

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



 **CHESTERFIELD**
VIRGINIA

COUNTY OF CHESTERFIELD, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

Prepared by
Accounting Department, Finance and Administration

INTRODUCTORY SECTION (unaudited)

	<u>Page</u>
Letter of Transmittal.....	1
Certificate of Achievement for Excellence in Financial Reporting.....	11
Organizational Chart.....	12
Directory of Officials	13

FINANCIAL SECTION

Report of the Independent Auditor	16
Management's Discussion and Analysis (unaudited).....	19

Basic Financial Statements

Exhibit

Government-wide Financial Statements

I	Statement of Net Position	34
II	Statement of Activities	35

Fund Financial Statements

Governmental Funds' Financial Statements

III	Balance Sheet with Reconciliation to Government-wide Statement of Net Position	36
IV	Statement of Revenues, Expenditures and Changes in Fund Balances with Reconciliation to Government-wide Statement of Activities	38
V	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	40

Proprietary Funds' Financial Statements

VI	Statement of Net Position	42
VII	Statement of Revenues, Expenses and Changes in Net Position.....	44
VIII	Statement of Cash Flows.....	45

Fiduciary Funds' Financial Statement

IX	Statement of Fiduciary Net Position	47
X	Statement of Changes in Fiduciary Net Position	48

Notes to Financial Statements

1.	Summary of Significant Accounting Policies	49
2.	Stewardship, Compliance, and Accountability.....	59
3.	Significant Transactions of the County and Component Units	64
4.	Deposits and Investments	65
5.	Receivables	79
6.	Payables	81
7.	Reporting Entity - Internal Transactions.....	82
8.	Capital and Intangible Assets	85
9.	Long-term Obligations	90
10.	Commitments and Contingent Liabilities	105
11.	Risk Management - Claims Liability	106
12.	Retirement Plans	107
13.	Other Postemployment Benefit Plans	127
14.	Tax Abatements	165
15.	Joint Ventures.....	166

16. Related Organizations and Jointly Governed Organizations	169
17. Subsequent Events	170
18. Restatement of Beginning Net Position	170

Schedule Required Supplementary Information

1	Budgetary Comparison - General Fund Schedule of Revenues Expenditures, and Changes in Fund Balance - Budget and Actual .	172
2	Budgetary Comparison - Central Virginia Transportation Authority Local Fund Schedule of Revenues Expenditures, and Changes in Fund Balance - Budget and Actual .	177
3	Schedule of Changes in Net Pension Liability and Related Ratios - Virginia Retirement System - Local Plan - Primary Government.....	178
4	Schedule of Changes in Net Pension Liability and Related Ratios - Virginia Retirement System - Local Plan - School Board Component Unit	179
5	Schedule of Schools Board's Proportionate Share of the Net Pension Liability - Virginia Retirement System - Teachers' Pool.....	180
6	Schedule of Employer Contributions - Virginia Retirement System	181
7	Notes to Virginia Retirement System Required Supplemental Information.....	182
8	Schedule of Changes in Net Pension Liability and Related Ratios - Supplemental Retirement Plan - Primary Government	183
9	Schedule of Changes in Net Pension Liability and Related Ratios - Supplemental Retirement Plan - School Board Component Unit.....	184
10	Schedule of Employer Contributions - Supplemental Retirement Plan	185
11	Notes to Supplemental Retirement Plan - Required Supplemental Information.....	186
12	Schedule of Changes in Net OPEB Liability and Related Ratios - Other Postemployment Benefits Plan - Retiree Healthcare - Primary Government	187
13	Schedule of Changes in Net OPEB Liability and Related Ratios - Other Postemployment Benefits Plan - Line of Duty - Primary Government	188
14	Schedule of Changes in Net OPEB Liability and Related Ratios - Other Postemployment Benefits Plan - Retiree Healthcare - School Board Component Unit	189
15	Schedule of Employer Contributions - Other Postemployment Benefits Plan - Retiree Healthcare and Line of Duty and Notes to Required Supplemental Information.....	190
16	Schedule of Employers' Proportionate Share of the Net OPEB Liability - Virginia Retirement System - Group Life Insurance Program	191
17	Schedule of Employer Contributions - Other Postemployment Benefits Plan - Virginia Retirement System - Group Life Insurance Program.....	192
18	Notes to Other Postemployment Benefits Required Supplemental Information - Virginia Retirement System - Group Life Insurance Program.....	193
19	Schedule of School Board's Proportionate Share of the Net OPEB Liability - Virginia Retirement System Teacher Health Insurance Credit Plan	194
20	Schedule of School Board's Proportionate Share of the Net OPEB Liability - Virginia Retirement System Political Subdivision Health Insurance Credit Plan	195
21	Schedule of Employer Contributions - Other Postemployment Benefits Plan - Virginia Retirement System Teacher Health Insurance Credit Plan	196
22	Notes to Other Postemployment Benefits Required Supplemental Information - Virginia Retirement System Teacher Health Insurance Credit Plan	197
23	Notes to Other Postemployment Benefits Required Supplemental Information - Virginia Retirement System Political Subdivision Health Insurance Credit Plan	198

Schedule Supplementary Information

A-1	Combining Balance Sheet - Non-major Governmental Funds	202
A-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds	203
A-3	Budgetary Comparison - Children's Services Fund Schedule of Revenues Expenditures, and Changes in Fund Balance - Budget and Actual..	206

A-4	Budgetary Comparison - Mental Health Fund Schedule of Revenues Expenditures, and Changes in Fund Balance - Budget and Actual..	207
A-5	Budgetary Comparison - Stormwater Fund Schedule of Revenues Expenditures, and Changes in Fund Balance - Budget and Actual..	208
A-6	Combining Statement of Net Position - Non-major Enterprise Funds.....	210
A-7	Combining Statement of Revenues, Expenses and Changes in Net Position - Non-major Enterprise Funds.....	212
A-8	Combining Statement of Cash Flows - Non-major Enterprise Funds	213
A-9	Combining Statement of Net Position - Internal Service Funds.....	216
A-10	Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	217
A-11	Combining Statement of Cash Flows - Internal Service Funds.....	218
A-12	Combining Statement of Fiduciary Net Position - Trust Funds	220
A-13	Combining Statement of Changes in Fiduciary Net Position - Trust Funds.....	221
A-14	Combining Statement of Fiduciary Net Position - Custodial Funds	222
A-15	Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	223

Capital Assets Used in the Operation of Governmental Funds

B-1	Schedule of Capital Assets by Function and Activity	226
B-2	Schedule of Changes in Capital Assets by Function and Activity	228

School Board Component Unit Fund Statements and Schedules

C-1	Balance Sheet with Reconciliation to Government-wide Statement of Net Position - Governmental Fund.....	232
C-2	Statement of Revenues, Expenditures and Changes in Fund Balance with Reconciliation to Government-wide Statement of Activities - Governmental Fund	233
C-3	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - School Operating Fund.....	235
C-4	Statement of Fiduciary Net Position.....	237
C-5	Statement of Changes in Fiduciary Net Position	238

STATISTICAL SECTION (UNAUDITED)

I	Net Position by Component - Last Ten Fiscal Years	242
II	Changes in Net Position - Last Ten Fiscal Years.....	243
III	Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	245
IV	Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	246
V	General Governmental Tax Revenue by Source - Last Ten Fiscal Years	247
VI	Assessed and Estimated Market Values of Taxable Property - Last Ten Fiscal Years	248
VII	Property Tax Rates - Last Ten Fiscal Years	249
VIII	Principal Property Taxpayers - Current Year and Nine Years Ago	250
IX	Property Tax Levies and Collections - Last Ten Fiscal Years.....	251
X	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	252
XI	Ratios of General Obligation Bonded Debt Outstanding - Last Ten Fiscal Years	253
XII	Pledged Revenue Coverage - Last Ten Fiscal Years	254
XIII	Demographic Statistics - Last Ten Years	255
XIV	Principal Private Employers - Current Year and Nine Years Ago	256
XV	Full-time County Employees by Function - Last Ten Fiscal Years.....	257
XVI	Operating Indicators by Function - Last Ten Fiscal Years	258
XVII	Capital Asset Statistics by Function - Last Ten Fiscal Years	259



INTRODUCTORY SECTION





Chesterfield County, Virginia

Joseph P. Casey, Ph.D., County Administrator
9901 Lori Road – P.O. Box 40 – Chesterfield, VA 23832-0040
Phone: (804) 748-1211 – Fax: (804) 717-6297

BOARD OF SUPERVISORS

JIM A. INGLE, CHAIR

Bermuda District

MARK S. MILLER, Ph.D., VICE CHAIR

Midlothian District

JESSICA SCHNEIDER

Clover Hill District

KEVIN P. CARROLL

Matoaca District

JAMES M. "Jim" HOLLAND

Dale District

November 7, 2025

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

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, 2025. 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, 2025. 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, 2025, 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, 2025, 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 related specifically to the Uniform Guidance, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditor's report on Internal control over financial reporting and on compliance and other matters, is required to be submitted within the shorter of thirty (30) days after testing completion or nine (9) months after fiscal year end, which would be no later than March 31, 2026 for the County. Said testing and results, when issued, will be included in a separate compliance reporting package.

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. Area businesses are within a one-day commute of 50% of the nation's population, 60% of the nation's corporate headquarters and 65% of the nation's manufacturing operations in the country. In 2015, The Boyd Co. ranked Chesterfield as the top location on the East Coast, and one of the best places in the nation, for logistics-related businesses. Additionally, 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 388,000.

The County's early history includes the second successful English settlement in the New World, the Cite 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 2024 and will continue through December 2027. 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 a triple AAA 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. One discretely presented component unit (School Board) and one blended component unit (Economic

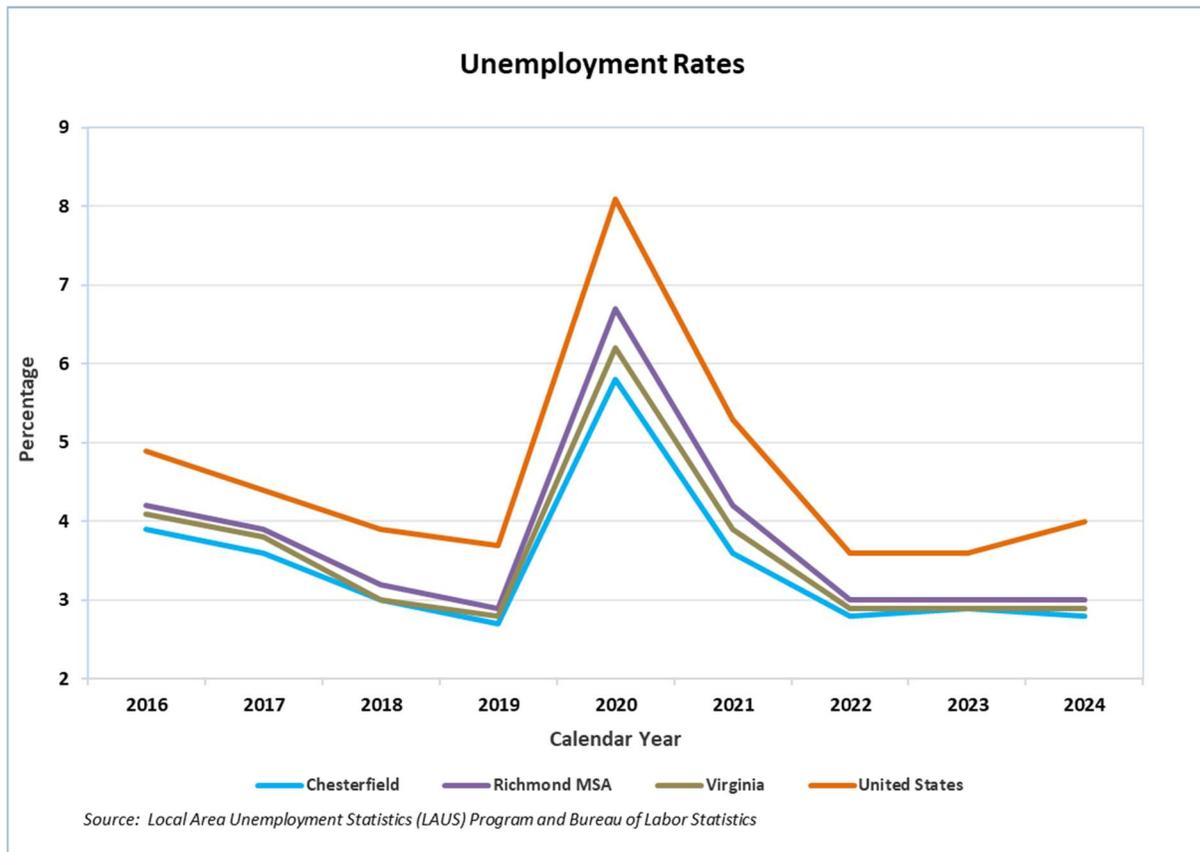
Development Authority) are included in the reporting entity because of the County's financial accountability for these organizations. The discretely presented component unit is reported separately within the County's basic financial statements while the blended component unit is presented as though it 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. Activities for the General Fund, CVTA Local Fund, Children's Services Fund, Mental Health Fund and Stormwater Fund are included in the annual Appropriations Resolution and adopted in the Budget by the Board. Funds are appropriated generally at the function level for the General Fund and at the fund level for the CVTA Fund, Children's Services Fund, Mental Health Fund and Stormwater Fund.

Local Economy

The Richmond metropolitan area 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 positions the County to prosper during healthy economic times and weather downturns in a slower economy. In addition, the County's annual unemployment rate for calendar year 2024 (CY2024) is 2.8% reflecting little change from 2.9% in the prior year. The County's annual unemployment rate is comparable to the Richmond MSA and the Commonwealth's rates of 3.0% and 2.9%, respectively, and favorable to the U.S. rate of 4.0%. For August 2025, the County's unemployment rate at 3.6% remains comparable to the Richmond MSA's rate of 3.7% and the Commonwealth's rate of 3.6% with the U.S. unemployment rate at 4.5%.



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 FY2025, economic development announced \$3.4 billion in investments projected to add over a thousand jobs to the local economy.

Meadowville Technology Park (MTP), one of Virginia's premiere master-planned, publicly owned industrial parks, continues to be a thriving business hub in our region with significant investments from partners including Amazon, LEGO, Civica, Chirisa Technology Parks (Chirisa) and Topsoe. MTP is one of Virginia's largest, most innovative and connected 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 \$330 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.

LEGO continues construction on its \$1 billion carbon neutral factory at MTP, it's second in the United States and its only toy manufacturing facility in the U.S. The global toy manufacturer plans a 1.7 million square foot facility that will employ 1,760 people. Once completed, the 340-acre site will have rooftop and ground solar panels and an on-site solar plant. The goal is for one hundred percent of its day-to-day energy needs to be matched by the renewable energy generated. The site will also be designed to minimize energy consumption and use of non-renewable resources.

Chirisa and its partners will invest over \$2 billion in state-of-the-art data center facilities tailored to specific user and business needs in premier data center markets. During the construction of this phase of the Chirisa project, over 1,000 people are expected to be employed on-site.

Topsoe, a Danish manufacturer and leading global provider of technology and solutions for energy transition combating climate change, plans to invest more than \$400 million to build a factory. This would be Topsoe's largest U.S. investment. The project is expected to create 150 new jobs.

Commonwealth Fusion Systems, the largest private fusion company, announced a \$3 billion investment to build the world's first grid-scale commercial fusion power plant, ARC, at the James River Industrial Center. The company will independently finance, build, own and operate the plant. The new fusion plant will produce enough clean energy to power large industrial sites or about 150,000 homes generating additional economic development revenue and creating hundreds of jobs during construction and long term with plant operations.

Springline at District 60 is a multi-phase project at the site of the former Spring Rock Green property, which was acquired by the Chesterfield Economic Development Authority in September of 2021. Once completed, the approximately \$85 million project will create a walkable urban mixed-use center with abundant green space, bike and trailways, wide streetscapes and at the center a large open space perfect for concerts, farmer's markets, festivals and other community events providing a dynamic destination in the Richmond region. The James at Springline with 298 apartment units and 28,000 square feet of ground level retail and the Timmons Group 150,000-square-foot class A office building have been completed and are leasing. The Timmons Group office building serves as the new home for Timmons Group corporate headquarters and the Chesterfield County Public Schools administration.

Super Radiator Coils, a family-owned engineering and manufacturing company announced a \$22 million investment to expand its operations in the County adding approximately 80,000 square feet to its existing facility. This is the fourth expansion to their Chesterfield facility since their initial investment over 40 years ago. A key factor in securing this investment was the partnership with higher education institutions through the Virginia Talent Accelerator program, ranked the number one Customized Workforce Training Program in the country by Business Facilities in 2024,

Weidmüller USA, a leading provider of innovative industrial connectivity and automation products and solutions, opened a new 24,000 square foot engineering and production facility as they highlight the 50th anniversary of operations in the County. This new addition expands Weidmüller's capabilities in product engineering, manufacturing and assembly operations.

In August 2025, Google announced a \$9 billion investment in Virginia through 2026 including the development of a new data center in Chesterfield County. The investment supports new cloud and artificial intelligence (AI) infrastructure. Google is known for operating some of the industry’s most energy efficient data centers.

Other projects include VCU Health (\$90 million), Amazon (\$51 million), Axial Gateway 95 (\$41.5 million), Condaire (\$57 million), and UPS (\$21.1 million). These investments validate Chesterfield’s strong position in attracting distribution, mixed-use, and healthcare operations.

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 4.2% for the period 2015 to 2024 and is comparable to the increase of 4.2% for the Richmond MSA and favorable to the increase of 3.6% for the Commonwealth during the same period. Spending locally continues to increase, although at a slower pace than in recent years with the pressures of inflation.

Taxable Retail Sales
(\$ in 000's)

Calendar Year	Chesterfield County	% Change	Richmond MSA	% Change	Commonwealth of Virginia	
					% Change	% Change
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
2022	5,597,147	7.4	22,614,670	9.4	129,002,040	8.7
2023	5,809,105	3.8	23,622,084	4.5	133,864,998	3.8
2024	5,943,409	2.3	23,539,268	(0.4)	136,397,242	1.9

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, 2025, the top ten taxpayers accounted for 3.38% 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 Statistical Tables VIII and XIV, respectively.

