,261,244	11,315,246	13,122,548	13,777,956	15,141,786	15,857,572	15,314,188	18,929,955	21,445,772
Payment from School Board	7,988,893	5,375,603	10,293,109	9,427,230	-	-	-	-	-	-
Unrestricted grants and contributions	65,943,441	66,119,764	65,959,716	65,104,169	65,462,954	65,744,743	65,072,971	64,249,477	62,731,149	63,577,453
Investment earnings	633,538	540,383	322,164	1,121,270	1,549,802	4,422,305	12,958,675	14,916,037	1,866,005	(11,488,454)
Miscellaneous	814,327	15,663	859,804	603,354	260,951	1,454,046	2,229,273	943,379	1,030,756	1,534,223
Transfers	<u>(2,154,078)</u>	<u>(183,577)</u>	<u>(997,797)</u>	<u>(714,882)</u>	<u>(749,313)</u>	<u>(222,238)</u>	<u>(364,375)</u>	<u>(1,484,250)</u>	<u>(20,305,612)</u>	<u>(28,035,735)</u>
Total governmental activities	<u>517,392,314</u>	<u>535,500,243</u>	<u>560,958,598</u>	<u>581,381,660</u>	<u>595,239,071</u>	<u>623,990,988</u>	<u>662,201,331</u>	<u>686,232,923</u>	<u>709,519,315</u>	<u>755,036,445</u>
Business-type activities:										
Investment earnings	264,515	463,468	750,660	1,352,092	974,328	2,245,362	8,614,613	7,511,850	880,812	(15,247,385)
Miscellaneous	-	3,866,638	-	-	3,328,675	-	-	7,935,240	3,974,923	-
Transfers	<u>2,154,078</u>	<u>183,577</u>	<u>997,797</u>	<u>714,882</u>	<u>749,313</u>	<u>222,238</u>	<u>364,375</u>	<u>1,484,250</u>	<u>20,305,612</u>	<u>28,035,735</u>
Total business-type activities	<u>2,418,593</u>	<u>4,513,683</u>	<u>1,748,457</u>	<u>2,066,974</u>	<u>5,052,316</u>	<u>2,467,600</u>	<u>8,978,988</u>	<u>16,931,340</u>	<u>25,161,347</u>	<u>12,788,350</u>
Total primary government	<u>\$ 519,810,907</u>	<u>\$ 540,013,926</u>	<u>\$ 562,707,055</u>	<u>\$ 583,448,634</u>	<u>\$ 600,291,387</u>	<u>\$ 626,458,588</u>	<u>\$ 671,180,319</u>	<u>\$ 703,164,263</u>	<u>\$ 734,680,662</u>	<u>\$ 767,824,795</u>
Change in Net Position ⁽¹⁾⁽²⁾										
Governmental activities	\$ 15,641,155	\$ 47,562,817	\$ 37,409,872	\$ 93,690,355	\$ 82,568,728	\$ 95,285,513	\$ 103,178,237	\$ 102,394,655	\$ 150,201,071	\$ 77,844,069
Business-type activities	13,537,408	30,150,357	33,098,903	39,809,019	55,617,752	54,878,486	69,750,913	95,132,430	94,291,415	86,695,214
Total primary government	<u>\$ 29,178,563</u>	<u>\$ 77,713,174</u>	<u>\$ 70,508,775</u>	<u>\$ 133,499,374</u>	<u>\$ 138,186,480</u>	<u>\$ 150,163,999</u>	<u>\$ 172,929,150</u>	<u>\$ 197,527,085</u>	<u>\$ 244,492,486</u>	<u>\$ 164,539,283</u>

(1) Due to implementation of GASB 61 in 2013, the Economic Development Authority is reflected as a blended component unit in the business-type activity of the primary government. Historical data was not restated.

(2) Due to implementation of GASB 63 in 2013, all references to net assets have been changed to net position.

(3) The Healthcare Fund, an internal service fund reported in the general government function of governmental activities on the Statement of Net Position, was established in 2014 to reflect the operations of the County's self-funded healthcare functions.

(4) Other activities: Administration of Justice, Public Works, Parks, Recreation and Cultural, Education and Community development.

(5) Beginning in fiscal year 2019, state sales tax designated for education is reported directly by the School Board and no longer passes through the General Fund.

County of Chesterfield, Virginia
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 13,554,070	\$ 14,600,770	\$ 16,031,238	\$ 19,074,127	\$ 18,168,690	\$ 19,209,996	\$ 23,244,157	\$ 24,120,378	\$ 25,281,349	\$ 29,440,785
Committed	755,493	710,785	725,267	1,484,040	1,468,131	1,680,987	1,694,052	1,735,315	1,933,701	2,149,815
Assigned	186,350,588	198,068,805	197,476,873	233,819,201	263,559,665	276,746,618	295,638,016	350,483,633	456,225,565	427,745,740
Unassigned	<u>53,495,000</u>	<u>55,000,000</u>	<u>58,000,000</u>	<u>58,668,400</u>	<u>60,004,400</u>	<u>60,004,400</u>	<u>63,004,400</u>	<u>63,004,400</u>	<u>64,800,400</u>	<u>70,800,400</u>
Total General Fund	<u>\$ 254,155,151</u>	<u>\$ 268,380,360</u>	<u>\$ 272,233,378</u>	<u>\$ 313,045,768</u>	<u>\$ 343,200,886</u>	<u>\$ 357,642,001</u>	<u>\$ 383,580,625</u>	<u>\$ 439,343,726</u>	<u>\$ 548,241,015</u>	<u>\$ 530,136,740</u>
All Other Governmental Funds ⁽¹⁾										
Nonspendable	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	112,858,827	95,619,953	78,588,171	149,020,985	205,384,023	154,872,844	208,516,708	224,439,518	299,024,362	390,023,415
Assigned, reported in:										
School Capital Projects Fund	215,671	153,848	228,029	150,352	-	-	-	-	-	-
Special Revenue Funds	<u>6,332,718</u>	<u>4,609,034</u>	<u>6,049,972</u>	<u>5,432,814</u>	<u>10,813,637</u>	<u>15,914,420</u>	<u>17,189,479</u>	<u>21,585,989</u>	<u>24,292,259</u>	<u>27,119,778</u>
Total all other governmental funds	<u>\$ 119,412,216</u>	<u>\$ 100,387,835</u>	<u>\$ 84,871,172</u>	<u>\$ 154,609,151</u>	<u>\$ 216,197,660</u>	<u>\$ 170,787,264</u>	<u>\$ 225,706,187</u>	<u>\$ 246,025,507</u>	<u>\$ 323,316,621</u>	<u>\$ 417,143,193</u>