The typical home value for a single-family home in the County was up 2.1% compared to the prior year with the percentage increase in home values averaging 4.2%. Calendar year 2025 assessments show a slowdown in growth for aggregate value of existing residential properties as values increased by an average of 5.1%. The County revaluations of existing residential property are trending towards the historical average of two to four percent.

The Experience Chesterfield and Play Chesterfield programs showcase the attractions that make the County one of the top tourist destinations in Virginia and the broader mid-Atlantic, as well as improving quality of life for the community with exciting local events such as Chesterfield Outdoor Fest and Chesterfield Restaurant Week. The County has a portfolio of world-class facilities including The Diamonds at Iron Bridge located at Harry G. Daniel Park including six renovated softball fields and River City Sportsplex, the County’s first synthetic sports complex and nationally recognized as a premier tournament destination.

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, 2024, 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:

- Excellence in Public Service
- Safe and Secure Communities
- Vibrant Economy
- Community and Individual Wellness
- Thriving Communities
- Lifetime Learning

Blueprint Chesterfield is the framework that guides decision making during times of prosperity or challenge and provides a tool to link both departmental and individual performance to the County's strategic 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. The most recent updates occurred during the development of the FY2026 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. The County's FY2026-FY2030 CIP (\$452.1 million over five years with \$77.7 million in FY2026) is modernizing public safety facilities, improving roads, enhancing schools, and upgrading community spaces all while maintaining a disciplined debt strategy that protect taxpayers and positions Chesterfield for future opportunities.

Real and personal property tax revenues are the County's principal funding source, representing approximately 68.4% of the budget for General Fund revenues in FY2026. Total real property revenues are budgeted at \$593.7 million, an increase of \$33.4 million, or 6.0%, from the FY2025 adopted budget. Home values across the region and in the County continue to increase. The rate at which the values have increased has slowed from those experienced during the pandemic. The County is projected to return to levels of 2-4% year over year growth. Personal property taxes are another major source of local revenues for the County and were budgeted in FY2026 at \$119.7 million, an increase of \$4.8 million, or 4.1%, from the FY2025 budget. Personal property is consistently one of the County's most variable revenue sources given its sensitivity to unpredictable variables such as supply chain disruptions, 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. All these factors make forecasting personal property revenue challenging and, therefore, typically requires a very conservative course when projecting vehicle-related revenues.

Mindful of the economic pressures on household budgets, the County remains committed to a strategic approach ensuring targeted and equitable tax relief. The FY2026 budget includes \$24.2 million, a 26% increase, in funding for the tax relief for the elderly and disabled program, as well as a reduction in the real estate tax rate to \$0.89, the lowest on record. Personal Property taxes remain at \$3.35 per \$100 of assessed value after a historic 25-cent reduction to the county's personal property rate in FY2025 ranking the lowest in the region and lowest

among all Virginia localities with populations greater than 100,000. Local businesses see relief through lower taxes on vehicles and other equipment, as well as the increase in the gross receipts threshold to \$550,000 for Business, Professional and Occupational License (BPOL) taxes resulting in exemptions for two-thirds of businesses supporting small business growth.

The County maintains a balance between providing tax relief and investing in quality services and programs. General fund expenditures for FY2026 were budgeted to increase \$43.8 million, or 4.4%, over the prior year's budget. The commitment to investing in our schools and the workforce represent approximately 87% of the year over year growth. The FY2026 budget includes a \$14 million increase to the contribution to Schools, and a \$17 million increase to fund public safety annual step increases as well as annualization of starting salary and compression adjustments. The County five-year plan reflects the strategic approach to pursue tax policies that are sustainable and investments that are essential in the face of financial constraints.

Relevant Financial Policies

The County's financial policies adopt a prudent approach toward financial and debt management. As of June 30, 2025, the portion of the County's operating expenditures dedicated to the repayment of debt, capped by policy at 10% of general government expenditures, was 6.3%. With the FY2026 budget, the County continues to meet the policy target to reinvest 2.5% of the calculated replacement value of its facilities into major maintenance. It is important that funding levels for this program continue to be monitored as new facilities come online and existing facilities continue to age. For FY2026, the County increased the target of total General Fund expenditures to unassigned fund balance to 10% and the projected unassigned fund balance is in compliance with this policy change. This gives the County the ability to cope with unexpected financial emergencies eliminating 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, 2025, was 11.69%. 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 May 2025, as the County issued general obligation improvement bonds in July 2025, with Standard and Poor's, Moody's, Fitch Ratings, and Kroll Bond Rating Agency, LLC rating the bonds as "AAA", the highest attainable bond ratings. The County has held a triple AAA bond rating for the past twenty-seven years and now attained a quad AAA rating this year, due to its robust and diverse economy, record of fiscal conservatism, and strong financial management. Even as rating agencies expand their ratings methodology to include environmental, social and governance (ESG) factors, we anticipate the County will continue to achieve the highest possible ratings assigned to local governments. The quad AAA rating ensures the County can borrow funds for the community's capital and infrastructure needs at the lowest available interest rates.

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 over twenty years.

Major Initiatives

The County continuously has numerous initiatives underway to enhance the quality of life for our residents and to be a destination 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 provides examples that showcase the breadth and quality of our services, culture of innovation and our commitment to community partnerships.

Infrastructure. The County recognizes having a modern, reliable infrastructure is vital to the community and requires a comprehensive strategy that includes investments in all areas that provide the foundation of critical services including transportation, utilities, major maintenance of public facilities and technology.

Transportation needs continue to be a high priority and encompass roadways, bikeways, and other mobility services that connect our communities locally, regionally and across the state. While the Commonwealth is responsible for building and maintaining primary and secondary roads in the County, the County acknowledges the critical need and is implementing innovative strategies to fund transportation-related projects. In June 2024, \$311 million in revenue bonds supported by local Central Virginia Transportation Authority (CVTA) revenue were issued to better position the County to expedite high priority projects. A data-driven approach will be used to identify specific projects. The Powhite Parkway extension project is the county's top transportation project to address congestion

issues due to rapid growth, as well as the planned and anticipated development at the Upper Magnolia Green site. The Powhite Parkway extension project will be implemented in two phases. Phase I is the extension to Woolridge Road and construction is expected to begin in FY2026. Phase II will link the Upper Magnolia site to Hull Street. In addition to roadway construction, seventeen plus miles of the 43-mile Fall Line Trail, which extends from Petersburg to Ashland, will pass through Chesterfield, the largest section of all seven localities. Route 1 is about five miles of the Fall Line Trail and construction of three of those five miles are underway. Other notable projects include the Turner Road/Jessup Road Roundabout, bike and pedestrian enhancements along Dundas Road, and the Center Pointe Parkway extension.

To ensure efficient management and security of the water supply, the County will invest over \$500 million towards utility infrastructure including a floodwall at Addison-Evans Water Treatment Plant, Phase I of the Appomattox River Water Treatment plant and expanded capacity at the Proctors Creek Wastewater Treatment plant.

The major maintenance initiatives include a diverse set of projects addressing needs for parks and recreation facilities, public safety facilities, stormwater infrastructure, fleet, airport, and general maintenance such as HVAC upgrades. Starting with FY2026 CIP, the school grounds used by the broader community such as athletic grounds and facilities are being assessed with projects to improve tennis courts and turf fields targeted in FY2026 and FY2027. Other key investments include enhancing electrical maintenance to ensure safety and reliability of current County electrical systems and participation in an LED streetlight conversion program to save over \$300,000 annually in electricity costs once fully implemented.

Key technology investments include a countywide technology infrastructure refresh, the replacement of the County's aging phone system and implementation of advanced cybersecurity solutions including automated anti-phishing, anti-spam, and Data Loss Prevention tools, along with an IT Service Management Platform for real-time threat detection and streamlined asset management.

Education. Students in the County's public schools (CCPS), one of the five largest school divisions in Virginia and the largest in Central Virginia, enjoy a high-quality educational experience with 100% of schools accredited. CCPS achieved a 91% on-time graduation rate and 93% daily attendance rate. CCPS includes seven National Blue Ribbon Schools, eight National ESEA Distinguished Schools and seven Middle Schools to Watch. Progress is being made on the school projects identified in the bond referendum. Deep Creek Middle School and AM Davis Elementary School opened for the 2025-2026 school year. Bensley Elementary School and the West Area Elementary School are targeted to open in the 2026-2027 school year with the West Area High School targeted for 2027-2028. Future projects include two new additional elementary schools and the replacement or expansion of four additional schools.

Awards and Acknowledgements

The County continued to be recognized for excellence in operational and financial management during fiscal year 2025. The County's focus on its mission 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 received multiple honors from industry associations. National Association of Fleet Administrators (NAFA), the world's largest fleet management association, has named the division as a Top 100 Fleet and Top 50 Green Fleet. The division has been recognized with the Green Fleet award for the fifth consecutive year. In addition to these accolades, the division has been named the number 13 Leading Fleet by Government Fleet Magazine and the American Public Works Association. This honor recognizes organizations that execute groundbreaking and inventive programs for their green initiatives.

For the 16th consecutive year, the County continued to set an example for the innovative use of technology in local government, earning a first-place spot in the 2025 Digital Counties Survey among counties nationwide with populations between 250,000 and 499,000. This is the sixth year we were recognized with the top spot. The County has placed in the top ten of that survey each year since 2010. The Digital Counties Survey is conducted by the Center for Digital Government and the National Association of Counties. The survey looks at the best technology practices among US counties, including initiatives that enhance cybersecurity, streamline delivery of government services, promote open data, collaboration, shared services, and contribute to disaster response and recovery efforts.

The County received 40 National Association of Counties (NACo) 2025 Achievement Awards across 13 categories, recognizing the ways the County provides better, more innovative services to residents and strengthens its communities.

The County received 6 Virginia Association of Counties (VaCo) 2025 Achievement Awards. The VaCo Achievement Awards recognize excellence in local government programs emphasizing innovation to find solutions addressing high priority issues presently challenging counties. The County tops the all-time Achievement Awards list with 60 and has won at least one award each year since the program's founding in 2002.

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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This was the 44th consecutive year that the County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 ACFR 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 the County with an award for Outstanding Achievement in the Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024. This program recognizes state and local governments that produce high quality reports designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance using information extracted from their ACFR. The County has received this distinction for each year that we have produced a PAFR beginning with the report for fiscal year 2020. We will publish a PAFR for fiscal year ended June 30, 2025 and submit it to GFOA to determine its eligibility for another award.

The GFOA presented an award for Distinguished Budget Presentation to the County for the annual budget for the fiscal year beginning July 1, 2024. 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 2025 budget represents the 39th consecutive year that Chesterfield County has received this award. We believe the fiscal year 2026 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.

The County has earned the GFOA Triple Crown award for fiscal year 2024 reporting. The GFOA Triple Crown designation recognizes governments who have met the high standards of all three GFOA award programs, GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and Distinguished Budget Presentation Award in the same fiscal year. Chesterfield County has achieved this distinction every year since it was instituted beginning with reporting for fiscal year 2020.

CCPS was awarded the Association of School Business Officials (ASBO) International's Meritorious Budget Award for excellence in budget presentation for FY2024-2025. 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 FY2024-2025 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 FY2025-2026 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. Chesterfield County has received over a dozen regional, state and national workplace honors since 2020. For the fourth consecutive year, TopWorkplaces.com recognized the County with a Top Workplaces USA Award, awarded to organizations with the greatest employee engagement among employers of similar size. The Top Workplaces USA award is based entirely on feedback from an independent, employee engagement survey. In addition, the County received the Richmond Times-Dispatch Top Workplaces Award and

the 2025 Top Virginia Employers for Interns Award from the Virginia Talent + Opportunity Partnership (V-TOP). The annual award celebrates Virginia employers who provide high-quality internships to students. Some of the noteworthy efforts of employers include exposing interns to senior leaders, structured mentorship programs, housing allowances, paid time off, security clearances and training for industry certifications. Forbes magazine recognized the County as one of America's Best-In-State employers for 2023 ranking 56th out of all employers in Virginia, 30 spots higher than its last ranking in 2021. The county was one of only four local government entities in Virginia to make the list. It was also one of only three localities in the Commonwealth where both the government and school division each made the rankings. The list is compiled through surveys of 70,000 employers working for companies with 500 or more employees. The survey considers every aspect of an employees' experience such as working conditions, salary, potential for growth, and diversity. Of the thousands of companies eligible for this recognition, only a select few are awarded in each state. These accolades reinforce 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 comprehensive financial report.

Respectfully submitted,



Dr. Joseph P. Casey
County Administrator



Consuela Wilson, CPFO
Director of Accounting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Chesterfield
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

**County of Chesterfield, Virginia
Directory of Officials
June 30, 2025**

Primary Government Officials

BOARD OF SUPERVISORS

Jim Ingle, Chair..... Bermuda District
Mark S. Miller, Vice-chair..... Midlothian District
Jessica Schneider Clover Hill District
James “Jim” Holland Dale District
Kevin Carroll Matoaca District

CONSTITUTIONAL OFFICERS

Amanda L. Pohl Circuit Court Clerk
Erin B. Barr 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
Lisa Martin Hudgins, Vice-chair Midlothian District
Dorothy “Dot” Heffron Clover Hill District
Dominique R. Chatter Dale District
Steven A. Paranto Matoaca District

ADMINISTRATIVE OFFICERS

Dr. John T. Murray Superintendent
Dr. Lisa High Deputy Superintendent
Dr. Monique Booth Chief of Schools
Dr. Sharon Pope Chief Academic Officer
Robert Meister Chief Financial Officer
Dr. Reid Wodicka Chief Operations Officer
Shawn Smith Chief Communications & Community Engagement Officer
Dr. Kimberly Hough Chief of Human Resources and Talent Acquisition
Ernie Longworth..... 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 discretely presented component unit, 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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, 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.

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 generally accepted auditing standards, *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 Required Supplementary 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, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the Supplementary Information is 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, as listed in the table of contents, 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 November 7, 2025, 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
November 7, 2025

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, 2025. 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 \$192.0 million (5.8%). Net position of the governmental-type activities increased \$77.2 million (4.7%) and net position of the business-type activities increased \$114.8 million (6.6%).
- ◆ The County's unrestricted net position increased approximately \$38.0 million (5.4%). Unrestricted net position of the governmental-type activities decreased \$13.8 million (23.5%) and unrestricted net position of the business-type activities increased \$51.8 million (8.0%).
- ◆ The County's program and general revenues (including taxes) of \$1,420.1 million for governmental-type activities exceeded expenses of \$1,342 million by \$78.1 million.
- ◆ In the County's business-type activities, revenues increased 2.1% to \$256.9 million while expenses increased 7.0% to \$143.0 million.
- ◆ The total cost of the primary government's programs increased approximately \$107.4 million (7.8%) to \$1,485.0 million.
- ◆ The General Fund reported an ending fund balance amount of \$556.6 million, a decrease of \$5.1 million (.9%) in comparison with the prior year. Of the ending fund balance amount, \$102.1 million was unassigned.
- ◆ The County's outstanding debt increased by \$20.1 million (1.8%). The County reported \$99.6 million in proceeds from new debt issued during the year and retired debt of \$79.5 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 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 unit - The County includes a single entity in its report as discretely presented component units: Chesterfield County Public School System (School Board). Although legally separate, the County demonstrates financial accountability for this entity by providing operating, capital or tax increment financing. The School Board is included in the 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

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 \$3.5 billion at the close of the most recent fiscal year, representing an 5.8% 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 (62.9%) at June 30, 2025, is its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, and intangible assets) less accumulated depreciation and amortization and debt and other liabilities 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 (16.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is referred to as unrestricted net position (21.1%). 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 \$303.0 million at the end of the current fiscal year, a decrease in the deficit of \$38.8 million (11.4%) compared to the prior year. Net investment in capital assets increased \$10.2 million (13%) primarily due to capital outlay for machinery and equipment. The School Board component unit's deficit unrestricted net position is primarily due to reporting net pension liabilities of \$399.7 million and net other postemployment benefits liabilities of \$165.6 million at year end, a net decrease of \$30.20 million (5.1%) 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 provide additional information regarding the School Board component unit's pension and other postemployment benefit plans.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

TABLE 1
Chesterfield County's Net Position
June 30, 2025 and 2024
(in millions of dollars)

	Governmental		Business-type		Total Primary		School Board	
	Activities		Activities		Government		Component Unit	
	2025	2024	2025	2024	2025	2024	2025	2024
Assets								
Current and other assets	\$ 1,881.5	\$ 1,949.5	\$ 754.4	\$ 705.8	\$ 2,635.9	\$ 2,655.3	\$ 178.7	\$ 183.5
Capital assets	1,719.3	1,583.5	1,158.7	1,094.6	2,878.0	2,678.1	97.8	88.9
Total assets	<u>3,600.8</u>	<u>3,533.0</u>	<u>1,913.1</u>	<u>1,800.4</u>	<u>5,513.9</u>	<u>5,333.4</u>	<u>276.5</u>	<u>272.4</u>
Deferred outflows of resources								
Deferred charge on refunding	1.4	1.9	-	0.2	1.4	2.1	-	-
Pensions	107.6	98.4	4.1	3.8	111.7	102.2	181.5	165.2
Other postemployment benefits	14.9	13.0	0.8	0.6	15.7	13.6	22.2	20.0
Total deferred outflows of resources	<u>123.9</u>	<u>113.3</u>	<u>4.9</u>	<u>4.6</u>	<u>128.8</u>	<u>117.9</u>	<u>203.7</u>	<u>185.2</u>
Liabilities								
Long-term liabilities	1,507.6	1,479.9	21.8	28.0	1,529.4	1,507.9	609.7	639.7
Other liabilities	212.3	258.2	21.2	21.1	233.5	279.3	78.8	75.5
Total liabilities	<u>1,719.9</u>	<u>1,738.1</u>	<u>43.0</u>	<u>49.1</u>	<u>1,762.9</u>	<u>1,787.2</u>	<u>688.5</u>	<u>715.2</u>
Deferred inflows of resources								
Deferred revenues	278.4	264.8	-	-	278.4	264.8	-	-
Pensions	34.8	23.1	1.4	0.9	36.2	24.0	70.9	50.2
Other postemployment benefits	20.3	24.3	1.3	1.8	21.6	26.1	23.8	34.0
Leases	11.7	13.1	12.6	8.2	24.3	21.3	-	-
Total deferred inflows of resources	<u>345.2</u>	<u>325.3</u>	<u>15.3</u>	<u>10.9</u>	<u>360.5</u>	<u>336.2</u>	<u>94.7</u>	<u>84.2</u>
Net position								
Net investment in capital assets	1,057.5	976.6	1,147.0	1,076.0	2,204.5	2,052.6	88.4	78.2
Restricted	557.2	547.6	16.9	25.0	574.1	572.6	17.3	19.5
Unrestricted (deficit)	44.9	58.7	695.8	644.0	740.7	702.7	(408.7)	(439.5)
Total net position (deficit)	<u>\$ 1,659.6</u>	<u>\$ 1,582.9</u>	<u>\$ 1,859.8</u>	<u>\$ 1,745.0</u>	<u>\$ 3,519.3</u>	<u>\$ 3,327.9</u>	<u>\$ (303.0)</u>	<u>\$ (341.8)</u>

Changes in net position. The Primary Government's total revenues increased over the prior year by \$52.5 million (3.2%) to \$1,677.0 million. The total cost of all programs increased over the prior year by \$107.4 million (7.8%) to \$1,485.0 million.

Approximately 42.8% of the County's revenues came from property taxes and approximately 8.5% came from other taxes. Another 20.7% of the total revenues came from charges for services. The remaining 28.0% 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 72.2% related to public safety, education, general government and health and welfare. Program revenues of the County's governmental activities covered 31.8% of its expenses.

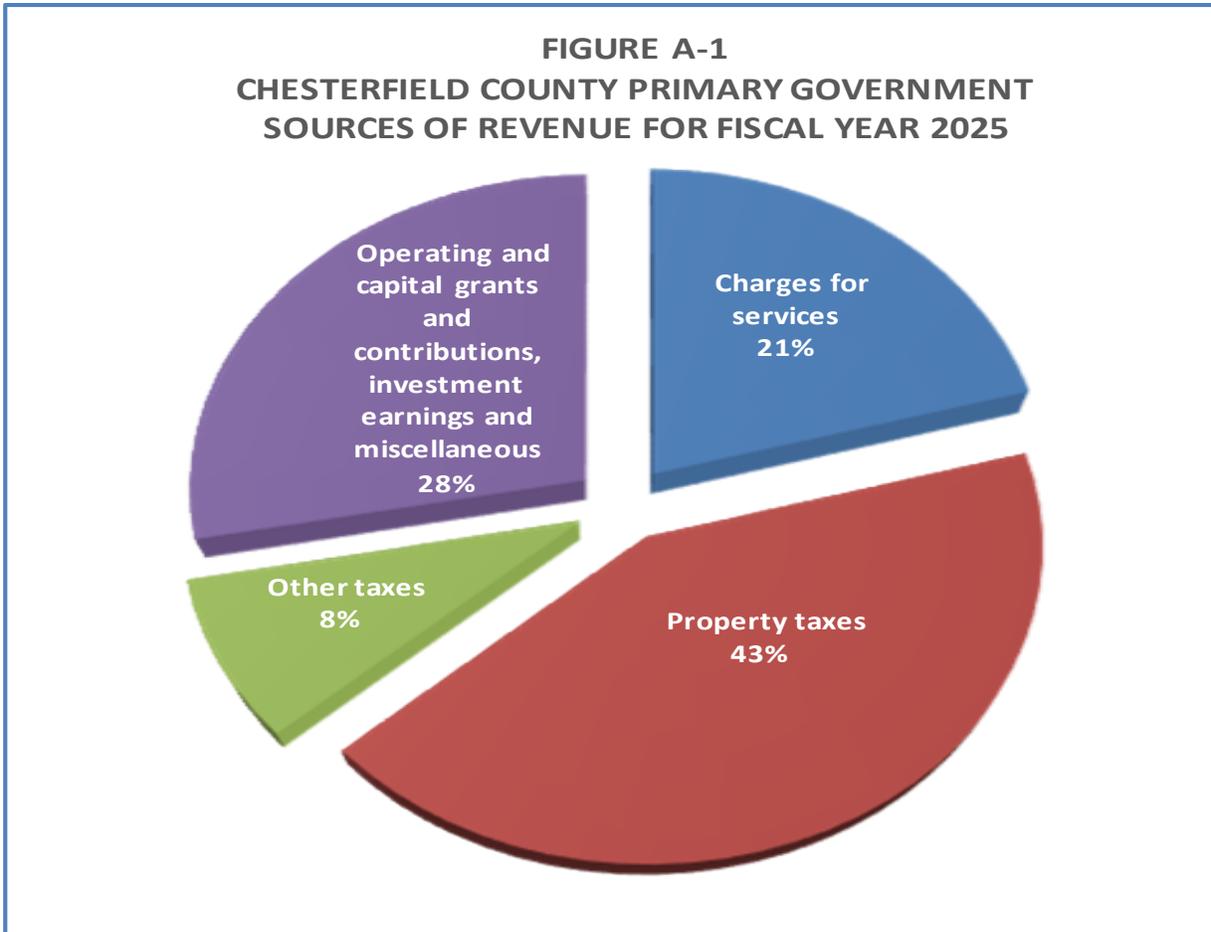
MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

TABLE 2
Changes in Chesterfield County's Net Position
For the Years Ended June 30, 2025 and 2024
(in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>		<u>School Board Component Unit</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues:								
Program revenues:								
Charges for services	\$ 201.8	\$ 209.4	\$ 145.8	\$ 142.7	\$ 347.6	\$ 352.1	\$ 16.2	\$ 14.4
Operating grants and contributions	108.2	107.3	-	-	108.2	107.3	274.8	302.2
Capital grants and contributions	116.2	107.8	77.0	76.9	193.2	184.7	5.9	7.6
General revenues:								
Property taxes	717.0	686.0	-	-	717.0	686.0	-	-
Other taxes	142.3	138.2	-	-	142.3	138.2	-	-
Payment from County	0.1	-	-	-	0.1	-	404.3	331.7
Grants and contributions not restricted to specific programs	62.9	60.1	-	-	62.9	60.1	352.9	304.7
Other	71.6	64.1	34.1	32.0	105.7	96.0	8.1	10.5
Total revenues	<u>1,420.1</u>	<u>1,372.9</u>	<u>256.9</u>	<u>251.6</u>	<u>1,677.0</u>	<u>1,624.5</u>	<u>1,062.2</u>	<u>971.1</u>
Expenses:								
General government	225.7	199.8	-	-	225.7	199.8	-	-
Administration of justice	16.2	16.0	-	-	16.2	16.0	-	-
Public safety	307.2	281.4	-	-	307.2	281.4	-	-
Public works	112.3	96.7	-	-	112.3	96.7	-	-
Health and welfare	138.9	129.0	-	-	138.9	129.0	-	-
Parks, recreation and cultural	51.2	44.0	-	-	51.2	44.0	-	-
Education - School Board	400.0	381.3	-	-	400.0	381.3	1,023.3	917.9
Community development	61.0	56.2	-	-	61.0	56.2	-	-
Interest on long-term debt	29.5	39.5	-	-	29.5	39.5	-	-
Water	-	-	60.9	58.5	60.9	58.5	-	-
Wastewater	-	-	58.7	53.7	58.7	53.7	-	-
Non-major business activities	-	-	23.4	21.5	23.4	21.5	-	-
Total expenses	<u>1,342.0</u>	<u>1,243.9</u>	<u>143.0</u>	<u>133.7</u>	<u>1,485.0</u>	<u>1,377.6</u>	<u>1,023.3</u>	<u>917.9</u>
Increase in net position before transfers	78.1	129.0	113.9	117.9	192.0	246.9	38.9	53.2
Transfers	(0.9)	(0.5)	0.9	0.5	-	-	-	-
Increase in net position after transfers	77.2	128.5	114.8	118.4	192.0	246.9	38.9	53.2
Net position (deficit) - as previously presented	<u>1,582.9</u>	<u>1,454.4</u>	<u>1,745.0</u>	<u>1,626.6</u>	<u>3,327.9</u>	<u>3,081.0</u>	<u>(341.8)</u>	<u>(394.9)</u>
Restatement - change in accounting principal	<u>(0.5)</u>	<u>-</u>	<u>(0.1)</u>	<u>-</u>	<u>(0.6)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position (deficit) - July 1, 2024 as restated	<u>1,582.4</u>	<u>1,454.4</u>	<u>1,744.9</u>	<u>1,626.6</u>	<u>3,327.3</u>	<u>3,081.0</u>	<u>(341.8)</u>	<u>(394.9)</u>
Net position (deficit) - end of year	<u>\$ 1,659.6</u>	<u>\$ 1,582.9</u>	<u>\$ 1,859.8</u>	<u>\$ 1,745.0</u>	<u>\$ 3,519.3</u>	<u>\$ 3,327.9</u>	<u>\$ (303.0)</u>	<u>\$ (341.8)</u>

Compared to the prior year, the School Board's total revenues increased \$91.1 million (9.4%) to \$1,062.2 million. Total expenses for all School programs and services increased over the prior year by \$105.4 million (11.5%) to \$1,023.3 million. Program revenues of School Board activities covered 29.0% of its expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)



Governmental Activities

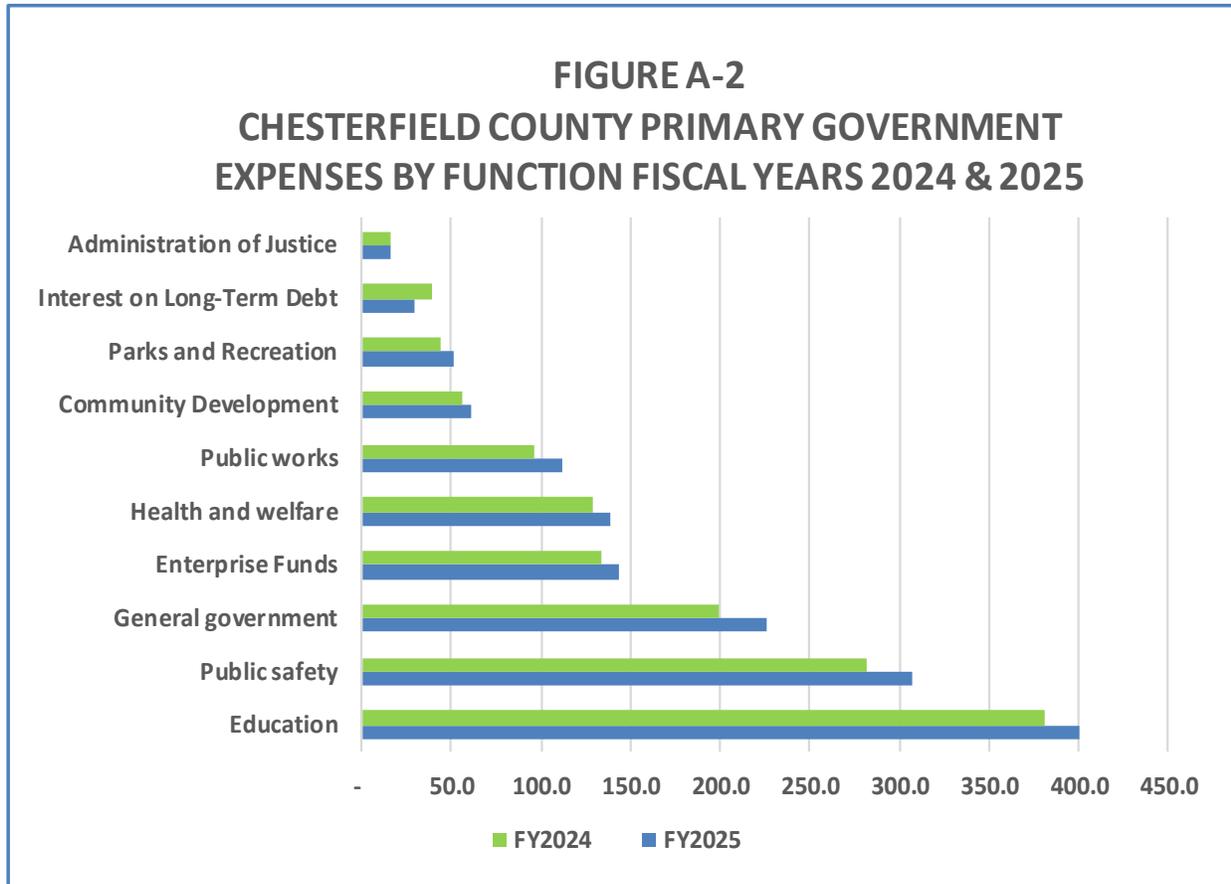
Governmental activities increased the net position by \$77.2 million and accounted for 40.1% of the total growth in the total net position of the County. Revenues for governmental activities increased \$47.2 million (3.4%) and total expenses increased \$98.1 million (7.9%) when compared to the prior year. Key elements of these changes are as follows:

- ◆ Property tax revenues increased \$31.0 million (4.5%) primarily due to a 4.5% increase in the total assessed valuation of taxable property over the prior year. The assessed valuation for real property increased 7.1% with residential real property assessed values increasing by 6.7% and commercial and industrial real property assessed valuations increasing by 8.5%. Commercial and industrial property comprised 20.6% of the assessed value of taxable real property. The real estate tax rate of \$0.90 per \$100 of assessed value was lowered to \$0.89 for the second half of FY2025. Calendar year 2025 (CY2025) assessments were developed using sales data through December 2024. State Code mandates that “annual assessments shall be made at 100% of fair market value.” Personal property assessed valuations increased by 13.1% over the prior year.
- ◆ Capital grants and contributions increased \$8.4 million (7.8%). Parks and Recreation experienced an \$9.1 million increase in ARPA funding for park improvements. ARPA funding for Education-School Board projects increased \$3.2 million. Community Development had a \$4.7 million decrease in ARPA funding for projects. Public Safety received a \$1.2 million grant which accounted for a majority of the \$2.7 million increase for that agency in FY2025.
- ◆ Operating grants and contributions increased \$0.9 million (.8%)
- ◆ Charges for services decreased \$7.6 million (3.6%). A portion of the decrease is attributable to a \$3.0 million reduction in commercial building and electrical permit fees.

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

- ◆ Other general revenues increased \$7.5 million (11.7%) primarily due to an increase in interest earned on the funds invested by the County.

Overall, expenses of governmental activities increased \$98.1 million (7.9%). Functional areas most heavily impacted include:



- ◆ General Government increased \$25.9 million (13%). A major portion of the increase was related to a \$10 million increase in health care expenses. Expenses related to the Enterprise Resource Planning project increased \$4.4 million since FY2024.
- ◆ Public Works expenses increased \$15.6 million (16.1%). Of that total, \$14.0 million is attributable to transportation projects funded with bond proceeds from the 2024 Economic Development Authority of the County of Chesterfield Revenue Bonds - County Mobility Projects.
- ◆ Public Safety total expenses increased \$25.8 million (9.2%). Of that total, \$13.6 is attributable to increases in wages. In July 2024 the County provided funding for a four percent merit increase, effective January 1, 2025, for all General Government employees. In addition, the Budget continued the 2.25 percent annual step plan and includes the full annualization of the 10 percent increase to public safety sworn personnel salaries, including Emergency Communications Officers, adopted in the FY2024 Budget.
- ◆ Parks and Recreation expenses increased \$7.2 million (16.4%). The increase was the result of \$10 million increase in ARPA funding for park improvements.

Business-type Activities

Business-type activities increased the County's total net position by \$114.8 million, accounting for 59.9% of the overall growth. Revenues for business-type activities increased \$5.3 million (2.1%) and expenses increased \$9.3 million (7.0%) when compared to the prior year. Key elements of these changes are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

- ◆ Other general revenues increased \$2.1 million (6.6%) over prior year. Interest earned on investments increased \$2.1 million (6.3%) over the prior year.
- ◆ Expenses for business-type activities increased \$9.3 million (7.0%). Increases are primarily driven by increased contributions to capital projects for pump station rehabilitation and new and replacement water tanks and lines

Component Unit School Board

- ◆ Program revenues covered 29.0% of program expenses in fiscal year 2025 in contrast to 35.3% coverage in the prior year.
- ◆ Operating grants and contributions decreased \$27.4 million (9.1%) primarily due to a \$19 million decrease in CARES Act funding.
- ◆ Capital grants and contributions decreased \$1.7 million (22.4%). The Schools replaced aging equipment in FY2024. There were no major equipment replacements in FY2025.
- ◆ Education expenses increased \$105.4 million (11.5%) primarily due to increases in wages across all functions. Current year wages increased \$38.1 million (7.2%) to \$571.3 million compared to \$533.1 million in the prior year. This is consistent with County efforts to attract and retain the best educators. Contractual services increases \$7.1 million (13.0%) in FY2025 due to inflation.

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, 2025, the County's governmental funds reported a combined fund balance of \$1.27 billion, a decrease of \$25.2 million (2.0 %) from the previous year. Of this combined fund balance amount, \$717.0 million (56.7%) constitutes restricted fund balance; \$3.0 million (0.2%) represents committed fund balance; \$442.2 million (35.0%) represents assigned fund balance; and \$102.2 million (8.1%) is unassigned fund balance. Assigned fund balance includes funding set aside by the County Board through formal action for needs such as unexpended appropriations for transfers to capital project funds, specific uses in the subsequent year's adopted budget and encumbrances carried over to the subsequent year. Other assignments of fund balance include reserves for 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 \$516.7 million and total fund balance was \$556.6 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 59.1% of total General Fund expenditures. Unassigned fund balance of \$102.2 million represents 11.7% of total General Fund expenditures. Maintaining a ratio that exceeds the target ratio of 10.0% 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 63.7% of General Fund expenditures.