(1) 2020 fund balance was restated to reflect the adoption of GASB Statement 84.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
General property taxes	\$ 360,929,869	\$ 371,300,388	\$ 387,980,769	\$ 403,863,868	\$ 422,283,775	\$ 446,596,315	\$ 468,733,553	\$ 494,113,384	\$ 536,016,017	\$ 591,477,097
Other local taxes	85,392,248	92,145,704	98,580,358	102,101,705	105,016,089	110,964,756	114,448,075	118,150,668	150,504,608	165,043,462
Permits, fees and licenses	5,208,451	4,760,670	6,821,163	6,764,863	7,425,213	7,824,332	9,264,481	8,911,771	10,005,208	10,773,435
Fines and forfeitures	2,278,991	3,204,800	2,496,443	1,811,841	2,171,101	2,245,952	2,273,900	1,884,988	2,932,862	2,236,780
Use of money and property	1,313,194	1,262,769	866,562	1,818,019	2,280,980	5,174,673	13,717,652	15,450,011	2,833,467	(9,367,383)
Charges for services	38,355,482	37,172,314	39,271,152	41,805,240	46,833,619	51,553,451	53,532,424	53,820,363	50,223,414	51,770,976
Donations and miscellaneous	12,774,759	19,100,597	11,069,175	10,402,779	14,756,966	9,195,955	10,652,219	12,359,572	10,822,080	9,860,840
Recovered costs	12,239,642	12,155,299	12,440,763	12,988,894	10,892,720	7,115,564	8,027,131	6,345,080	5,491,221	5,811,263
From component unit - School Board	7,988,893	5,375,603	10,293,109	9,427,230	12,945,526	11,329,125	11,940,962	15,385,079	21,727,448	16,037,376
From component unit - Other ⁽¹⁾	-	-	552,324	-	-	-	-	-	-	-
From other governments ⁽²⁾	173,418,402	177,141,197	184,495,752	195,931,063	191,395,432	205,072,874	148,515,925	168,469,862	231,849,668	180,971,127
Total revenues	699,899,931	723,619,341	754,867,570	786,915,502	816,001,421	857,072,997	841,106,322	894,890,778	1,022,405,993	1,024,614,973
Expenditures										
General government	44,647,030	46,364,334	45,747,255	46,519,517	47,014,959	56,277,595	55,235,275	56,743,310	65,183,959	66,631,050
Administration of justice	9,278,278	9,448,941	9,511,417	10,195,274	9,739,559	10,217,442	10,402,310	11,430,290	11,848,037	12,503,261
Public safety	168,719,717	172,409,410	174,546,991	177,339,678	180,405,571	183,280,257	191,755,977	193,899,623	213,494,484	225,760,325
Public works	19,045,092	16,660,840	16,707,503	17,329,618	18,210,063	19,836,094	22,520,412	24,929,889	24,975,738	23,156,899
Health and welfare	72,032,431	73,968,332	76,045,471	81,622,971	83,973,130	86,974,554	91,457,127	93,279,373	94,043,767	99,865,873
Parks, recreation and cultural	18,126,307	18,635,571	18,352,707	19,258,487	20,747,230	21,634,902	22,939,896	22,172,944	21,055,569	26,324,591
Education - School Board ⁽²⁾	250,493,166	251,029,300	271,952,519	268,106,031	282,418,123	294,272,019	249,338,696	237,716,856	242,810,581	316,274,508
Community development	17,854,792	18,567,487	20,104,987	19,727,695	20,882,779	23,343,007	25,204,301	22,715,885	34,051,370	35,860,140
Debt service:										
Principal	44,454,795	45,917,114	49,466,021	41,579,430	42,473,914	47,879,070	48,331,385	54,142,371	55,494,864	60,859,915
Interest	21,155,270	20,734,214	18,269,647	17,737,591	17,730,105	19,373,255	20,610,711	23,581,413	25,919,362	26,235,740
Other	261,685	427,758	110,342	1,275,819	683,442	584,745	1,021,664	893,492	1,121,953	764,686
Capital outlay	80,530,541	73,868,935	69,836,981	76,490,074	93,304,435	135,661,606	127,051,427	244,460,098	192,655,108	156,270,486
Total expenditures	746,599,104	748,032,236	770,651,841	777,182,185	817,583,310	899,334,546	865,869,181	985,965,544	982,654,792	1,050,507,474
Excess (deficiency) of expenditures over (under) revenues	(46,699,173)	(24,412,895)	(15,784,271)	9,733,317	(1,581,889)	(42,261,549)	(24,762,859)	(91,074,766)	39,751,201	(25,892,501)
Other Financing Sources (Uses)										
Leases	-	-	-	-	-	-	-	-	-	863,227
Transfers in	27,079,327	24,769,872	30,229,920	24,801,835	28,874,860	54,709,089	55,271,237	55,602,762	38,738,677	47,837,589
Transfers out	(29,169,767)	(24,824,689)	(31,214,517)	(25,194,469)	(34,467,073)	(54,654,921)	(56,135,612)	(56,939,765)	(57,824,444)	(77,834,390)
Bonds issued	21,014,209	16,157,318	-	100,910,386	98,917,642	11,238,100	106,484,781	168,279,764	165,551,399	130,748,372
Refunding bonds issued	-	51,645,470	-	134,941,531	20,224,000	-	-	-	56,046,879	-
Payments to escrow agent	-	(51,587,953)	-	(134,642,231)	(20,223,913)	-	-	-	(56,075,309)	-
Sale of redevelopment asset	-	3,453,705	5,105,223	-	-	-	-	-	-	-
Total other financing sources, net	18,923,769	19,613,723	4,120,626	100,817,052	93,325,516	11,292,268	105,620,406	166,942,761	146,437,202	101,614,798
Net change in fund balances	\$ (27,775,404)	\$ (4,799,172)	\$ (11,663,645)	\$ 110,550,369	\$ 91,743,627	\$ (30,969,281)	\$ 80,857,547	\$ 75,867,995	\$ 186,188,403	\$ 75,722,297
Debt service as a percentage of noncapital expenditures	9.46%	9.57%	9.18%	8.14%	7.98%	8.41%	8.88%	9.50%	9.60%	8.93%