Fund balance of the General Fund decreased by \$5.1 million (0.9%) primarily attributable to cash funding of the County's CIP program and a \$5 million one-time funding for the Schools fund. Uses of prior year reserves expended for one-time expenditures include:

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

- ◆ A 5% credit on the first half of the calendar year 2025 real estate billings for sustainable tax relief - \$15.0 million
- ◆ Reserve designation set aside for the Capital Projects Reserve (RFCIP) to ensure availability of resources due to market-driven price increases - \$9.1 million
- ◆ Reserve designation of debt reserve purposes to help mitigate future debt expenses due to current market conditions - \$6.5 million
- ◆ Replacement of Ladder Truck 203 that was involved in a significant incident on Interstate 95 - \$1.7 million
- ◆ Renovation of the Communication and Media Services and Production Studio and Beulah Recreation Center with current technology - \$1.4 million

Overall, functional expenditures in the General Fund increased \$55 million (10.3%) while expenditures in the Central Virginia Transportation Authority - Local, County Capital Projects, Schools Capital Projects and non-major governmental funds increased \$13.4 million (93.5%), \$10.4 million (6.8%), 22.4 million (14.2%), and \$14.8 million (11.9%), respectively. The County established a Debt Service Fund in Fiscal Year 2025 to account for debt service expenditures previously reported in the General Fund. Expenditure categories not already discussed that also factored into these increases are as follows:

- ◆ Expenditures for the Central Virginia Transportation Authority - Local increased \$13.4 million (93.5%) due to debt service payments related to the \$284,735,000 Series 2024 County Mobility Projects Revenue Bonds issued in June 2024.
- ◆ Expenditures in the School Capital Projects increased \$22.4 million (14.2%). This increase is mainly attributable to investment in capital assets including current year expenditures for the completion of the A M Davis Elementary School (\$39.2 million) and ongoing new construction and improvements at 360 West Middle School (\$47.1 million) and Bensley Elementary School (\$19.0 million). These expenditures are discussed in further detail later in this document.
- ◆ The Debt Service Fund reported expenditures of \$99.6 million for the first year as a major Governmental Fund.

At fiscal year-end, the County's Capital Projects Fund had fund balance of \$152.8 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 \$60.8 million that consisted primarily of unspent bond proceeds restricted for use on School projects. Fund balance of Other Governmental Funds is \$57.7. The Central Virginia Transportation Authority Local has a fund balance of \$424.1 that consisted primarily of unspent bond proceeds. The Debt Service Fund has a \$12.4 fund balance restricted for debt service payments.

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 \$49.2 million (5.0%). The final amended budget for expenditures and other financing uses was greater than the original budget by \$321.5 million (32.0%). Some of the key budget adjustments are summarized as follows:

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 part of that fiscal strategy, the County adopts a conservative approach to budgeting at the beginning of each fiscal year. This ensures the County remains financially prudent and responsive to actual revenue performance. When revenues exceed initial projections, the County has been granted the authority, by the Board of Supervisors, through the Appropriation Resolution, to appropriate those funds. This allows the County to respond efficiently to emerging needs, such as adjustments to Public Safety compensation or other operational priorities. The following changes reflect the structured and deliberate

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

process of aligning available revenues with evolving service demands and priorities throughout the fiscal year. As such, the most significant amendments to the original budget include:

The original budget was amended to decrease revenue for general real property taxes by \$13.0 million (2.4%); due to a one-time 5% credit on the first half of calendar year 2025 real estate tax bills.

The original budget for expenditures was increased by \$35.3 million (6.5%). Of the total increase, \$9.0 million was attributable to the reappropriation of amounts reserved in the prior year.

The original budget for other financing uses increased by \$285.3 million (36.7%). The primary reason for the increase was appropriation of the \$284,735,000 Series 2024 County Mobility Projects Revenue Bonds issued in June 2024. Transfers out to the County Capital Projects, Schools Capital Projects, Stormwater, and Airport Funds increased \$239.1 million, \$.2 million, \$2.9 million, and \$5.9 million, respectively due to the reappropriation, 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.

The transfer to the School Board component unit increased \$27.7 million with the appropriation of \$6.5 million in prior year reserves appropriated for school needs including:

- ◆ \$11.2 million for AM Davis capital project
- ◆ \$11.9 for future debt service
- ◆ \$2.7 million for metal detectors

Actual revenues were \$30.5 million (3.0%) greater than the amended budget. A summary of some key variances includes the following:

- ◆ The collection of general property taxes was \$12.8 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 include all locally assessed taxes other than property taxes. This includes local sales and use tax, the business professional and occupational license tax (BPOL), consumer utility taxes, telecommunications sales taxes, vehicle registration fees and the local recordation tax. Other local taxes were \$8.5 million greater than expected primarily due to the County's methodology for budgeting business and professional license (BPOL) taxes. Local Sales and Use Tax also contributed to the increase due to a flattering growth in both nominal and inflation-adjusted retail sales across the County.
- ◆ Revenue generated through the use of money and property was \$6.4 million greater than expected due to increases in investment returns.

Actual expenditures and other financing uses were \$261.6 million (19.7%) less than the amended budget amount.

Transfers to other funds resulted in a \$248.5 million positive variance. Transfers to the County Capital Projects Fund, the Stormwater Fund, the Schools Capital Projects Fund, the Grants Special Revenue Fund, and the Airport Fund were \$210.1 million, \$2.8 million, \$0.2 million, \$1.7 million, \$6.8 million, respectively, less than the amended budget due to the timing difference between budgeted and actual expenditures for long-term projects and grants that cross fiscal years. Unused transfers for these funds were assigned at year-end and re-appropriated as a part of the amended budget for fiscal year 2026. The Schools Operating Fund transfer had a positive variance of \$22.2 million. This amount was assigned at year-end, as directed by the County Board, for use in future years' school budgets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

CAPITAL AND 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, leases, and subscriptions 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 \$2.9 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 \$199.9 million (7.5%) 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 \$1.4 billion for School buildings and real property used by the School Board in its operations.

TABLE 3
Chesterfield County's Capital and Intangible Assets
June 30, 2025 and 2024
(net of depreciation and amortization, in millions of dollars)

	Governmental		Business-type		Total		Total
	Activities		Activities		Total		Percentage
	2025	2024	2025	2024	2025	2024	Change
Non-depreciable assets:							
Land	\$ 151.7	\$ 134.5	\$ 71.2	\$ 67.6	\$ 222.9	\$ 202.1	10.3%
Construction in progress	186.5	190.0	64.5	44.9	251.0	234.9	6.9%
Subscriptions in progress	11.9	5.2	-	-	11.9	5.2	129%
Depreciable assets:							
Buildings	1,161.4	1,063.5	140.9	135.9	1,302.3	1,199.4	8.6%
Improvements other than buildings	82.0	66.1	18.9	20.8	100.9	86.9	16.1%
Machinery and equipment	80.7	80.6	791.6	751.7	872.3	832.3	4.8%
Infrastructure	30.6	30.2	5.1	5.3	35.7	35.5	0.6%
Amortizable assets:							
Capacity rights and other intangible assets	-	-	66.5	68.4	66.5	68.4	-2.8%
Right-to-use assets	5.1	6.7	-	-	5.1	6.7	-23.9%
Right-to-use-subscriptions	9.4	6.7	-	-	9.4	6.7	40.3%
Total	\$ 1,719.3	\$ 1,583.5	\$ 1,158.7	\$ 1,094.6	\$ 2,878.0	\$ 2,678.1	7.5%

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

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

- ◆ Completed major County projects:
 - River City Sportsplex - \$9.8 million
 - Security Camera Replacement - \$1.5 million

- ◆ Additions to major County construction in progress projects:
 - Major Maintenance - \$3.6 million
 - Park Improvements - \$3 million
 - Future Land Acquisitions - \$2.3 million
 - Main Courts Sallyport - \$2.1 million
 - La Prade Library - 1.6 million

- ◆ Completed major School Board component unit projects:
 - Falling Creek Middle School - \$90.7 million
 - A M Davis - \$54.2 million-

- ◆ Additions to major School Board component unit construction in progress projects:
 - 360 West Middle School - \$47.1 million
 - Bensley Elementary School - \$19 million
 - Western Area Elementary School - \$12.1 million
 - Western Ares High School - \$11 million

- ◆ Completed major Utilities - Water and Wastewater projects:
 - Hopkins Road to Rt. 1 Water Line - \$4.8 million
 - Otterdale Road Interconnection - \$3.7 million
 - Turner Pump Station - \$3.4 million
 - Proctor Creek EQ Basin Rehabilitation - \$2.9 million

- ◆ Additions to major Utilities - Water and Wastewater construction in progress projects:
 - Proctor Creek Wastewater Treatment Plant Evaluation & Construction - \$5.1 million
 - Enon Church Elevated Tank Water Line - \$3.4 million
 - Allerton Water Line - \$1.3 million
 - Proctor Creek Clarifier Rehabilitation - \$2.7 million

The County's capital improvement program budget appropriated \$580.3 million in planned funding for capital projects in FY2026, which includes \$77.7 million for the primary government, \$144.0 million for the School Board and \$358.6 for Public Utilities. The FY2026-FY2029 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.

FY2026 appropriations include \$46.3 in funding for Community Development Projects, \$3.1 million for Park Improvements and \$3.5 for technology improvements. Funding to replace, refurbish, and renovate, totaling \$117 million, was appropriated to West Area High School (\$78 million), West Area Elementary School (\$19 million), Dale Area Elementary School (\$10 million) and Old Hundred Elementary School (\$10 million). Planned rehabilitations and upgrades at both Proctors Creek and Falling Creek Wastewater Treatment Plants, as well as Addison-Evers Water Treatment Plant and Appomattox River Water Treatment Plant are part of the \$144 million appropriated for Utilities projects. The County intends to issue new debt to partially finance projects as identified in the CIP.

The CIP places additional emphasis on investment in technology and cybersecurity enhancements while continuing to fund existing programs like computer and other infrastructure. The cybersecurity enhancement

MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

projects will develop automated solutions while saving staff time and reduce impact on County resources. Investment in transportation remains a priority as the County plans to invest \$156.8 million in road, sidewalk and pedestrian safety projects.

Long-term Debt

TABLE 4
Chesterfield County's Outstanding Debt
June 30, 2025 and 2024
(in millions of dollars)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>		<u>Total</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>Percentage</u>
							<u>Change</u>
							<u>2025 - 2024</u>
General obligation bonds, net (backed by the County)	\$ 661.3	\$ 621.7	\$ -	\$ -	\$ 661.3	\$ 621.7	6.4%
Revenue bonds, net	452.7	466.8	5.5	11.1	458.2	477.9	-4.1%
Certificates of participation	-	0.3	-	-	-	0.3	-100.0%
Direct borrowing	46.3	51.4	-	-	46.3	51.4	-9.9%
Other	-	-	1.3	1.4	1.3	1.4	-7.1%
Total	<u>\$ 1,160.3</u>	<u>\$ 1,140.2</u>	<u>\$ 6.8</u>	<u>\$ 12.5</u>	<u>\$ 1,167.1</u>	<u>\$ 1,152.7</u>	1.2%

At fiscal year-end, the County reported \$1,167.1 million in bonds and other long-term debt outstanding, an increase of \$14.4 million (1.2%) 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 \$523.7 million in outstanding debt related to School Board activities and \$278.8 million in outstanding debt for the transportation projects via the Central Virginia Transportation Authority.

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 6.16% 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 voters approved the \$540 million bond referendum in November 2022. The referendum plan provides \$375 million for school facilities \$45.7 million for libraries, \$42 million for fire stations, \$39.1 million for police stations, and \$38.2 million for Parks. The referendum passed with a 77% approval rating.

In June 2025, the "Big 3" rating agencies reaffirmed the County's "AAA" bond rating for the 29th consecutive year. Approximately 1% of counties nationwide have earned a triple "AAA" credit rating designation which the County has maintained annually since 1997. In addition, the County received a "AAA" rating from Kroll Bond Rating Agency, LLC (KBRA) to become one of a select group with a quadruple AAA rating. The rating agencies cite healthy finances with consistently positive operating performance, strong fiscal management policies and oversight and rapidly expanding economy and stability in the tax base.

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's annual unemployment rate for calendar year 2024 (CY2024) averaged 2.8%, an increase from the previous calendar year's average rate of 2.7%. The County's rate continues to compare favorably to the region and the Commonwealth's rates of 3.0% and 2.9%, respectively, for the same time.

The County developed a Financial Plan for fiscal year 2026 that was adopted on April 9, 2025, with a subsequent amendment on June 25, 2025. The County's total FY2026 budget is \$2.4 billion for all funds. The General Fund budget totals \$1.04 billion, an increase of \$44.6 million (or 4.5%) compared to the FY2025 Adopted Budget.

The FY2026 budget, five-year plan and CIP preserve the County's vision to reserve financial strength, provide meaningful tax relief, and invest in the priorities that matter most to residents. The budget is designed to not only withstand economic disruption but to seize on opportunities if conditions improve. The Capital Improvement Program (CIP) continues to prioritize targeted investments that enhance quality of life and maintain critical infrastructure.

Highlights of the FY2026 Adopted Budget include:

- One cent reduction to the real estate tax rate; adopted at \$0.89/\$100 assessed value
- \$15 million increase to the recurring transfer to Schools; increasing the total transfer to \$413 million for FY2026 and providing funding for a 3% raise for school employees
- \$5 million increase in tax relief for the elderly, disabled, and veteran programs; increasing to a historic \$24.2 million for FY2026
- Continued progress on referendum-approved capital projects
- \$426 million for Phase I of the upper Appomattox river water treatment plant, which will be Chesterfield's fourth water source

According to the Virginia Auditor of Public Accounts, Chesterfield operates with the lowest local revenue per capita and the lowest operating cost per capita among Virginia's ten largest localities.

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, 2025

Exhibit I

	Primary Government			Component Unit	Total Reporting Entity
	Governmental Activities	Business-type Activities	Total		
ASSETS					
Cash and cash equivalents	\$ 885,415,172	\$ 92,743,679	\$ 978,158,851	\$ 67,645,438	\$ 1,045,804,289
Investments	540,451,319	607,887,154	1,148,338,473	-	1,148,338,473
Receivables, net of allowance for uncollectibles	444,372,545	51,774,890	496,147,435	24,321,983	520,469,418
Due from Primary Government	-	-	-	86,603,668	86,603,668
Internal balances	(268,318)	268,318	-	-	-
Inventories	1,630,118	1,696,886	3,327,004	107,592	3,434,596
Prepays	9,870,899	15,550	9,886,449	-	9,886,449
Capital assets, not being depreciated or amortized	350,202,725	135,678,373	485,881,098	-	485,881,098
Other capital and intangible assets, net of depreciation or amortization	1,369,125,944	1,022,999,155	2,392,125,099	97,825,839	2,489,950,938
Total assets	<u>3,600,800,404</u>	<u>1,913,064,005</u>	<u>5,513,864,409</u>	<u>276,504,520</u>	<u>5,790,368,929</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,375,717	55,414	1,431,131	-	1,431,131
Deferred outflows related to pensions	107,657,330	4,080,328	111,737,658	181,511,286	293,248,944
Deferred outflows related to other postemployment benefits	14,867,166	850,072	15,717,238	22,232,139	37,949,377
Total deferred outflows of resources	<u>123,900,213</u>	<u>4,985,814</u>	<u>128,886,027</u>	<u>203,743,425</u>	<u>332,629,452</u>
LIABILITIES					
Accounts payable and accrued expenses	121,922,734	20,015,902	141,938,636	77,736,749	219,675,385
Due to component unit	86,603,668	-	86,603,668	-	86,603,668
Unearned revenues	3,774,298	-	3,774,298	1,123,445	4,897,743
Developers' connection fees refundable	-	1,065,010	1,065,010	-	1,065,010
Prepaid connection fees	-	142,800	142,800	-	142,800
Non-current liabilities:					
Due within one year	111,969,782	4,148,971	116,118,753	7,104,542	123,223,295
Due in more than one year	1,395,585,786	17,660,078	1,413,245,864	602,621,548	2,015,867,412
Total liabilities	<u>1,719,856,268</u>	<u>43,032,761</u>	<u>1,762,889,029</u>	<u>688,586,284</u>	<u>2,451,475,313</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	278,443,133	-	278,443,133	-	278,443,133
Deferred inflows related to pensions	34,834,252	1,385,199	36,219,451	70,888,285	107,107,736
Deferred inflows related to other postemployment benefits	20,298,285	1,318,861	21,617,146	23,801,822	45,418,968
Deferred inflows related to leases	11,691,023	12,557,488	24,248,511	-	24,248,511
Total deferred inflows of resources	<u>345,266,693</u>	<u>15,261,548</u>	<u>360,528,241</u>	<u>94,690,107</u>	<u>455,218,348</u>
NET POSITION					
Net investment in capital assets	1,057,501,430	1,147,018,291	2,204,519,721	88,370,535	2,292,890,256
Restricted for:					
Capital projects	461,561,568	-	461,561,568	-	461,561,568
Contractual agreement	-	1,855,481	1,855,481	-	1,855,481
Debt covenants	-	15,060,004	15,060,004	-	15,060,004
Debt services	12,375,481	-	12,375,481	-	12,375,481
Grantor programs	16,576,451	-	16,576,451	17,274,579	33,851,030
Legislated programs	63,120,757	-	63,120,757	-	63,120,757
Public safety programs	3,537,922	-	3,537,922	-	3,537,922
Total restricted	557,172,179	16,915,485	574,087,664	17,274,579	591,362,243
Unrestricted (deficit)	44,904,047	695,821,734	740,725,781	(408,673,560)	332,052,221
Total net position	<u>\$ 1,659,577,656</u>	<u>\$ 1,859,755,510</u>	<u>\$ 3,519,333,166</u>	<u>\$ (303,028,446)</u>	<u>\$ 3,216,304,720</u>

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

County of Chesterfield, Virginia
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit	Total Reporting Entity
	Expenses	Charges for Services	Operating	Capital	Primary Government				
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary Government									
Governmental activities									
General government	\$ 225,697,727	\$ 128,060,967	\$ 1,665,084	\$ 1,503,962	\$ (94,467,714)	\$ -	\$ (94,467,714)	\$ -	\$ (94,467,714)
Administration of justice	16,180,330	1,431,360	6,499,568	-	(8,249,402)	-	(8,249,402)	-	(8,249,402)
Public safety	307,187,203	29,018,483	21,731,579	4,872,843	(251,564,298)	-	(251,564,298)	-	(251,564,298)
Public works	112,342,691	8,153,410	2,328,842	74,064,857	(27,795,582)	-	(27,795,582)	-	(27,795,582)
Health and welfare	138,850,726	29,751,477	52,302,917	43,384	(56,752,948)	-	(56,752,948)	-	(56,752,948)
Parks, recreation and cultural	51,155,285	2,326,499	480,007	10,129,767	(38,219,012)	-	(38,219,012)	-	(38,219,012)
Education - School Board	400,037,120	-	20,719,294	18,289,475	(361,028,351)	-	(361,028,351)	-	(361,028,351)
Community development	60,955,879	3,089,442	2,485,615	7,266,663	(48,114,159)	-	(48,114,159)	-	(48,114,159)
Interest on long-term debt	29,446,757	-	-	-	(29,446,757)	-	(29,446,757)	-	(29,446,757)
Total governmental activities	<u>1,341,853,718</u>	<u>201,831,638</u>	<u>108,212,906</u>	<u>116,170,951</u>	<u>(915,638,223)</u>	<u>-</u>	<u>(915,638,223)</u>	<u>-</u>	<u>(915,638,223)</u>
Business-type activities									
Water	60,936,930	71,434,725	-	37,454,383	-	47,952,178	47,952,178	-	47,952,178
Wastewater	58,675,056	64,035,795	-	37,898,223	-	43,258,962	43,258,962	-	43,258,962
Non-major business activities	23,410,561	10,327,493	-	1,667,379	-	(11,415,689)	(11,415,689)	-	(11,415,689)
Total business-type activities	<u>143,022,547</u>	<u>145,798,013</u>	<u>-</u>	<u>77,019,985</u>	<u>-</u>	<u>79,795,451</u>	<u>79,795,451</u>	<u>-</u>	<u>79,795,451</u>
Total Primary Government	<u>\$ 1,484,876,265</u>	<u>\$ 347,629,651</u>	<u>\$ 108,212,906</u>	<u>\$ 193,190,936</u>	<u>(915,638,223)</u>	<u>79,795,451</u>	<u>(835,842,772)</u>	<u>-</u>	<u>(835,842,772)</u>
Component unit	<u>\$ 1,023,356,009</u>	<u>\$ 16,154,740</u>	<u>\$ 274,810,102</u>	<u>\$ 5,882,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(726,508,227)</u>	<u>(726,508,227)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purposes					716,948,794	-	716,948,794	-	716,948,794
Utility taxes					8,974,182	-	8,974,182	-	8,974,182
Sales taxes					80,352,853	-	80,352,853	-	80,352,853
Motor vehicle licenses					8,591,808	-	8,591,808	-	8,591,808
Business license taxes					29,208,075	-	29,208,075	-	29,208,075
Other					15,160,507	-	15,160,507	-	15,160,507
Payment from Primary Government					98,377.00	-	98,377.00	404,334,527	404,432,904
Grants and contributions not restricted to specific programs					62,881,045	-	62,881,045	352,905,632	415,786,677
Investment earnings					66,728,583	34,135,495	100,864,078	1,097,082	101,961,160
Miscellaneous					4,797,611	-	4,797,611	6,921,784	11,719,395
Transfers					(928,637)	928,637	-	-	-
Total general revenues and transfers					<u>992,813,198</u>	<u>35,064,132</u>	<u>1,027,877,330</u>	<u>765,259,025</u>	<u>1,793,136,355</u>
Change in net position					77,174,975	114,859,583	192,034,558	38,750,798	230,785,356
Net position - July 1, 2024, as previously presented					<u>1,582,972,702</u>	<u>1,744,987,453</u>	<u>3,327,960,155</u>	<u>(341,779,244)</u>	<u>2,986,180,911</u>
Restatement - change in accounting principal					(570,021)	(91,526)	(661,547)	-	(661,547)
Net position - July 1, 2024, as restated					<u>1,582,402,681</u>	<u>1,744,895,927</u>	<u>3,327,298,608</u>	<u>(341,779,244)</u>	<u>2,985,519,364</u>
Total net position (deficit) June 30, 2025					<u>\$ 1,659,577,656</u>	<u>\$ 1,859,755,510</u>	<u>\$ 3,519,333,166</u>	<u>\$ (303,028,446)</u>	<u>\$ 3,216,304,720</u>

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

County of Chesterfield, Virginia
Balance Sheet
Governmental Funds
June 30, 2025

Exhibit III

	<u>General</u>	<u>Central VA Transportation Authority Local</u>	<u>County Capital Projects</u>	<u>Debt Service</u>	<u>School Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 268,139,739	\$ 105,628,068	\$ 44,742,516	\$ 12,475,500	\$ 2,942,171	\$ 54,721,941	\$ 488,649,935
Cash, cash equivalents and investments with fiscal agents	-	294,969,602	25,010,692	-	-	-	319,980,294
Investments	326,737,417	20,785,971	103,904,348	-	89,023,583	-	540,451,319
Receivables, net of allowances for uncollectibles of \$24,969,596	358,658,594	283,705	421,018	21,900	-	18,702,761	378,087,978
Due from other governments	<u>43,152,438</u>	<u>5,848,682</u>	<u>8,639,801</u>	<u>-</u>	<u>-</u>	<u>8,404,057</u>	<u>66,044,978</u>
Total assets	<u>\$ 996,688,188</u>	<u>\$ 427,516,028</u>	<u>\$ 182,718,375</u>	<u>\$ 12,497,400</u>	<u>\$ 91,965,754</u>	<u>\$ 81,828,759</u>	<u>\$ 1,793,214,504</u>
LIABILITIES							
Accounts payable	\$ 13,655,396	\$ -	\$ 25,294,168	\$ 121,919	\$ 20,877,645	\$ 7,265,189	\$ 67,214,317
Due to other funds	268,318	-	-	-	-	-	268,318
Due to component unit - School Board	86,603,668	-	-	-	-	-	86,603,668
Accrued liabilities	13,209,706	3,446,737	16,998	-	-	1,914,632	18,588,073
Retainages payable	-	-	1,589,567	-	10,307,963	801,710	12,699,240
Unearned revenues	2,379,251	-	-	-	-	1,395,047	3,774,298
Deposits payable	<u>361,384</u>	<u>-</u>	<u>2,223,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,584,780</u>
Total liabilities	<u>116,477,723</u>	<u>3,446,737</u>	<u>29,124,129</u>	<u>121,919</u>	<u>31,185,608</u>	<u>11,376,578</u>	<u>191,732,694</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues	276,063,146	-	-	-	-	2,379,987	278,443,133
Unavailable revenues	35,841,498	-	749,836	-	-	10,406,695	46,998,029
Deferred inflows related to leases	<u>11,691,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,691,023</u>
Total deferred inflows of resources	<u>323,595,667</u>	<u>-</u>	<u>749,836</u>	<u>-</u>	<u>-</u>	<u>12,786,682</u>	<u>337,132,185</u>
FUND BALANCES							
Restricted	37,002,512	424,069,291	152,844,410	12,375,481	60,780,146	29,927,769	716,999,609
Committed	2,954,561	-	-	-	-	-	2,954,561
Assigned	414,507,319	-	-	-	-	27,737,731	442,245,050
Unassigned	<u>102,150,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,150,406</u>
Total fund balances	<u>556,614,798</u>	<u>424,069,291</u>	<u>152,844,410</u>	<u>12,375,481</u>	<u>60,780,146</u>	<u>57,665,500</u>	<u>1,264,349,626</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 996,688,188</u>	<u>\$ 427,516,028</u>	<u>\$ 182,718,375</u>	<u>\$ 12,497,400</u>	<u>\$ 91,965,754</u>	<u>\$ 81,828,760</u>	<u>\$ 1,793,214,505</u>

(Continued)

County of Chesterfield, Virginia
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2025

Exhibit III

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

Total fund balances for governmental funds		\$	1,264,349,626
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.			1,697,776,403
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds:			
Uncollected taxes receivable	\$	31,618,460	
Uncollected receivables from other governments		9,500,696	
Uncollected miscellaneous receivables		<u>5,878,872</u>	46,998,028
Prepaid and deferred items:			
Prepaid capital asset		9,870,899	
Deferred charge on refunding		1,375,717	
Deferred outflows related to pensions		105,835,180	
Deferred outflows related to other postemployment benefits		<u>14,615,903</u>	131,697,699
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.			71,324,694
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		(1,160,316,870)	
Lease obligations		(5,105,499)	
Subscription obligations		(6,710,151)	
Judgments and claims		(6,932,615)	
Landfill		(688,337)	
Arbitrage		(18,568,436)	
Net pension liabilities		(209,048,383)	
Net other postemployment benefits liabilities		(38,899,092)	
Compensated absences		(38,404,938)	
Deferred inflows related to pensions		(34,215,674)	
Deferred inflows related to other postemployment benefits		(19,943,094)	
Interest payable		<u>(13,735,705)</u>	<u>(1,552,568,794)</u>
Total net position of governmental activities			<u>\$ 1,659,577,656</u>

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	<u>General</u>	<u>Central VA Transportation Authority Local</u>	<u>County Capital Projects</u>	<u>Debt Service</u>	<u>School Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues							
From local sources:							
General property taxes	\$ 721,464,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 721,464,581
Other local taxes	142,287,425	32,903,416	-	-	-	5,756,208	180,947,049
Permits, privilege fees and regulatory licenses	13,676,025	-	-	-	-	-	13,676,025
Fines and forfeitures	1,655,320	-	-	-	-	-	1,655,320
Use of money and property	33,866,667	18,257,184	7,350,489	307,794	6,963,867	1,078,296	67,824,297
Contributions from developers	-	-	3,253,052	-	-	-	3,253,052
Charges for services	16,967,327	-	574,362	-	-	42,596,845	60,138,534
Miscellaneous	3,300,747	-	55,659	-	-	1,242,357	4,598,763
Recovered costs	4,467,775	-	-	-	-	5,366,333	9,834,108
Donations and contributions	76,693	-	500	-	-	139,838	217,031
From component unit: School Board	-	-	-	-	25,069,791	5,143,200	30,212,991
From other governments	121,560,529	-	35,529,472	-	-	41,112,867	198,202,868
Total revenues	<u>1,059,323,089</u>	<u>51,160,600</u>	<u>46,763,534</u>	<u>307,794</u>	<u>32,033,658</u>	<u>102,435,944</u>	<u>1,292,024,619</u>
Expenditures							
Current:							
General government	84,489,871	-	-	-	-	-	84,489,871
Administration of justice	14,163,160	-	-	-	-	1,564,044	15,727,204
Public safety	289,893,612	-	-	-	-	14,228,148	304,121,760
Public works	29,355,170	-	-	-	-	8,224,766	37,579,936
Health and welfare	55,444,038	-	-	-	-	84,012,421	139,456,459
Parks, recreation and cultural	37,428,520	-	-	-	-	110,734	37,539,254
Education - School Board	335,464,350	-	-	-	31,008	-	335,495,358
Community development	20,925,160	-	-	-	-	12,075,543	33,000,703
Debt service:							
Retirement of principal	2,682,558	-	-	68,587,597	421,576	2,062,593	73,754,324
Interest	159,621	13,997,792	-	30,106,418	27,860	196,429	44,488,120
Other	-	341,979	1,571,874	863,752	213,070	-	2,990,675
Capital outlay	3,658,863	-	150,319,053	-	156,946,008	2,583,036	313,506,960
Total expenditures	<u>873,664,923</u>	<u>14,339,771</u>	<u>151,890,927</u>	<u>99,557,767</u>	<u>157,639,522</u>	<u>125,057,714</u>	<u>1,422,150,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>185,658,166</u>	<u>36,820,829</u>	<u>(105,127,393)</u>	<u>(99,249,973)</u>	<u>(125,605,864)</u>	<u>(22,621,770)</u>	<u>(130,126,005)</u>
Other financing sources (uses)							
Leases issued	506,111	-	-	-	-	-	506,111
Subscriptions issued	3,152,752	-	-	-	-	2,583,036	5,735,788
Transfers in	3,360,200	-	93,406,861	110,945,154	1,766,397	20,849,885	230,328,497
Transfers out	(197,767,303)	(26,709,581)	(1,766,397)	-	-	(5,013,853)	(231,257,134)
Bonds issued	-	-	-	-	54,000,000	-	54,000,000
Premium on bonds issued	-	-	39,571,355	680,300	5,355,977	-	45,607,632
Total other financing sources (uses), net	<u>(190,748,240)</u>	<u>(26,709,581)</u>	<u>131,211,819</u>	<u>111,625,454</u>	<u>61,122,374</u>	<u>18,419,068</u>	<u>104,920,894</u>
Net change in fund balances	(5,090,074)	10,111,248	26,084,426	12,375,481	(64,483,490)	(4,202,702)	(25,205,111)
Total fund balances, June 30, 2024	561,704,872	413,958,043	126,759,984	-	125,263,636	61,868,202	1,289,554,737
Total fund balances, June 30, 2025	<u>\$ 556,614,798</u>	<u>\$ 424,069,291</u>	<u>\$ 152,844,410</u>	<u>\$ 12,375,481</u>	<u>\$ 60,780,146</u>	<u>\$ 57,665,500</u>	<u>\$ 1,264,349,626</u>

(Continued)

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

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. \$ (25,205,111)

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	179,050,902	
Depreciation and amortization	(62,074,786)	
Right-to-use assets	16,026,760	
Right-to-use amortization	(8,132,187)	124,870,689

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. (2,717,824)

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. 16,826,511

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (263,493)

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	68,587,598	
Amortization of debt premiums	10,938,594	
Amorization of bond discounts	(2,540)	
Amortization of deferred charge on refunding	(522,780)	
Proceeds	(99,607,632)	(20,606,760)

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

Payments	4,662,081	
Proceeds	(5,737,253)	(1,075,172)

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:

Judgment and claims	626,563	
Landfill	4,205	
Pension expense	1,151,866	
Other postemployment benefits expense	8,616,518	
Compensated absences	(3,824,185)	
Arbitrage	(5,598,176)	
Interest payable	(717,804)	258,987

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. (14,912,852)

Change in net position of governmental activities. \$ 77,174,975

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, 2025

	<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 current	\$ 701,679,200	\$ 708,679,187	\$ 721,464,580	\$ 12,785,393
Other local taxes	138,674,300	143,173,879	151,713,069	8,539,190
Permits, privilege fees and regulatory licenses	9,170,800	13,041,540	13,676,024	634,484
Fines and forfeitures	1,353,200	1,872,228	1,655,320	(216,908)
Use of money and property	12,243,100	26,172,407	32,553,537	6,381,130
Charges for services	15,189,800	16,398,300	16,967,326	569,026
Miscellaneous	3,166,700	2,604,364	3,300,746	696,382
Recovered costs	3,467,400	4,088,250	4,467,775	379,525
Donations and contributions	49,200	51,275	76,693	25,418
From other governments	<u>92,784,200</u>	<u>110,031,925</u>	<u>110,691,102</u>	<u>659,177</u>
Total revenues	<u>977,777,900</u>	<u>1,026,113,355</u>	<u>1,056,566,172</u>	<u>30,452,817</u>
Expenditures				
Current:				
General government	88,391,038	89,222,315	85,175,799	4,046,516
Administration of justice	13,686,147	14,925,090	14,644,419	280,671
Public safety	273,600,778	293,919,287	289,276,915	4,642,372
Public works	27,474,240	29,961,463	29,364,226	597,237
Health and welfare	52,557,700	57,023,513	55,448,539	1,574,974
Parks, recreation and cultural	35,090,818	38,613,546	37,579,153	1,034,393
Community development	18,983,425	21,791,477	20,950,081	841,396
Non-departmental	445,600	109,139	-	109,139
Total expenditures	<u>510,229,746</u>	<u>545,565,830</u>	<u>532,439,132</u>	<u>13,126,698</u>
Excess of revenues over expenditures	<u>467,548,154</u>	<u>480,547,525</u>	<u>524,127,040</u>	<u>43,579,515</u>
Other financing sources (uses)				
Transfers in	2,496,400	3,360,200	3,360,200	-
Transfers out	<u>(494,881,800)</u>	<u>(781,078,773)</u>	<u>(532,577,314)</u>	<u>248,501,459</u>
Total other financing uses, net	<u>(492,385,400)</u>	<u>(777,718,573)</u>	<u>(529,217,114)</u>	<u>248,501,459</u>
Net change in fund balance	(24,837,246)	(297,171,048)	(5,090,074)	292,080,974
Fund balance, July 1, 2024	<u>561,704,872</u>	<u>561,704,872</u>	<u>561,704,872</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 536,867,626</u>	<u>\$ 264,533,824</u>	<u>\$ 556,614,798</u>	<u>\$ 292,080,974</u>

(Continued)

County of Chesterfield, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2025

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	\$ 1,056,566,172
Revenues related to State and Local Fiscal Recovery Funds are not reported on a budgetary basis.	<u>2,756,917</u>
Total revenues of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 1,059,323,089</u>

Expenditures

Total expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	\$ 532,439,132
Local funding of grant programs are transfers to other funds, rather than expenditures, for financial reporting purposes.	(110,157)
Expenditures related to State and Local Fiscal Recovery Funds are not reported on a budgetary basis.	2,756,917
Budgetary transfers to component unit, excluding transfers for funding "on behalf" debt payments, are expenditures for financial reporting purposes.	335,464,350
Proceeds from debt issued "on behalf" of the School Board component unit are considered expenditures for the primary government for financial reporting purposes.	
Budgetary expenditures to blended component unit are transfers for financial reporting purposes.	(544,182)
Right-to-use capital outlay	506,111
Subscription capital outlay	<u>3,152,752</u>
Total expenditures of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 873,664,923</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	\$ (529,217,114)
Local funding of grant programs are transfers to other funds, rather than expenditures, for financial reporting purposes.	(110,157)
Right to use proceeds	506,111
Subscription Proceeds	3,152,752
Budgetary expenditures to blended component unit are transfers for financial reporting purposes.	(544,182)
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.	(68,839,169)
Budgetary expenditures between funds are transfers for financial reporting purposes.	<u>404,303,519</u>
Total other financing uses, net, of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ (190,748,240)</u>