Notes:

(1) Due to implementation of GASB 61 in 2013, the Economic Development Authority is reflected as a blended component unit in the business-type activity of the primary government, historical balances have not been restated.

(2) Beginning in fiscal year 2019, state sales tax designated for education is reported directly by the School Board and no longer passes through the General Fund.

Table V

County of Chesterfield, Virginia
General Governmental Tax Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real property taxes	\$ 282,586,919	\$ 289,899,514	\$ 302,662,551	\$ 313,731,924	\$ 325,839,487	\$ 342,996,966	\$ 359,077,665	\$ 380,157,963	\$ 407,965,771	\$ 440,922,104
Property taxes for special purposes	2,970,251	3,184,749	3,331,972	3,865,636	5,336,834	6,032,778	5,850,237	4,304,486	3,917,962	6,465,771
Personal property taxes ⁽¹⁾	95,133,946	98,447,249	102,263,777	106,926,822	109,572,215	115,288,966	120,556,841	124,656,488	137,105,307	158,630,244
Real and personal public service corporation taxes	13,243,578	12,709,368	12,681,584	12,861,027	13,885,590	14,610,625	15,436,481	17,807,558	16,980,324	16,240,147
Machinery and tools taxes	4,769,060	4,773,224	4,912,750	4,564,090	5,372,984	5,039,046	4,950,362	4,670,316	6,094,602	5,857,184
Local sales and use tax ⁽²⁾	42,688,309	43,536,148	45,413,418	46,094,554	48,668,697	50,856,685	52,482,114	54,993,090	62,870,360	69,052,751
Business license taxes	17,250,726	18,351,123	19,756,323	20,742,026	20,580,987	21,539,767	22,538,092	24,487,081	24,184,161	26,756,039
Consumer utility tax	7,692,460	7,802,992	7,927,826	7,867,528	8,043,759	8,216,114	8,329,669	8,283,882	8,498,528	8,611,855
Motor vehicle licenses	7,097,823	12,194,196	14,167,545	14,275,048	13,944,691	15,210,404	15,240,626	15,072,427	15,882,533	9,865,854
Recordation tax	4,630,333	4,209,707	4,715,219	5,655,737	5,892,181	6,383,590	6,849,708	7,747,979	11,065,086	10,829,796
Transient occupancy tax	4,202,868	4,072,726	4,463,850	4,931,324	5,186,616	5,757,601	5,746,917	4,528,009	4,583,087	6,642,030
Other taxes ⁽³⁾	5,147,892	5,357,144	5,356,360	5,541,905	6,067,871	6,720,577	7,214,963	6,646,822	8,325,881	8,427,641
Total	<u>\$ 487,414,165</u>	<u>\$ 504,538,140</u>	<u>\$ 527,653,175</u>	<u>\$ 547,057,621</u>	<u>\$ 568,391,912</u>	<u>\$ 598,653,119</u>	<u>\$ 624,273,675</u>	<u>\$ 653,356,101</u>	<u>\$ 707,473,602</u>	<u>\$ 768,301,416</u>

(1) Includes reimbursement to the County by the Commonwealth for personal property as defined in the Personal Property Tax Relief Act of 1998. Amount is reported as non-categorical aid from the Commonwealth in the financial statements.

(2) Includes Watkins Centre and Chippenham Place Community Development Authorities incremental sales tax.

(3) Includes penalties and interest on property taxes.