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

County of Chesterfield, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2025

Exhibit VI

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 29,864,334	\$ 38,625,271	\$ 5,374,654	\$ 73,864,259	\$ 76,784,943
Investments	264,847,166	343,039,988	-	607,887,154	-
Restricted cash equivalents with trustees	-	-	3,870,437	3,870,437	-
Receivables, net of allowances for uncollectibles of \$638,708					
Accounts	11,529,329	10,343,916	91,248	21,964,493	226,940
Special assessments	2,737	21,984	-	24,721	-
Leases	126,055	-	299,463	425,518	-
Total net receivables	<u>11,658,121</u>	<u>10,365,900</u>	<u>390,711</u>	<u>22,414,732</u>	<u>226,940</u>
Accrued interest	3,438,318	3,937,133	9,007	7,384,458	-
Due from other governments	664,876	-	8,309,694	8,974,570	12,649
Due from other funds	-	-	268,318	268,318	-
Inventories	1,696,886	-	-	1,696,886	1,630,118
Prepays	-	-	15,550	15,550	-
Total current assets	<u>312,169,701</u>	<u>395,968,292</u>	<u>18,238,371</u>	<u>726,376,364</u>	<u>78,654,650</u>
Non-current assets:					
Accrued interest receivable	-	161,148	-	161,148	-
Special assessments receivable	24,622	174,514	-	199,136	-
Lease receivable	3,045,553	-	9,595,293	12,640,846	-
Restricted:					
Cash and cash equivalents with trustees	7,965,233	7,043,750	-	15,008,983	-
Restricted cash and cash equivalents	7,965,233	7,043,750	-	15,008,983	-
Capital and intangible assets:					
Capacity rights and other intangibles, net	63,282,717	1,307,645	1,892,455	66,482,817	-
Land and land improvements	14,459,280	8,940,834	47,756,495	71,156,609	-
Buildings	86,927,765	168,654,873	8,747,821	264,330,459	10,488,493
Improvements other than buildings	10,934,330	20,286,246	32,481,874	63,702,450	1,809,973
Infrastructure	-	-	7,250,802	7,250,802	-
Machinery and equipment	687,990,403	703,641,098	4,185,340	1,395,816,841	25,166,738
Construction in progress	31,335,240	30,700,128	2,486,396	64,521,764	-
Total capital and intangible assets	894,929,735	933,530,824	104,801,183	1,933,261,742	37,465,204
Less accumulated depreciation	<u>(303,725,921)</u>	<u>(437,159,679)</u>	<u>(33,698,614)</u>	<u>(774,584,214)</u>	<u>(15,912,938)</u>
Total capital and intangible assets, net of accumulated depreciation	591,203,814	496,371,145	71,102,569	1,158,677,528	21,552,266
Total non-current assets	<u>602,239,222</u>	<u>503,750,557</u>	<u>80,697,862</u>	<u>1,186,687,641</u>	<u>21,552,266</u>
Total assets	<u>914,408,923</u>	<u>899,718,849</u>	<u>98,936,233</u>	<u>1,913,064,005</u>	<u>100,206,916</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	55,278	136	55,414	-
Deferred outflows related to pensions	2,048,560	1,957,299	74,469	4,080,328	1,822,150
Deferred outflows related to other postemployment benefits	378,634	457,610	13,828	850,072	251,263
Total deferred outflows of resource	<u>2,427,194</u>	<u>2,470,187</u>	<u>88,433</u>	<u>4,985,814</u>	<u>2,073,413</u>

(Continued)

County of Chesterfield, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2025

Exhibit VI

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 6,433,462	\$ 4,437,655	\$ 408,623	\$ 11,279,740	\$ 6,730,859
Accrued liabilities:					
Wages and benefits	534,624	443,091	9,113	986,828	369,761
Interest	-	43,844	18,248	62,092	-
Other	2,376,773	31,661	1,407,607	3,816,041	-
Total accrued liabilities	<u>2,911,397</u>	<u>518,596</u>	<u>1,434,968</u>	<u>4,864,961</u>	<u>369,761</u>
Liabilities payable from restricted assets:					
Compensated absences	226,676	167,543	12,233	406,452	129,981
Judgments and claims	212,106	20,585	-	232,691	14,629,684
Revenue note payable	-	-	2,899	2,899	-
Revenue bonds payable, net	-	3,414,629	92,300	3,506,929	-
Total current liabilities	<u>9,783,641</u>	<u>8,559,008</u>	<u>1,951,023</u>	<u>20,293,672</u>	<u>21,860,285</u>
Developers' connection fees refundable	109,981	955,029	-	1,065,010	-
Retainages payable	1,499,857	1,163,468	1,207,876	3,871,201	-
Prepaid connection fees	-	142,800	-	142,800	-
Compensated absences	973,788	885,129	30,915	1,889,832	598,880
Judgments and claims	211,730	20,549	-	232,279	2,910,292
Net pension liabilities	4,567,873	4,267,932	133,908	8,969,713	3,665,709
Net other postemployment benefit liabilities	1,495,696	1,774,322	52,269	3,322,287	946,700
Airport Revolving Loan Fund	-	-	1,199,900	1,199,900	-
Revenue bonds payable, net	-	2,040,628	5,439	2,046,067	-
Total non-current liabilities	<u>8,858,925</u>	<u>11,249,857</u>	<u>2,630,307</u>	<u>22,739,089</u>	<u>8,121,581</u>
Total liabilities	<u>18,642,566</u>	<u>19,808,865</u>	<u>4,581,330</u>	<u>43,032,761</u>	<u>29,981,866</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred pension investment experience					
Deferred inflows related to pensions	695,450	664,467	25,282	1,385,199	618,578
Deferred inflows related to other postemployment benefits	603,028	696,130	19,703	1,318,861	355,191
Deferred inflows related to leases	2,946,826	-	9,610,662	12,557,488	-
Total deferred inflows of resources	<u>4,245,304</u>	<u>1,360,597</u>	<u>9,655,647</u>	<u>15,261,548</u>	<u>973,769</u>
NET POSITION					
Net investment in capital assets	587,354,092	489,807,699	69,856,500	1,147,018,291	21,552,266
Restricted:					
Contractual agreements	-	-	1,855,481	1,855,481	-
Debt covenants	7,965,233	7,043,750	51,021	15,060,004	-
Total restricted	<u>7,965,233</u>	<u>7,043,750</u>	<u>1,906,502</u>	<u>16,915,485</u>	<u>-</u>
Unrestricted	298,628,922	384,168,125	13,024,687	695,821,734	49,772,428
Total net position	<u>\$ 893,948,247</u>	<u>\$ 881,019,574</u>	<u>\$ 84,787,689</u>	<u>\$ 1,859,755,510</u>	<u>\$ 71,324,694</u>

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, 2025

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	\$ 69,589,842	\$ 63,778,777	\$ 2,758,856	\$ 136,127,475	\$ 185,982,978
Sale of supplies	1,666,436	-	-	1,666,436	-
Rental fees	168,394	-	-	168,394	-
From other governments	-	-	7,024,970	7,024,970	-
Other	10,053	257,018	543,667	810,738	857,982
Total operating revenues	<u>71,434,725</u>	<u>64,035,795</u>	<u>10,327,493</u>	<u>145,798,013</u>	<u>186,840,960</u>
Operating expenses					
Salaries and wages	11,953,245	11,173,374	345,698	23,472,317	10,527,887
Contractual services	19,426,027	6,516,207	1,804,496	27,746,730	3,110,117
Amortization	2,739,414	118,877	937,957	3,796,248	-
Materials and supplies	4,814,733	9,401,768	19,469	14,235,970	12,166,289
Heat, light and power	2,320,955	4,032,370	103,991	6,457,316	119,593
Rent	-	-	-	-	-
Depreciation	17,268,001	22,613,552	1,818,116	41,699,669	2,134,276
Repairs and maintenance	1,246,644	1,738,021	90,489	3,075,154	1,763,772
Insurance	-	-	-	-	4,741,510
Claims	-	-	-	-	171,310,604
Grant beneficiary payments	-	-	-	-	-
Other	345,156	59,760	7,903,508	8,308,424	57,036
Total operating expenses	<u>60,114,175</u>	<u>55,653,929</u>	<u>13,023,724</u>	<u>128,791,828</u>	<u>205,931,084</u>
Operating income (loss)	<u>11,320,550</u>	<u>8,381,866</u>	<u>(2,696,231)</u>	<u>17,006,185</u>	<u>(19,090,124)</u>
Non-operating revenues (expenses) net					
Investment income	14,814,830	18,675,920	644,745	34,135,495	3,299,394
Lease revenue	-	-	102,610	102,610	-
Interest expense	(10,662)	(156,287)	(37,949)	(204,898)	-
Arbitrage rebate expense	-	-	(53,318)	(53,318)	-
Gain (loss) on disposal of capital assets	(51,042)	(2,614,498)	(267,415)	(2,932,955)	338,038
Other	(761,051)	(250,342)	(10,028,155)	(11,039,548)	-
Net non-operating revenues (expenses)	<u>13,992,075</u>	<u>15,654,793</u>	<u>(9,639,482)</u>	<u>20,007,386</u>	<u>3,637,432</u>
Income (loss) before contributions and transfers	25,312,625	24,036,659	(12,335,713)	37,013,571	(15,452,692)
Capital contributions	37,454,383	37,898,223	1,564,768	76,917,374	564,479
Transfers in	-	-	928,638	928,638	-
Change in net position	62,767,008	61,934,882	(9,842,307)	114,859,583	(14,888,213)
Net position - July 1, 2024, as previously presented	<u>831,245,368</u>	<u>819,111,018</u>	<u>94,631,067</u>	<u>1,744,987,453</u>	<u>86,237,546</u>
Restatement - change in accounting principal	(64,129)	(26,326)	(1,071)	(91,526)	(24,639)
Net position - July 1, 2024, as restated	<u>831,181,239</u>	<u>819,084,692</u>	<u>94,629,996</u>	<u>1,744,895,927</u>	<u>86,212,907</u>
Total net position-June 30, 2025	<u>\$ 893,948,247</u>	<u>\$ 881,019,574</u>	<u>\$ 84,787,689</u>	<u>\$ 1,859,755,510</u>	<u>\$ 71,324,694</u>

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, 2025

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds		
Cash flows from operating activities					
Receipts from customers	\$ 73,040,643	\$ 64,567,928	\$ 7,934,274	\$ 145,542,845	\$ 186,773,193
Lease interest receipts	-	-	112,651	112,651	-
Payments to suppliers	(29,342,503)	(21,611,393)	(7,516,160)	(58,470,056)	(21,439,542)
Payments to employees	(12,235,526)	(11,589,180)	(348,758)	(24,173,464)	(10,651,986)
Claims paid	-	-	-	-	(166,370,562)
Net cash provided by (used in) operating activities	<u>31,462,614</u>	<u>31,367,355</u>	<u>182,007</u>	<u>63,011,976</u>	<u>(11,688,897)</u>
Cash flows from non-capital financing activities					
Transfers in	-	-	767,561	767,561	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>767,561</u>	<u>767,561</u>	<u>-</u>
Cash flows from capital and related financing activities					
Purchase of capital assets	(39,747,736)	(22,777,348)	(31,098,699)	(93,623,783)	(2,937,377)
Purchase of capacity rights	(1,870,239)	-	-	(1,870,239)	-
Payments to developers for utility assets	(319,761)	(380,544)	-	(700,305)	-
Retainages paid to contractors	(773,445)	(236,493)	-	(1,009,938)	-
Proceeds from sale of capital assets	2,529	-	15,340	17,869	421,022
Capital contributions	18,843,569	13,517,478	17,788,880	50,149,927	-
participation and other liabilities	(56,000)	(342,625)	(39,683)	(438,308)	-
and other liabilities	(2,240,000)	(3,125,000)	(110,886)	(5,475,886)	-
Payment of other debt expenses	(1,392)	(1,634)	-	(3,026)	-
Net cash used in capital and related financing activities	<u>(26,162,475)</u>	<u>(13,346,166)</u>	<u>(13,445,048)</u>	<u>(52,953,689)</u>	<u>(2,516,355)</u>
Cash flows from investing activities					
Purchase of investments	(232,044,847)	(262,600,950)	-	(494,645,797)	-
Proceeds from sale of investments	212,116,480	226,585,904	-	438,702,384	-
Interest received	11,050,451	13,390,432	645,966	25,086,849	3,299,394
Net cash provided by (used in) investing activities	<u>(8,877,916)</u>	<u>(22,624,614)</u>	<u>645,966</u>	<u>(30,856,564)</u>	<u>3,299,394</u>
Net increase (decrease) in cash and cash equivalents	(3,577,777)	(4,603,425)	(11,849,514)	(20,030,716)	(10,905,858)

(Continued)

County of Chesterfield, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
Cash and cash equivalents, June 30, 2024:					
Cash and cash equivalents	\$ 33,754,860	\$ 43,618,445	\$ 8,417,807	\$ 85,791,112	\$ 87,690,801
Restricted cash and cash equivalents	7,652,483	6,654,000	12,676,798	26,983,281	-
Total cash and cash equivalents, June 30, 2024	<u>41,407,343</u>	<u>50,272,445</u>	<u>21,094,605</u>	<u>112,774,393</u>	<u>87,690,801</u>
Cash and cash equivalents, June 30, 2025:					
Cash and cash equivalents	29,864,334	38,625,271	5,374,654	73,864,259	76,784,943
Restricted cash and cash equivalents	7,965,233	7,043,750	-	15,008,983	-
Restricted cash and cash equivalents with trustees	-	-	3,870,437	3,870,437	-
Total cash and cash equivalents, June 30, 2025	<u>\$ 37,829,567</u>	<u>\$ 45,669,021</u>	<u>\$ 9,245,091</u>	<u>\$ 92,743,679</u>	<u>\$ 76,784,943</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 11,320,550	\$ 8,381,866	\$ (2,696,231)	\$ 17,006,185	\$ (19,090,124)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	17,268,001	22,613,552	1,818,116	41,699,669	2,134,276
Amortization	2,739,414	118,877	-	2,858,291	-
Changes in assets and liabilities:					
Receivables, net	1,571,671	532,134	(2,280,568)	(176,763)	(67,766)
Inventories	125,416	-	-	125,416	(449,081)
Accounts and other payables	(1,562,438)	(279,074)	2,402,733	561,221	5,783,799
Net cash provided by (used in) operating activities	<u>\$ 31,462,614</u>	<u>\$ 31,367,355</u>	<u>\$ (755,950)</u>	<u>\$ 62,074,019</u>	<u>\$ (11,688,896)</u>
Noncash transactions related to financing, capital and investing activities:					
Contributions of capital assets	\$ 18,610,814	\$ 24,380,745	\$ -	\$ 42,991,559	\$ 550,641
Amortization of intangible asset	(2,739,414)	(118,877)	(937,957)	(3,796,248)	-
Amortized lease revenue	-	-	(115,217)	(115,217)	-
Issuance of developer contracts	211,467	-	-	211,467	-
Unrealized loss on investments	3,267,312	4,228,135	-	7,495,447	-
Interest receivable	497,067	1,057,353	-	1,554,420	-
Retainage Payable	(1,499,857)	(1,163,467)	(6,936)	(2,670,260)	-
Accounts Payable	(2,349,865)	-	61,271	(2,288,594)	-

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

County of Chesterfield, Virginia
Statement of Fiduciary Net Position
June 30, 2025

	Pension and Other Postemployment Benefits	
	<u>Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$ 3,001,582	\$ 367,017,858
Accounts receivable	117,574	288,207
Restricted assets:		
Cash and cash equivalents	-	14,527,801
Investments	-	5,981,833
Cash, cash equivalents, and investments with trustee	-	12,631,641
Due from other governments	-	3,798,109
Interest receivable	-	169,638
Total restricted assets	<u>-</u>	<u>37,109,022</u>
Investments:		
Mutual funds	12,110,480	-
Common and preferred stocks	10,133,496	-
Certificate of Deposits	-	14,713,187
Corporate bonds	5,080,548	-
Municipal bonds	57,270	-
U.S. government and agency securities	7,474,406	-
Exchange traded funds	12,880,454	-
Collateralized mortgage obligations	888,263	-
Fund of funds	7,225,536	-
Pooled funds	108,397,192	-
Total investments	<u>164,247,645</u>	<u>14,713,187</u>
Total assets	<u>167,366,801</u>	<u>419,128,274</u>
LIABILITIES		
Accounts payable	-	863,194
Wages and benefits	-	384,764
Unearned revenue	-	117,000
Due to Chesterfield County	-	108,815
Due to other governments	-	52,555,010
Amounts held for others	-	-
Total liabilities	<u>-</u>	<u>54,028,783</u>
FIDUCIARY NET POSITION		
Restricted for:		
Pension benefits	58,969,609	-
Other postemployment benefits	108,397,192	-
Individuals, other governments and entities	-	365,099,491
Total fiduciary net position	<u>\$ 167,366,801</u>	<u>\$ 365,099,491</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, 2025

	Pension and Other Postemployment Benefits	
	<u>Trust Funds</u>	<u>Custodial Funds</u>
Additions:		
Receipts:		
Contributions - employer	\$ 25,859,552	\$ -
Contributions - employee		
Deposits received on behalf of others	-	2,002,708
Contributions from participating entities and other governments	-	274,795,298
Other	-	748,716
Investment earnings:		
Interest and dividends	2,852,088	17,818,805
Net increase in the fair value of investments	<u>11,030,802</u>	<u>9,299</u>
Total investment income	13,882,890	17,828,104
Less investment expenses	<u>(291,390)</u>	<u>-</u>
Net investment income	<u>13,591,500</u>	<u>17,828,104</u>
Total additions, net	<u>39,451,052</u>	<u>295,374,826</u>
 Deductions:		
Payments to beneficiaries and participating entities	23,327,653	233,904,465
General and administrative expenses	44,924	793,261
Other payments	<u>-</u>	<u>16,738</u>
Total deductions	<u>23,372,577</u>	<u>234,714,464</u>
Net increase in fiduciary net position	16,078,475	60,660,362
Fiduciary net position - July 1, 2024	<u>151,288,326</u>	<u>304,439,129</u>
Fiduciary net position - June 30, 2025	<u>\$ 167,366,801</u>	<u>\$ 365,099,491</u>

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 Unit - The financial information of the County's component unit 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.