County of Chesterfield, Virginia
Assessed and Estimated Market Values of Taxable Property⁽¹⁾
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Assessed Values						Total Direct Tax Rate
	Real Estate ⁽²⁾		Personal property	Machinery and tools	Public service	Total	
	Residential	Commercial/ industrial					
2013	\$ 23,270,154,936	\$ 6,549,579,765	\$ 3,483,680,323	\$ 477,379,120	\$ 1,388,250,675	\$ 35,169,044,819	\$ 1.21
2014	24,137,868,679	6,750,914,605	3,495,271,898	478,934,270	1,326,654,615	36,189,644,067	1.21
2015	25,216,056,226	6,978,880,525	3,678,673,795	492,208,390	1,306,718,575	37,672,537,511	1.22
2016	26,301,749,013	7,275,677,327	3,825,378,513	464,611,380	1,346,367,453	39,213,783,686	1.22
2017	27,654,285,819	7,404,623,041	3,990,515,453	524,819,940	1,450,194,577	41,024,438,830	1.22
2018	29,253,035,058	7,736,277,161	4,146,470,073	501,803,911	1,529,828,157	43,167,414,360	1.21
2019	30,818,731,062	8,253,803,629	4,359,510,990	501,394,015	1,581,748,714	45,515,188,410	1.20
2020	32,720,941,603	8,805,491,124	4,479,031,443	503,009,315	1,776,001,979	48,284,475,464	1.20
2021	34,936,770,700	9,100,506,927	5,213,955,792	738,446,268	1,797,799,425	51,787,479,112	1.22
2022	39,694,948,750	10,865,160,129	6,674,408,509	581,580,788	1,757,456,119	59,573,554,295	1.22

Source: County Assessor's Office

- (1) Property in the County is assessed each year. Assessed values of all classes of property approximate market value except for public service property, which is determined by the State Corporation Commission.
- (2) Real estate assessed values include both halves of the year's assessments.
- (3) The total direct tax rate for each fiscal year is per \$100 of assessed value and is calculated on a weighted average basis with no adjustment for prorated personal property tax valuations.

County of Chesterfield, Virginia
Property Tax Rates (Per \$100 of assessed value)
Last Ten Fiscal Years
(unaudited)

Personal Property											
Fiscal Year	Real estate ⁽⁵⁾	Airplanes	Motor vehicles clean special fuels	Motor ⁽¹⁾ vehicles of voluntary personnel	Wild or exotic animals	Special equipped motor vehicles physically handicap	Vehicle ⁽²⁾ trailer and semi-trailer	All ⁽³⁾ others	Data ⁽⁷⁾ center	Machinery and tools	Total ⁽⁶⁾ direct tax rate
2013	\$ 0.95	\$ 0.50	\$ 3.24	\$ 0.96	\$ 0.01	\$ 0.01	\$ 0.96	\$ 3.60	-	\$ 1.00	\$ 1.21
2014	0.95/0.96 ⁽⁴⁾	0.50	3.24	0.96	0.01	0.01	0.96	3.60	-	1.00	1.21
2015	0.96	0.50	3.24	0.96	0.01	0.01	0.96	3.60	-	1.00	1.22
2016	0.96	0.50	3.24	0.96	0.01	0.01	0.96	3.60	-	1.00	1.22
2017	0.96	0.50	3.24	0.96	0.01	0.01	0.96	3.60	-	1.00	1.22
2018	0.96/0.95 ⁽⁴⁾	0.50	3.24	0.96	0.01	0.01	0.96	3.60	-	1.00	1.21
2019	0.95	0.50	3.24	0.96	0.01	0.01	0.96	3.60	\$ 0.24	1.00	1.20
2020	0.95	0.50	3.24	0.96	0.01	0.01	0.96	3.60	0.24	1.00	1.20
2021	0.95	0.50	3.24	0.96	0.01	0.01	0.96	3.60	0.24	1.00	1.22
2022	0.95/0.92 ⁽⁴⁾	0.50	3.24	0.96	0.01	0.01	0.96	3.60	0.24	1.00	1.22

Source: Chesterfield County Accounting Department

(1) Includes motor vehicles owned by members of volunteer rescue squads, volunteer fire departments, volunteer police chaplains, and auxiliary police officers.

(2) Includes motor vehicles, trailers, and semi-trailers with a gross vehicle weight of 10,000 pounds or more to transport property for hire by a motor carrier engaged in interstate commerce.

(3) Includes automobiles (except those mentioned above), boats, boat trailers, other motor vehicles and all tangible personal property used or held with any mining, manufacturing or other business, trade, occupation or profession, including furnishings, furniture, and appliances in rental units, with the exception of computer equipment and peripherals used in a data center. The tax rate shown does not factor in depreciation on tangible personal property, which is \$2.52 for the first year the equipment is in service

(4) The real estate tax rate was different for each half of the fiscal year.

(5) In 2006, the County initiated a supplemental property tax in the Powhite-Charter Colony Parkway Interchange Service District. Real property in the district is charged a supplemental tax rate of \$0.15 per \$100 in addition to the real estate rate.

(6) The total direct tax rate for each fiscal year is per \$100 of assessed value and is calculated on a weighted average basis with no adjustment for prorated personal property tax valuations.

(7) The tax rate for this category is calculated using a depreciation factor based on years in service. The tax rate shown is for the first year the equipment is in service.

**County of Chesterfield, Virginia
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)**

	2022			2013		
	Assessed value ⁽¹⁾	Percentage of total assessed valuation	Rank	Assessed value ⁽²⁾	Percentage of total assessed valuation	Rank
<u>Taxpayer</u>						
Dominion Virginia Power	\$ 1,304,597,901	2.19 %	1	\$ 858,938,056	2.44 %	1
Verizon Communications	157,011,412	0.26	2	262,962,370	0.75	2
Columbia Gas of Virginia, Inc.	142,312,946	0.24	3	65,541,640	0.19	10
Bon Secours St. Francis Medical Center	129,135,500	0.22	4	123,993,700	0.35	4
RPI Chesterfield, LLC	123,531,200	0.21	5	-	-	
PFI VPN Portfolio Fee Owner, LLC	109,496,700	0.18	6	-	-	
C. J. W. Medical Center	84,922,800	0.14	7	-	-	
Wal-Mart Stores, Inc.	81,975,000	0.14	8	-	-	
Philip Morris USA	81,508,100	0.14	9	112,917,110	0.32	6
Rivermont Station Apartments	<u>77,508,200</u>	<u>0.13</u>	10	-	-	
E. I. duPont De Nemours and Company				250,178,330	0.71	3
Zaremba Metropolitan Mid LLC				78,907,700	0.22	9
Brandywine Operating Partnership				92,683,700	0.26	7
Cole Real Estate Investors				80,536,500	0.23	8
Macerich Partnership				<u>118,722,900</u>	<u>0.34</u>	5
	<u>\$ 2,291,999,759</u>	<u>3.84%</u>		<u>\$ 2,045,382,006</u>	<u>5.81%</u>	

Source: Assessor, Chesterfield County and State Corporation Commission

(1) Includes real estate and public service assessed value.

(2) Includes real estate, personal property, machinery and tools and public service assessed value.

Table IX

**County of Chesterfield, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)**

Fiscal year	Taxes levied for the fiscal year (original levy)	Net Adjustments & Supplemental Billings ⁽¹⁾	Total adjusted levy	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
				Amount	Percentage of original levy		Amount	Percentage of adjusted levy
2013	\$ 401,085,271	\$ (1,709,678)	\$ 399,375,593	\$ 381,522,800	95.12 %	\$ 16,963,668	\$ 398,486,468	99.78%
2014	409,264,558	(1,334,882)	407,929,676	\$ 391,757,210	95.72	15,331,256	407,088,466	99.79
2015	426,586,417	(1,673,860)	424,912,557	\$ 408,501,369	95.76	15,577,290	424,078,659	99.80
2016	444,012,047	(1,491,007)	442,521,040	\$ 424,981,949	95.71	16,632,280	441,614,229	99.80
2017	461,670,404	5,629,463	467,299,867	\$ 438,741,489	95.03	27,050,372	465,791,861	99.68
2018	474,416,085	2,100,177	476,516,262	\$ 461,398,602	97.26	13,688,070	475,086,672	99.70
2019	495,525,767	5,308,761	500,834,528	\$ 479,959,172	96.86	18,941,649	498,900,821	99.61
2020	518,633,584	6,749,534	525,383,118	\$ 502,242,424	96.84	20,325,380	522,567,804	99.46
2021	556,501,159	6,969,346	563,470,505	\$ 538,928,836	96.84	18,763,725	557,692,561	98.97
2022	638,365,382	-	638,365,382	\$ 612,576,241	95.96	-	612,576,241	95.96

Source: Chesterfield County Treasurer's Office

Includes taxes levied on real estate, personal property, mobile homes and machinery and tools. Includes the supplemental property taxes in the Powhite-Charter Colony Parkway Interchange Service District, Chesterfield Towne Center - Southport Area Service District, Eastern Midlothian Turnpike Corridor Service District and the reimbursement to the County by the Commonwealth of Virginia for personal property tax relief.

(1) Beginning July 1, 2017, due to a system conversion, supplemental tax billings are accounted for by tax year (calendar year). Accordingly, supplemental billings are recorded in the tax year billed. Previous to July 1, 2017, supplemental tax billings were accounted for by fiscal year.

County of Chesterfield, Virginia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

Fiscal year	Governmental Activities						Business-type Activities						Debt per capita
	General obligation bonds	Other ⁽¹⁾⁽⁴⁾	Support & Other Agreements	Public facility lease revenue bonds	Certificates of participation	Capital leases	Revenue bonds ⁽²⁾	Certificates of participation	Other ⁽³⁾	Total primary government	Percentage of personal income	Population	
2013	\$ 427,213,319	\$ -	\$ 18,515,000	\$ 5,783,123	\$ 66,976,004	\$ 713,211	\$ 82,394,135	\$ 1,074,955	\$ -	\$ 602,669,747	4.07%	324,000	\$ 1,860
2014	411,873,615	-	17,205,000	5,070,833	59,505,802	573,493	78,486,034	1,014,588	-	573,729,365	3.82	328,000	1,749
2015	371,651,300	-	15,890,000	4,169,249	48,468,654	424,086	74,452,824	901,665	-	515,957,778	3.31	332,000	1,554
2016	423,290,121	30,422,731	14,560,000	3,292,722	29,079,233	263,624	63,872,739	742,019	-	565,523,189	3.42	335,000	1,688
2017	472,910,798	36,586,858	13,220,000	2,441,134	25,039,681	90,613	57,155,952	654,194	-	608,099,230	3.55	339,000	1,794
2018	411,408,111	67,355,041	11,865,000	1,614,369	14,073,959	-	50,802,534	550,724	259,715	557,929,453	3.11	344,000	1,622
2019	440,589,980	93,761,263	10,500,000	802,338	11,477,993	-	44,374,367	449,055	558,187	602,513,183	3.22	349,000	1,726
2020	511,771,898	133,497,557	9,130,000	-	8,922,691	-	37,879,491	349,014	1,753,700	703,304,351	3.62	353,000	1,992
2021	534,555,496	225,497,401	-	-	6,399,102	-	31,312,242	250,255	1,661,400	799,675,896	3.90	365,000	2,191
2022	616,466,224	208,943,759	-	-	3,912,714	-	24,662,636	152,993	1,569,100	855,707,426	4.02	371,000	2,306

(1) Includes revenue bonds, subfund revenue bonds and direct borrowings.

(2) Includes revenue bonds, subfund revenue bonds.

(3) Includes revenue bonds, Airport Revolving Loan Fund.

(4) In FY2018, the County early implemented GASB 88. Some outstanding amounts were reclassified however historical information was not restated.

Note:

The County has no legal debt margin and there are no jurisdictions with overlapping general obligation debt incurring powers.

Population and personal income data are found on Table XIII.