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.

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 balance, 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.

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:

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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.

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 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).

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term general governmental obligations except for accrued compensated absences and lease obligations for equipment, which are paid by the fund incurring such expenditures. Debt Service Fund resources are derived from transfers from the General Fund.

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.

Tourism Improvement Fund - The Tourism Improvement Fund receives transient occupancy taxes and district fees to support marketing and advertising for tourism initiatives in the Richmond region, including contribution to the Greater Richmond Convention Center and Richmond Region Tourism. Proprietary Funds are used to account for the primary government's ongoing organizations and activities similar to those often found in the private sector.

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:

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 economic resources measurement focus. 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.

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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.

Tourism Improvement Fund - This fund reflects the funds held by the County as fiscal agent for Richmond Region Tourism.

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 \$16,879,736 and \$13,457,070 in fiscal year 2025 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), bankers' acceptances, corporate notes, commercial paper, the Commonwealth of Virginia Local

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 \$10,000 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 and Subscription-Based Information Technology Arrangements (SBITAs)

A. Leases:

The County is a lessee for noncancellable leases of land, buildings and equipment. 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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.

B. SBITAs:

The County is committed under various subscription-based information technology arrangements (SBITAs). SBITAs are identified as a contract that conveys control of the right to use a SBITA vendor's information technology (IT) software, alone or in combination with tangible capital assets, as specified in a contract for a period of time in an exchange or exchange-like transaction. A contract conveys control of the right to use the underlying IT asset if it has both of the following:

- (i) The right to obtain the present service capacity from use of the underlying IT asset as specified in the contract.
- (ii) The right to determine the nature and manner of use of the underlying IT asset specified in the contract.

The County recognizes the right -to-use subscription asset, which is an intangible capital asset, and a corresponding subscription liability at the commencement of the subscription term. The commencement of the subscription term occurs when the initial implementation state is completed and thus the asset is placed into service.

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 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

Chesterfield County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - *vacation, sick leave and compensation time earned.*

County and School Board employees are granted annual leave, 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 up to the maximum carryover balance based on years of full-time service. Employees may accumulate a limited amount of comp time up to a maximum set by policy that is forfeited upon separation. 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	-

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 2025, the County implemented the following new accounting pronouncements:

1. GASB Statement No. 101 (GASB 101) "Compensated Absences"

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

2. GASB Statement No. 102 (GASB 102) "Certain Risk Disclosures"

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about the risks related to a government's vulnerabilities due to certain concentrations or constraints.

The implementation of these standards did not have a material impact on the County's financial statements.

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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

- ◆ 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, and School Operating Fund, Internal Service Funds, and Enterprise Funds lapse at fiscal year-end. Appropriations for Capital Project funds, Debt Service, 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 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 \$12.0 million; (4) transfer funds to departments for workers' compensation, supplemental retirement, healthcare, career development plans, part-time salaries and other compensation related costs as well as for transfers to cover energy/fuel costs; (5)

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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.

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 10.0% with a floor of 8.0% for fiscal year 2025.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

The County had the following classifications of fund balances at June 30, 2025:

	General Fund	CVTA Fund	County Capital Projects Fund	Debt Service Fund	School Capital Projects Fund	Other Governmental Funds	Totals
Restricted for:							
General government	\$ 506,484	\$ -	\$ 5,823,339	\$ -	\$ -	\$ -	\$ 6,329,823
Public, education and government access	8,169,611	-	-	-	-	-	8,169,611
Administration of justice	612,671	-	-	-	-	-	612,671
Public safety	18,777	-	64,440,494	-	-	129,475	64,588,746
Law enforcement	3,215,996	-	-	-	-	-	3,215,996
Public works	934,528	145,824,361	25,890,561	-	-	-	172,649,450
Stormwater management facility	1,669,987	-	-	-	-	-	1,669,987
Health and welfare	22,417	-	-	-	-	3,870,016	3,892,433
Chesapeake Bay Watershed/TMDL	-	-	-	-	-	23,647,210	23,647,210
Parks, recreation and cultural	46,723	-	40,101,250	-	-	335,295	40,483,268
Education - School Board	-	-	937,683	-	35,427,613	-	36,365,296
Economic development	165,025	-	5,705,969	-	-	1,945,773	7,816,767
Future capital projects	5,436	-	-	-	-	-	5,436
Tax increment financing and special assessments	21,634,857	-	-	-	-	-	21,634,857
Debt service	-	278,244,930	9,945,114	12,375,481	25,352,533	-	325,918,058
Total restricted	37,002,512	424,069,291	152,844,410	12,375,481	60,780,146	29,927,769	716,999,609
Committed to:							
Community contracts	40,422	-	-	-	-	-	40,422
District improvement funds	741,322	-	-	-	-	-	741,322
Economic development	287,727	-	-	-	-	-	287,727
Public safety	470,027	-	-	-	-	-	470,027
Public works	1,415,063	-	-	-	-	-	1,415,063
Total committed	2,954,561	-	-	-	-	-	2,954,561
Assigned to:							
General government	1,785,091	-	-	-	-	-	1,785,091
Real estate tax credit	968,687	-	-	-	-	-	968,687
Telecommunications	282,462	-	-	-	-	-	282,462
Workers compensation	2,400,000	-	-	-	-	-	2,400,000
Administration of justice	8,983	-	-	-	-	-	8,983
Public safety	2,490,506	-	-	-	-	10,434,384	12,924,890
Public safety compensation plan	19,779,003	-	-	-	-	-	19,779,003
Fire apparatus	1,603,341	-	-	-	-	-	1,603,341
Local match for grants	1,731,762	-	-	-	-	-	1,731,762
Police vehicles	354,316	-	-	-	-	-	354,316
Public works	118,522	-	-	-	-	-	118,522
Road construction	10,788,231	-	-	-	-	-	10,788,231
Motor vehicle registration fees for transportation	472,982	-	-	-	-	-	472,982
Health and welfare	264,193	-	-	-	-	17,303,347	17,567,540
Parks, recreation and cultural	949,480	-	-	-	-	-	949,480
Economic development	15,971,960	-	-	-	-	-	15,971,960
Airport	6,767,364	-	-	-	-	-	6,767,364
Construction	210,121,621	-	-	-	-	-	210,121,621
Debt service	5,505,793	-	-	-	-	-	5,505,793
Chesapeake Bay Watershed/TMDL	2,849,395	-	-	-	-	-	2,849,395
Fiscal year 2026 adopted budget	8,200,000	-	-	-	-	-	8,200,000
Future capital projects	9,386,672	-	-	-	-	-	9,386,672
Future revenue shortfall - County	83,369,336	-	-	-	-	-	83,369,336
Future revenue shortfall - Schools	23,246,624	-	-	-	-	-	23,246,624
Education - School construction	1,468,396	-	-	-	-	-	1,468,396
Education - School debt service	3,622,599	-	-	-	-	-	3,622,599
Total assigned	414,507,319	-	-	-	-	27,737,731	442,245,050
Unassigned	102,150,406	-	-	-	-	-	102,150,406
Total fund balances	\$ 556,614,798	\$ 424,069,291	\$ 152,844,410	\$ 12,375,481	\$ 60,780,146	\$ 57,665,500	\$ 1,264,349,626

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025, 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, 2025, the School Board had no unassigned fund balance.

The School Board had the following classifications of fund balances at June 30, 2025:

<u>Component Unit - School Board</u>	
Nonspendable:	
Inventories	\$ 107,592
Restricted for:	
Food service	<u>17,274,579</u>
Total restricted	17,274,579
Assigned to:	
Instruction	15,011,068
Administration, attendance and health	845,581
Transportation	290,766
Operations, construction and maintenance	58,843,447
Technology	416,314
School activity funds	<u>7,109,802</u>
Total assigned	<u>82,516,978</u>
Total fund balances	<u>\$ 99,899,149</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 financed purchases 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 debt issuer for the County. 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

On December 8, 2022, the EDA issued a tax-exempt revenue bond to in the amount of \$23,000,000 to finance the design, acquisition, construction and equipping of certain public infrastructure and open space improvements in the County related to the Spring Rock Green Development project, now known as Springline at District 60 and to pay the costs of issuance. Debt service related to these revenue bonds is payable solely from support payments made by the County, pursuant to a support agreement between the EDA and the County also dated December 8, 2022.

For debt issued by the EDA on behalf of the County, the Primary Government's budgeting process provides funding to the EDA component unit for debt service payments or may make debt service payments directly from the County's General Fund. 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 for debt service for obligations issued by the EDA on behalf of the County are eliminated in the Combining Statement of Revenues, Expenditures and Changes Net Position - Non-major Enterprise Funds. Debt obligations and related offsetting receivables for debt issued on behalf of the County are eliminated in the Combining Statement of Changes in Net Position - Non-major Enterprise Funds.

4. Deposits and Investments

A. Primary Government:

As of June 30, 2025, 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	\$ 183,061,132	\$ -	\$ -	\$ -	\$ 183,061,132
LGIP	328,401,198	328,401,198	-	-	-
VIP Stable NAV Liquidity Pool	743,050,443	743,050,443	-	-	-
SNAP	217,938,621	217,938,621	-	-	-
VIP 1 - 3 Year High Quality Bond Fund	53,588,263	-	53,588,263	-	-
Commercial paper	34,294,209	-	-	34,294,209	-
Corporate notes	446,911,511	92,256,388	354,655,123	-	-
Municipal bonds	21,883,117	7,873,359	14,009,758	-	-
Federal National Mortgage Assoc	27,968,712	-	27,968,712	-	-
Federal Home Loan Bank	191,237,528	-	191,237,528	-	-
Federal Farm Credit Bank	31,875,319	9,134,402	22,740,917	-	-
Federal Home Loan Mortgage Corporation	159,846,138	-	159,846,138	-	-
Federal Agricultural Mortgage Corporation	9,994,130	-	9,994,130	-	-
U.S. Treasury Notes	91,319,320	-	91,319,320	-	-
Total	\$ 2,541,369,641	\$ 1,398,654,411	\$ 925,359,889	\$ 34,294,209	\$ 183,061,132

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025, all demand deposits were insured or collateralized.

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

As of June 30, 2025, 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	20.9%
VIP Stable NAV Liquidity Pool	34.7%
Federal Home Loan Bank	8.9%
LGIP	15.3%
Federal Home Loan Mortgage Corporation	7.5%

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 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.

As of June 30, 2025, the County had the following pooled deposits and investments:

<u>Asset Type</u>	<u>Investment Maturity</u>					
	<u>Fair Value/NAV</u>	<u>Less than 1 Year</u>	<u>1 - 2 Years</u>	<u>2 - 3 Years</u>	<u>3 - 4 Years</u>	<u>4-5 Years</u>
LGIP	\$ 328,401,198	\$ 328,401,198	\$ -	\$ -	\$ -	\$ -
VIP Stable NAV Liquidity Pool	743,050,443	743,050,443	-	-	-	-
SNAP	217,938,621	217,938,621	-	-	-	-
VIP 1 - 3 Year High Quality Bond Fund	53,588,263	-	53,588,263 (a)	-	-	-
Commercial paper	34,294,209	34,294,209	-	-	-	-
Corporate notes	446,911,511	97,993,960 (b)	56,746,291	83,254,057	82,809,182	126,108,021
Municipal bonds	21,883,117	-	-	11,865,921	1,083,494	8,933,702
Federal National Mortgage Assoc	27,968,712	-	-	5,002,890	-	22,965,822
Federal Home Loan Bank	191,237,528	9,946,970 (c)	98,160	9,974,910	39,884,180 (c)	131,333,308
Federal Farm Credit Bank	31,875,319	-	9,242,213	22,633,106 (b)	-	-
Federal Home Loan Mortgage Corporation	159,846,138	9,990,320	2,492,342	29,952,070 (d)	17,979,612	99,431,794
Federal Agricultural Mortgage Corporation	9,994,130	-	-	-	-	9,994,130
U.S. Treasury Notes	91,319,320	22,449,681	54,829,298	14,040,341	-	-
Total	<u>\$ 2,358,308,509</u>	<u>\$ 1,464,065,402</u>	<u>\$ 176,996,567</u>	<u>\$ 176,723,295</u>	<u>\$ 141,756,468</u>	<u>\$ 398,766,777</u>

- (a) The weighted average effective duration for this investment is 1.83 years.
- (b) \$22,663,106 of these bonds have a continuous call dates between July 14, 2025 and January 13, 2026
- (c) \$29,932,590 of these bonds have quarterly call dates from September 11, 2025 to November 26, 2026
- (d) \$29,952,070 of these bonds have quarterly call dates from August 27, 2025 to December 5, 2025.

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, 2025:

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

<u>Investments by fair value - Level 2</u>	<u>Fair Value</u>
Commercial paper	\$ 34,294,209
Corporate Notes	446,911,511
Municipal Bonds	21,883,117
Federal National Mortgage Association	27,968,712
Federal Home Loan Bank	191,237,528
Federal Farm Credit Banl	31,875,319
Federal Home Loan Mortgage Association	159,846,138
Federal Agricultural Mortgage Association	9,994,130
U.S. Treasury Notes	91,319,320
Total investments by fair value - Level 2	<u>\$ 1,015,329,984</u>
<u>Investments measured at the net asset value (NAV)</u>	
VIP 1 - 3 Year High Quality Bond Fund	<u>\$ 53,588,263</u>

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 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, 2025, 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	\$ 3,001,582
Mutual funds	12,110,480
Common and preferred stocks	10,133,496
Corporate bonds	5,080,548
Municipal bonds	57,270
Funds of funds	7,225,536
Exchange traded funds	12,880,454
Collateralized mortgage backed securities	888,263
U. S. Treasuries	2,473,829
Federal National Mortgage Association	2,490,465
Federal Home Loan Mortgage Corporation	1,858,111
Government National Mortgage Association	652,001
Total deposits and investments	<u>\$ 58,852,035</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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

securities, resulting in greater portfolio diversification. At June 30, 2025, 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 \$3,001,582 of demand deposits, \$2,501,582 is invested in bank deposits or money market funds that are uninsured and uncollateralized.

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, 2025, the Plan had investments of 888,263 (1.59% 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

As of June 30, 2025, the Plan held the following investments and maturities:

Asset Type	Fair Value	Investment Maturity		
		0 - 5 Years	5 - 10 Years	10 - 40 Years
Corporate bonds and collateralized mortgage backed securities	\$ 5,968,811	\$ 2,493,580	\$ 1,189,495	\$ 2,285,736
Municipal bonds	57,270	-	-	57,270
U. S. Treasuries	2,473,829	760,460	858,017	855,352
Federal National Mortgage Association	2,490,465	-	-	2,490,465
Federal Home Loan Mortgage Corporation	1,858,111	-	32,426	1,825,685
Government National Mortgage Association	652,001	2,533	-	649,468
Total	\$ 13,500,487	\$ 3,256,573	\$ 2,079,938	\$ 8,163,976

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 a matrix technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

The Plan's portfolio has the following recurring fair value measurements as of June 30, 2025:

	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	\$ 2,473,829	\$ -	\$ 2,473,829
U. S. agencies and sponsored enterprises	5,000,577	-	5,000,577
Municipal bonds	57,270	-	57,270
Collateralized mortgage-backed securities	888,263	-	888,263
Corporate bonds	5,080,548	-	5,080,548
Total debt securities	13,500,487	-	13,500,487
Equity securities:			
Common and preferred stocks	10,133,496	10,133,496	-
Exchange traded funds	12,880,454	12,880,454	-
Mutual funds	12,110,480	12,110,480	-
Total equity securities	35,124,430	35,124,430	-
Total investments by fair value level	48,624,917	\$ 35,124,430	\$ 13,500,487
<u>Investments measured at the net asset value (NAV)</u>			
Multi-strategy alternative funds	7,225,536		
Total investments measured at fair value	\$ 55,850,453		

<u>Investments measured at the NAV</u>	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
(1) Multi-strategy alternative investment	\$ 1,219,247	\$ 247,063	None	N/A
(2) Multi-strategy alternative investment	838,782	875,396	None	N/A
(3) Multi-strategy alternative investment	2,370,300	None	Semi-annual	95 days
(4) Multi-strategy alternative investment	2,797,207	None	Quarterly	100 days
Total investments measured at fair value	\$ 7,225,536			

(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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

underlying portfolio companies across leveraged buyout, credit, distressed, growth capital, real 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%	9.8%
Large Cap Value		12.5%	9.3%
U.S. Small Cap Equity	10.0%		
Small Cap Growth		5.0%	9.2%
Small Cap Value		5.0%	10.0%
International Developed and Emerging Markets	20.0%		
Developed International Equity		15.0%	8.4%
Emerging Markets Equity		5.0%	10.0%
Fixed Income - U.S. Core Broad	25.0%		3.9%
Alternative Investments	15.0%		
Hedge funds		10.0%	6.5%
Private Equity		5.0%	13.0%
Real Estate (Investment Trusts)	<u>5.0%</u>		7.2%
Total	<u>100.0%</u>		7.8%

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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

As of June 30, 2025, 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	\$ <u>50,472,115</u>	N/A

As of June 30, 2025, 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>
Investment in pooled funds	\$ <u>35,753,372</u>	N/A

As of June 30, 2025, 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	\$ <u>22,171,705</u>	N/A

As of June 30, 2025, 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, 2025

Investment Policy and Long-term Rate of Return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>
Equity:		
Large Cap	21.0%	7.20%
Small Cap	10.0%	8.59%
International	13.0%	7.97%
Emerging Markets	5.0%	9.24%
Private	10.0%	10.51%
Long/Short Equity	6.0%	5.39%
Fixed Income:		
Core Plus	16.0%	2.83%
Absolute Return	4.0%	4.25%
Real Assets:		
Core Real Estate	10.0%	6.45%
Opportunitstic Real Estate	<u>5.0%</u>	9.45%
Total	<u>100%</u>	6.98%

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.