N/A = not available

County of Chesterfield, Virginia
Ratios of General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal year	General obligation bonds outstanding	Estimated population⁽¹⁾	Per capita	Assessed value of taxable property⁽³⁾	Ratio to assessed value
2013	\$ 427,213,319	324,000	\$ 1,319	\$ 35,169,044,819	1.21%
2014	411,873,615	328,000	1,256	36,189,644,067	1.14
2015	371,651,300	332,000	1,119	37,672,537,511	0.99
2016	423,290,121	335,000	1,264	39,213,783,686	1.08
2017	472,910,798	339,000	1,395	41,024,438,830	1.15
2018	425,704,111	344,000	1,238	43,167,414,360	0.99
2019	449,187,980	349,000	1,287	45,515,188,410	0.99
2020	516,342,898	353,000	1,463	48,284,475,464	1.07
2021	535,276,496	365,000	1,467	51,787,479,112	1.03
2022	616,466,224	371,000	1,662	59,573,554,295	1.03

Source:

(1) U.S. Census Bureau.

(2) Assessed value of taxable property - Chesterfield County Assessor's office.

**County of Chesterfield, Virginia
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)**

Water and Sewer Revenue Bonds

Fiscal Year	Gross revenues ⁽¹⁾	Less operating expenses ⁽²⁾	Net revenues available for debt service	Debt Service		Coverage
				Principal	Interest	
2013	\$ 86,156,434	\$ 45,591,945	\$ 40,564,489	\$ 3,685,000	\$ 3,242,180	586%
2014	96,431,708	43,675,137	52,756,571	3,805,000	3,115,606	762
2015	97,137,443	43,572,048	53,565,395	3,935,000	2,979,931	775
2016	105,244,822	45,358,971	59,885,851	4,080,000	2,844,330	865
2017	114,862,024	46,368,663	68,493,361	4,855,000	2,130,832	980
2018	122,754,614	47,481,191	75,273,423	4,665,000	2,325,375	1,077
2019	137,268,139	51,034,577	86,233,562	4,910,000	2,086,000	1,233
2020	148,214,173	53,833,975	94,380,198	5,160,000	1,834,250	1,349
2021	150,424,147	57,381,365	93,042,782	5,425,000	1,569,625	1,330
2022	135,948,162	56,459,437	79,488,725	5,710,000	1,291,250	1,135

(1) Operating revenues, interest and connection fees as described in Note.

(2) Net of depreciation and amortization.

Note:

Beginning September 1985, the Chesterfield County Utilities Department operated under the terms and conditions of bond resolutions requiring the County to fix, establish, and maintain rates and charges (including interest) sufficient to produce revenue of not less than the total of budgeted operating expenses and 115% of the debt service to become due during such fiscal year. The above revenues, expenses, and debt service relationships existed for the last ten fiscal years.

**County of Chesterfield, Virginia
Demographic Statistics
Last Ten Years
(unaudited)**

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>Personal income</u> ⁽²⁾ <u>(\$000)</u>	<u>Per capita income</u> ⁽²⁾	<u>Unemployment rate</u> ⁽³⁾	<u>Median age</u> ⁽¹⁾
2013	324,000	\$ 14,827,389	\$ 45,781	5.9 %	37.0
2014	328,000	15,032,924	45,886	5.2	37.5
2015	332,000	15,610,023	47,005	4.5	37.9
2016	335,000	16,536,584	49,375	4.0	38.0
2017	339,000	17,105,523	50,536	3.7	38.2
2018	344,000	17,927,605	52,225	3.1	38.6
2019	349,000	18,703,417	53,702	2.7	38.8
2020	353,000	19,428,723	55,070	8.5	38.9
2021	365,000	20,524,361	56,231	4.3	38.9
2022	371,000	21,292,525	57,392	2.9	39.2

Sources:

(1) U. S. Census Bureau.

(2) U. S. Bureau of Economic Analysis (BEA) (prior years' estimates are updated periodically). Per Capita Income for 2021 and 2022 is based on a trend average of 2013 - 2020. Personnel income amounts for 2021-2022 are calculated by multiplying the population estimates by the Per Capita Personal Income estimates for each year.

(3) Virginia Employment Commission (prior years' rates are updated periodically).

County of Chesterfield, Virginia
Principal Private Employers
Current Year and Nine Years Ago
(unaudited)

<u>Employer</u>	<u>2022⁽¹⁾</u>			<u>2013⁽²⁾</u>		
	<u>Employee Class Size</u>	<u>Rank⁽⁴⁾</u>	<u>Percentage⁽³⁾ of total civilian labor force</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total civilian labor force</u>
Amazon Com KYDC Inc.	1000 and over	1	1.07%	1,100	8	0.62%
Maximus Services LLD	1000 and over	1	1.07			
United Parcel Service	1000 and over	1	1.07	1,967	2	1.11
HCA Virginia Health System/C.J.W. Medical Center	1000 and over	1	1.07	1,267	4	0.71
E.I. duPont De Nemours Co.	1000 and over	1	1.07	2,482	1	1.40
Wal-Mart Stores Inc.	1000 and over	1	1.07	1,555	3	0.88
Hill Phoenix	1000 and over	1	1.07	1,250	5	0.70
Kroger	1000 and over	1	1.07	1,225	6	0.69
Food Lion	1000 and over	1	1.07			
Bon Secours Health System/St. Francis Medical Center	1000 and over	1	<u>1.07</u>	1,150	7	0.65
Capital One Financial Corp.				1,069	9	0.60
Ukrop's/Martin's Super Markets, Inc.				1,059	10	<u>0.60</u>
Estimated total	<u>20,000</u>		<u>10.70 %</u>	<u>14,124</u>		<u>7.96%</u>
Total civilian labor force ⁽¹⁾	187,540			177,669		

Source: (1) Virginia Employment Commission

(2) Chesterfield County Economic Development Department reported as of January 2013

(3) Percentages are based on the midpoint of the employment range

(4) Rankings are based on the midpoint of the employment range

County of Chesterfield, Virginia
Full-time County Employees by Function
Last Ten Fiscal Years
(unaudited)

<u>Function</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
General government	467	459	467	478	478	467	477	476	462	470
Administration of justice	159	156	150	158	159	153	161	162	170	171
Public safety:										
Fire	471	469	466	488	495	486	490	513	519	535
Police	600	595	601	608	621	608	609	653	669	672
Sheriff	238	253	250	269	256	256	257	268	267	275
Other	184	184	198	200	196	194	198	203	198	195
Total public safety	<u>1,493</u>	<u>1,501</u>	<u>1,515</u>	<u>1,565</u>	<u>1,568</u>	<u>1,544</u>	<u>1,554</u>	<u>1,637</u>	<u>1,653</u>	<u>1,677</u>
Public works	138	138	136	140	142	141	154	148	154	156
Health and welfare	557	574	570	576	544	585	600	621	589	612
Parks, recreation and cultural	162	165	164	162	179	175	189	186	193	204
Community development	75	71	75	73	77	87	89	85	86	87
Total governmental activities	<u>3,051</u>	<u>3,064</u>	<u>3,077</u>	<u>3,151</u>	<u>3,147</u>	<u>3,151</u>	<u>3,224</u>	<u>3,315</u>	<u>3,307</u>	<u>3,377</u>
Business-type activities⁽¹⁾										
Water	151	148	149	150	152	151	152	151	153	151
Wastewater	126	124	129	129	122	125	130	128	128	122
Airport	3	3	3	3	3	3	3	2	3	3
Total business-type activities	<u>280</u>	<u>275</u>	<u>281</u>	<u>282</u>	<u>277</u>	<u>279</u>	<u>285</u>	<u>281</u>	<u>284</u>	<u>276</u>
 Grand total	 <u>3,331</u>	 <u>3,339</u>	 <u>3,358</u>	 <u>3,433</u>	 <u>3,424</u>	 <u>3,430</u>	 <u>3,509</u>	 <u>3,596</u>	 <u>3,591</u>	 <u>3,653</u>
 Number of County employees per 1,000 population	 10.3	 10.2	 10.1	 10.2	 10.1	 10.0	 10.1	 10.2	 9.8	 9.8

Source: Chesterfield County Accounting Department

(1) Economic Development Authority has no employees.

**County of Chesterfield, Virginia
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police										
Police Activities ⁽¹⁾	725,962	730,179	693,517	677,212	683,042	652,326	620,027	665,250	637,749	597,920
IBR Group A Incidents/Part 1 Offenses	16,182	16,242	16,044	16,432	16,588	16,147	16,147	15,462	13,885	14,116
IBR Group A Clearance Rate/Uniform Clearance Rate ⁽⁹⁾	51%	53%	50%	51%	48%	48%	46%	49%	44%	44%
Average Response Time for Priority 1 (life threatening calls)	3.65 min.	3.93 min.	3.79 min.	3.57 min.	3.57 min.	4.19 min.	4.07 min.	3.97 min.	4.08 min.	4.28 min.
Fire and EMS										
Emergency operations dispatches	36,245	36,881	38,184	39,756	41,725	42,532	43,107	42,699	44,794	49,627
Emergency medical ambulance dispatches	28,322	28,319	29,122	29,731	32,515	34,586	34,235	33,297	34,694	39,124
Fire engine medical support calls	11,833	11,218	11,107	11,178	13,491	14,489	15,435	15,204	17,416	18,757
Firefighter staffed ambulance calls	23,648	24,789	24,372	25,598	27,633	28,737	29,787	29,162	30,493	35,013
Building inspections conducted	2,857	3,092	2,675	3,277	3,190	3,354	3,313	3,372	4,323	4,217
Construction plans reviewed	890	911	1,100	1,150	1,222	1,362	1,276	1,307	1,006	1,101
Library^{(2) (5)}										
Total circulation ⁽³⁾	4,043,135	5,081,592	6,472,601	5,348,564	5,674,592	2,798,632	2,837,082	2,276,766	2,205,169	2,550,426
Number of visitors ⁽⁶⁾	4,639,926	3,927,804	3,661,350	3,214,190	3,242,218	4,098,014	4,883,712	5,741,044	4,537,955	6,535,181
Number of reference and general assistance questions ^{(6) (8)}	3,683,524	3,355,392	10,180,296	10,280,044	13,654,770	5,107,832	4,871,570	5,677,695	4,481,580	6,291,501
Number of public access computer sessions ⁽⁴⁾	449,030	565,293	698,891	440,464	622,933	802,629	423,168	292,135	90,154	118,971
Elections										
Registered voters	220,162	222,826	220,903	228,605	234,134	239,116	242,291	250,266	260,274	265,633
Utilities										
Water customers serviced	103,132	104,447	105,847	107,212	108,949	110,584	112,475	114,660	117,233	119,240
Wastewater customers serviced	86,893	88,122	89,406	90,660	92,223	93,874	95,604	97,570	99,998	101,858
Parks and Recreation										
Number of park visitors	4,674,494	N/A ⁽⁹⁾	5,335,987	5,810,922	6,383,686	6,676,771	6,392,693	6,630,991	6,995,353	6,412,610
Cost per visitor	\$ 0.24	N/A ⁽⁹⁾	\$ 0.27	\$ 0.22	\$ 0.15	N/A	N/A	N/A	N/A	N/A

Source: County Departments providing the service

(1) Fiscal years 2011 and 2012 counts were updated in fiscal year 2013 to reflect consistent reporting. Beginning in fiscal year 2017, this category included written warnings.

(2) Beginning on July 1, 2011, libraries were open one less day per week. Library hours were restored in September 2016.

(3) Beginning in fiscal year 2012, includes traditional and electronic total circulation.

(4) Beginning in fiscal year 2012, is also included in total circulation.

(5) Beginning in fiscal year 2013, all library statistics include digital patronage.

(6) The Bon Air Library was closed for renovations for half of fiscal year 2014.

(7) Visitor counts are not available for fiscal year 2014.

(8) Beginning in fiscal year 2015, adjustments were made to the method of capturing customer initiated metrics.

(9) Beginning on January 1, 2019, IBR Group A Incidents include Animal Cruelty.

N/A = Not available

**County of Chesterfield, Virginia
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Airport										
Number of airplane hangars	110	110	110	110	110	110	110	110	110	110
Police										
Number of stations	4	4	4	4	5	5	5	5	5	5
Fire Protection										
Number of fire companies	21	21	22	22	22	22	22	22	23	23
Library										
Number of facilities	9	9	9	10	10	10	10	10	10	10
Utilities										
Water line in system (miles)	1,889	1,902	1,920	1,946	1,971	1,993	2,014	2,048	2,068	2,090
Wastewater line in system (miles)	1,984	2,000	2,022	2,044	2,077	2,104	2,126	2,165	2,190	2,210
Parks and Recreation ⁽¹⁾										
Number of parks	52	52	52	54	56	57	57	62	65	67
Park acreage	4,535	4,535	4,561	4,625	4,863	5,131	5,131	5,165	5,240	5,138
Number of athletic complexes maintained	11	11	11	11	12	12	12	11	11	12

Source: County Departments providing the

(1) Information includes sites and acreage available to the public as a result of partnership agreements.

COMPLIANCE SECTION

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance with Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Chesterfield, Virginia (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the Central Virginia Transportation Authority. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County's internal control. Accordingly, we do not express an opinion on the effectiveness of County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or under the *Specifications for Audits of Counties, Cities, and Towns*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Richmond, Virginia
October 31, 2022

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Chesterfield, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Cherry Bekaert LLP

Richmond, Virginia
October 31, 2022

COUNTY OF CHESTERFIELD, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

A. Section I – Summary of Auditor’s Results

1. The type of report issued on the basic financial statements: **Unmodified opinion**
2. Significant deficiencies in internal control disclosed by the audit of the financial statements: **None reported**
3. Material weaknesses in internal control disclosed by the audit of the financial statements: **No**
4. Noncompliance, which is material to the financial statements: **No**
5. Significant deficiencies in internal control over major programs: **None reported**
6. Material weaknesses in internal control over major programs: **No**
7. The type of report issued on compliance for major programs: **Unmodified opinion**
8. Any audit findings which are required to be reported under the Uniform Guidance: **No**
9. The programs tested as major programs were:

<u>AL Number</u>	<u>Name of Federal Program and Cluster</u>
20.205 and 20.219	Highway Planning and Construction Cluster
84.027 and 84.173	Special Education Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Fund (ARPA)

10. Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**
11. County of Chesterfield qualifies as a low-risk auditee under Section 530 of Uniform Guidance

B. Section II – Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

None reported.

C. Section III – Findings and Questioned Costs Relating to Federal Awards

None reported.

D. Section IV – Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Regulations, Contracts and Grants

None reported.

E. Section V – Status of Prior Year Findings

None reported.



This report was prepared by the Accounting Department
Chesterfield County, Chesterfield, Virginia, 23832

ACCOUNTING DEPARTMENT EMPLOYEES

<i>June Albrecht</i>	<i>Kimberly Collette</i>	<i>Dawana Lowry</i>	<i>Kristie Smith</i>
<i>Donna Arrington</i>	<i>Kathy Cyckowski</i>	<i>Kathy Morris</i>	<i>Kristie Szafranski</i>
<i>Debbie Baicy</i>	<i>Dana Davis</i>	<i>Jeneé Murphy</i>	<i>Jessica Tankersley</i>
<i>Ronda Bailey</i>	<i>Elizabeth Fritts</i>	<i>Nicole Nicolosi</i>	<i>Lindsey Thornton</i>
<i>Patricia Baskerville</i>	<i>Anna Hall</i>	<i>Loretta Otey</i>	<i>Logan Tollison</i>
<i>Angela Borum</i>	<i>Debra Harris</i>	<i>John Palco</i>	<i>Ilesha Waller-Morris</i>
<i>Gina Borrero</i>	<i>Rawn Hyatt</i>	<i>Kevin Payne</i>	<i>Catie Wilson</i>
<i>Karen Brittain</i>	<i>Antionette Jefferson</i>	<i>Shelly Pignona</i>	<i>Consuela Wilson</i>
<i>Mattie Brown</i>	<i>Susan Kern</i>	<i>Bridget Pillow</i>	<i>Susan Worrell</i>
<i>Stephanie Burton</i>	<i>Lorraine Kosobucki</i>	<i>Nicole Reilly</i>	
<i>Rebecca Clements</i>	<i>Diane Lanier</i>	<i>Martha Reiss</i>	
<i>Wendy Clements</i>	<i>Kiara Lewis</i>	<i>Drecilla Smith</i>	

*Cover photo: Sheriff's Office Memorial Monument Dedication
December 10, 2021
Chesterfield County Government Complex Historical Campus*



Please visit us at: www.chesterfield.gov

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CHESTERFIELD COUNTY, VIRGINIA

*This document was prepared by the Accounting Department.
For comments or questions call 804-748-1673 or email contactacctg@chesterfield.gov*