B. Component Unit - School Board

As of June 30, 2025, 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	\$ 67,645,440	N/A
Total	<u>\$ 67,645,440</u>	

School Board deposits are invested in accordance with the County's investment policy.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

School Board Supplemental Retirement Program:

As of June 30, 2025, 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	\$ 5,457,895
Common stocks	21,913,318
Mutual funds - equity	10,305,832
Mutual funds - fixed income	28,691,181
Exchange traded funds - equity	15,448,732
Exchange traded funds - fixed income	<u>2,350,259</u>
Total deposits and investments	<u>\$ 84,167,217</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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Minimum Allocation</u>	<u>Maximum Allocation</u>
Global Equity:			
U.S. Large Cap Equity	32.0%	20.0%	40.0%
U.S. Small/Mid Cap Equity	12.0%	5.0%	15.0%
International Developed Equity	11.0%	5.0%	15.0%
Emerging Markets Equity	5.0%	0.0%	10.0%
Global Fixed Income	<u>40.0%</u>	30.0%	50.0%
Total	<u>100.0%</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, \$4,950,870 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Quarterly, the Committee reviews, monitors, and evaluates the performance of the investments to ensure adherence to the adopted policies and guidelines of the Program.

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, 2025, 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	\$ 2,350,259	\$ 2,350,259	\$ -
Mutual funds - fixed income	28,691,181	17,755,146	10,936,035
Total	<u>\$ 31,041,440</u>	<u>\$ 20,105,405</u>	<u>\$ 10,936,035</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, 2025:

<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	\$ 21,913,318	\$ 21,913,318	\$ -
Mutual funds - equity	10,305,832	10,305,832	-
Mutual funds - fixed income	28,691,181	16,995,473	11,695,708
Exchange traded funds - equity	15,448,732	15,448,732	-
Exchange traded funds - fixed income	2,350,259	2,350,259	-
Total	<u>\$ 78,709,322</u>	<u>\$ 67,013,614</u>	<u>\$ 11,695,708</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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	32.0%		
Large Cap Growth		13.0%	9.8%
Large Cap Value		19.0%	9.3%
U.S. Small/Mid Cap Equity	12.0%		
Mid Growth		3.0%	10.0%
Mid Cap Value		5.0%	9.7%
Small Cap Growth		1.0%	9.2%
Small Cap Value		3.0%	10.0%
International Developed Equity	11.0%		8.4%
Emerging Markets Equity	5.0%		10.0%
Global Fixed Income	40.0%		
Ultra-Short Term Fixed Income		4.0%	3.2%
Short Term Fixed Income		11.0%	3.5%
US Taxable Core		14.0%	3.9%
Inflation Linked Securities		3.0%	4.9%
Global Fixed Income Other		8.0%	<u>3.9%</u>
Total	<u>100.0%</u>		<u>7.2%</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 5th and December 5th in two equal installments. Installments due on June 5, 2025, are levied for fiscal year 2025 and, when unavailable in the current period, are reported as deferred inflows of resources. Installments due on December 5, 2025, are levied for fiscal year 2026 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 5th and levied for fiscal year 2025 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, 2025. 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 5th and December 5th in two equal installments. Installments due on June 5, 2025, are levied for fiscal year 2025 and, when unavailable in the current period, are reported as deferred inflows of resources in the fund statements. Installments due on December 5, 2025, are levied for fiscal year 2026 and are reported as deferred inflows of resources in the fund statements and government-wide statements.

C. Leases

The County leases land, buildings, office space and equipment to third parties which are presented with accounts receivable on the financial statements. As of June 30, 2025, the County had 38 active leases. The leases have receipts that range from \$0 to \$651,715 and interest rates that range from 0.8140% to 3.5400%. The total combined valued of the lease receivable is \$25,181,372, the total combined value of the short-term lease receivable is \$1,785,349 and the combined value of the deferred inflows of resources is \$24,248,511. The leases had \$0 of variable receipts and \$0 of other receipts within the fiscal year.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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

Year Ending	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
June 30						
2026	\$ 1,359,831	\$ 319,761	\$ 1,679,592	\$ 425,518	\$ 177,306	\$ 602,824
2027	1,257,005	299,090	1,556,095	353,409	169,721	523,130
2028	1,058,163	279,909	1,338,072	337,560	163,077	500,637
2029	360,637	267,460	628,097	348,630	156,204	504,834
2030	224,281	260,608	484,889	354,949	520,097	875,046
2031 - 2035	1,085,900	1,211,459	2,297,359	3,226,195	938,013	4,164,208
2036 - 2040	944,447	1,059,510	2,003,957	3,049,490	650,739	3,700,229
2041 - 2045	942,024	907,606	1,849,630	2,909,041	382,830	3,291,871
2046 - 2050	1,026,220	749,021	1,775,241	693,352	206,964	900,316
2051 - 2055	962,866	587,929	1,550,795	679,659	126,211	805,870
2056 - 2060	1,060,890	416,490	1,477,380	688,561	39,203	727,764
2061 - 2065	1,262,767	214,613	1,477,380	-	-	-
2066 - 2067	569,977	20,947	590,924	-	-	-
Total	<u>\$ 12,115,008</u>	<u>\$ 6,594,403</u>	<u>\$ 18,709,411</u>	<u>\$ 13,066,364</u>	<u>\$ 3,530,365</u>	<u>\$ 16,596,729</u>

D. Receivables

Receivables at June 30, 2025, were as follows:

Governmental Activities	General	Central VA	County Capital	Debt	Other	Internal	Total
	Fund	Transportation Authority	Projects Fund		Governmental Funds	Service Funds	
Taxes	\$ 338,542,444	\$ -	\$ -	\$ -	\$ 2,496,300	\$ -	\$ 341,038,744
Accounts	16,596,669	-	421,018	21,900	28,580,298	226,940	45,846,825
Leases	12,115,008	-	-	-	-	-	12,115,008
Interest	3,173,163	283,705	-	-	-	-	3,456,868
Lease interest	45,089	-	-	-	-	-	45,089
Special assessments	781,980	-	-	-	-	-	781,980
Commonwealth of Virginia	43,147,530	5,848,682	3,798,997	-	5,008,002	12,649	57,815,860
Federal government	4,908	-	4,840,804	-	3,396,055	-	8,241,767
Gross receivables	414,406,791	6,132,387	9,060,819	21,900	39,480,655	239,589	469,342,141
Less: Allowance for uncollectibles	(12,595,759)	-	-	-	(12,373,837)	-	(24,969,596)
Net receivables	<u>\$ 401,811,032</u>	<u>\$ 6,132,387</u>	<u>\$ 9,060,819</u>	<u>\$ 21,900</u>	<u>\$ 27,106,818</u>	<u>\$ 239,589</u>	<u>\$ 444,372,545</u>

Business-type Activities

	Water	Wastewater	Non-major Enterprise	Total
	Fund	Fund	Funds	
Accounts	\$ 11,917,500	\$ 10,594,453	\$ 91,248	\$ 22,603,201
Leases	3,171,608	-	9,894,756	13,066,364
Interest	3,438,318	4,098,281	9,007	7,545,606
Special assessments	27,359	196,498	-	223,857
Commonwealth of Virginia	-	-	8,232,689	8,232,689
Federal government	664,876	-	77,005	741,881
Gross receivables	19,219,661	14,889,232	18,304,705	52,413,598
Less: Allowance for uncollectibles	(388,171)	(250,537)	-	(638,708)
Net receivables	<u>\$ 18,831,490</u>	<u>\$ 14,638,695</u>	<u>\$ 18,304,705</u>	<u>\$ 51,774,890</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Component Unit	School Board
Accounts	\$ 2,048,690
Commonwealth of Virginia	9,479,951
Federal government	<u>12,793,342</u>
Gross receivables	<u>\$ 24,321,983</u>

Special assessments of \$27,359 and \$196,498, 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.

6. Payables

Payables at June 30, 2025, were as follows:

Governmental Activities

	General Fund	County Capital Projects Fund	Debt Service Fund	School Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Vendors	\$ 13,655,396	\$ 25,294,168	\$ 121,919	\$ 20,877,645	\$ 7,265,189	\$ 6,730,859	\$ 73,945,176
Wages and benefits	13,209,706	16,998	-	-	1,914,632	369,761	15,511,097
Retainages	-	1,589,567	-	10,307,963	801,710	-	12,699,240
Deposits	<u>361,384</u>	<u>2,223,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,584,780</u>
Total	<u>\$ 27,226,486</u>	<u>\$ 29,124,129</u>	<u>\$ 121,919</u>	<u>\$ 31,185,608</u>	<u>\$ 9,981,531</u>	<u>\$ 7,100,620</u>	104,740,293
						Accrued interest	<u>17,182,441</u>
						Total per government-wide	<u>\$ 121,922,734</u>

EDA/General Fund

Business-type Activities

	Water Fund	Wastewater Fund	Non-major Enterprise Funds	Total
Vendors	\$ 6,433,462	\$ 4,437,655	\$ 408,623	\$ 11,279,740
Wages and benefits	534,624	443,091	9,113	986,828
Accrued interest	-	43,844	18,248	62,092
Retainages	1,499,857	1,163,468	1,207,876	3,871,201
Other	<u>2,376,773</u>	<u>31,661</u>	<u>1,407,607</u>	<u>3,816,041</u>
Total	<u>\$ 10,844,716</u>	<u>\$ 6,119,719</u>	<u>\$ 3,051,467</u>	<u>\$ 20,015,902</u>

Component Unit

	School Board
Vendors	\$ 10,719,735
Wages and benefits	66,935,907
Retainages	445
Accrued interest	<u>80,662</u>
Total	<u>\$ 77,736,749</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

7. Reporting Entity - Internal Transactions

Internal receivable and payable balances at June 30, 2025, were as follows:

Fund	Internal Receivables	Internal Payables
Internal Receivables/Payables Other Funds		
Governmental Activities:		
General Fund	\$ -	\$ 268,318
Business-type Activities:		
Economic Development Authority	268,318	-
Total primary government	\$ 268,318	\$ 268,318
Receivables/Payables Primary Government and Component Units		
Primary Government:		
General Fund	\$ -	\$ 86,603,668
Discretely Presented Component Unit:		
School Board	86,603,668	-
Total	\$ 86,603,668	\$ 86,603,668

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, 2025

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 2025 were as follows:

Transfers In:

Governmental Funds

General Fund from:

Grants Fund \$ 3,360,200

County Capital Projects Fund from:

General Fund	65,835,472	
Central Virginia Transportation Authority - Local	26,709,581	
Mental Health Fund	3,606	
Tourism Fund	<u>858,202</u>	93,406,861

Debt Service Fund from:

General Fund	110,761,654	
Mental Health Fund	<u>183,500</u>	110,945,154

Grants Fund from:

General Fund	1,936,972	
Mental Health Fund	555,746	
Jail Canteen Fund	<u>10,000</u>	2,502,718

Children's Services Fund from:

General Fund		1,907,700
--------------	--	-----------

Mental Health Fund from:

General Fund	16,322,700	
Grants Fund	<u>42,600</u>	16,365,300

Stormwater Funds from:

General Fund		74,167
--------------	--	--------

School Capital Projects Fund from:

County Capital Projects Fund		1,766,397
------------------------------	--	-----------

Proprietary Funds

Economic Development Authority from:

General Fund		544,182
--------------	--	---------

Airport Fund from:

General Fund		<u>384,456</u>
--------------	--	----------------

Total transfers in		<u><u>\$ 231,257,135</u></u>
--------------------	--	------------------------------

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Transfers Out:

Governmental Funds

General Fund to:

County Capital Projects Fund	\$ 65,835,472	
Debt Service Fund	110,761,654	
Grants Fund	1,936,972	
Children's Services Fund	1,907,700	
Stormwater Fund	74,167	
Mental Health Fund	16,322,700	
Economic Development Authority	544,182	
Airport Fund	<u>384,456</u>	\$ 197,767,303

County Capital Projects Fund to:

School Capital Projects Fund		1,766,397
------------------------------	--	-----------

Central Virginia Transportation Authority - Local Fund to:

County Capital Projects Fund		26,709,581
------------------------------	--	------------

Grants Fund to:

General Fund	3,360,200	
Mental Health Fund	<u>42,600</u>	3,402,800

Mental Health Fund to:

County Capital Projects Fund	3,606	
Debt Service Fund	183,500	
Grants Fund	<u>555,746</u>	742,852

Tourism Fund to:

County Capital Projects Fund		858,202
------------------------------	--	---------

Jail Canteen Fund to:

Grants Fund		<u>10,000</u>
-------------	--	---------------

Total transfers out		<u><u>\$ 231,257,135</u></u>
---------------------	--	------------------------------

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

8. Capital and Intangible Assets

A. Governmental Activities

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets, not being depreciated:				
Land	\$ 134,564,000	\$ 17,177,368	\$ -	\$ 151,741,368
Construction in progress	189,972,181	180,088,373	183,540,871	186,519,683
Subscriptions in progress	<u>5,180,568</u>	<u>9,865,673</u>	<u>3,104,566</u>	<u>11,941,675</u>
Total assets, not being depreciated	<u>329,716,749</u>	<u>207,131,414</u>	<u>186,645,437</u>	<u>350,202,726</u>
Capital assets, being depreciated and or amortized:				
Buildings	1,689,117,516	139,259,908	16,622,867	1,811,754,557
Improvements other than buildings	143,639,398	21,709,871	9,686,540	155,662,729
Machinery and equipment	246,841,577	19,909,097	9,914,931	256,835,743
Infrastructure	45,423,209	1,021,063	-	46,444,272
Right-to-use land	124,030	506,111	124,030	506,111
Right-to-use buildings	10,554,373	-	1,315,310	9,239,063
Right-to-use equipment	961,954	-	-	961,954
Right-to-use subscriptions	<u>12,841,579</u>	<u>8,759,540</u>	<u>4,432,575</u>	<u>17,168,544</u>
Total at historical cost	<u>2,149,503,635</u>	<u>191,165,590</u>	<u>42,096,253</u>	<u>2,298,572,973</u>
Less accumulated depreciation and amortization for:				
Buildings	625,617,520	39,110,397	14,346,035	650,381,882
Improvements other than buildings	77,485,714	5,794,703	9,597,270	73,683,147
Machinery and equipment	166,245,196	18,638,630	8,744,503	176,139,323
Infrastructure	15,156,897	665,332	-	15,822,229
Right-to-use land	111,627	22,043	124,030	9,640
Right-to-use buildings	4,597,954	1,755,883	1,315,310	5,038,527
Right-to-use equipment	368,749	192,391	-	561,140
Right-to-use subscriptions	<u>6,081,848</u>	<u>6,161,869</u>	<u>4,432,575</u>	<u>7,811,142</u>
Total accumulated depreciation/amortization	<u>895,665,505</u>	<u>72,341,248</u>	<u>38,559,723</u>	<u>929,447,030</u>
Total capital assets, being depreciated, net	<u>1,253,838,130</u>	<u>118,824,342</u>	<u>3,536,530</u>	<u>1,369,125,943</u>
Governmental activities capital assets, net	<u>\$ 1,583,554,879</u>	<u>\$ 325,955,756</u>	<u>\$ 190,181,967</u>	<u>\$ 1,719,328,669</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025, are comprised of the following:

General capital assets, net	\$	1,697,776,403
Internal Service Funds capital assets, net		<u>21,552,266</u>
Total	\$	<u>1,719,328,669</u>

Depreciation and amortization expense was charged to the following functions:

General government	\$	5,341,040
Administration of justice		2,183,858
Public safety		15,928,319
Public works		1,709,000
Health and welfare		4,749,450
Education - School Board		30,802,007
Parks, recreation and cultural		7,824,368
Community development		1,668,929
Capital assets held by the County's Internal Service Funds		<u>2,134,276</u>
Total depreciation expense	\$	<u>72,341,248</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

B. Business-type Activities

Intangible and capital asset activity for the year ended June 30, 2025, was as follows:

Water Fund	Balance			Balance
	June 30, 2024	Increases	Decreases	June 30, 2025
Intangible assets:				
Capacity rights, net of amortization	\$ 64,151,892	\$ 1,870,239	\$ 2,739,414	\$ 63,282,717
Capital assets, not being depreciated:				
Land	14,067,615	391,665	-	14,459,280
Construction in progress	14,081,727	36,815,980	19,562,467	31,335,240
Total assets, not being depreciated	<u>28,149,342</u>	<u>37,207,645</u>	<u>19,562,467</u>	<u>45,794,520</u>
Capital assets, being depreciated:				
Buildings	85,154,363	1,773,402	-	86,927,765
Improvements other than buildings	10,934,330	-	-	10,934,330
Machinery and equipment	647,176,824	41,339,079	525,500	687,990,403
Totals at historical cost	<u>743,265,517</u>	<u>43,112,481</u>	<u>525,500</u>	<u>785,852,498</u>
Less accumulated depreciation for:				
Buildings	33,512,890	1,964,711	-	35,477,601
Improvements other than buildings	7,435,243	273,603	-	7,708,846
Machinery and equipment	245,981,716	15,029,687	471,929	260,539,474
Total accumulated depreciation	<u>286,929,849</u>	<u>17,268,001</u>	<u>471,929</u>	<u>303,725,921</u>
Total capital assets, being depreciated, net	<u>456,335,668</u>	<u>25,844,480</u>	<u>53,571</u>	<u>482,126,577</u>
Water capital and intangible assets, net	<u>\$ 548,636,902</u>	<u>\$ 64,922,364</u>	<u>\$ 22,355,452</u>	<u>\$ 591,203,814</u>
Wastewater Fund	Balance			Balance
	June 30, 2024	Increases	Decreases	June 30, 2025
Intangible assets:				
Capacity rights, net of amortization	\$ 1,426,522	\$ -	\$ 118,877	\$ 1,307,645
Capital assets, not being depreciated:				
Land	6,386,880	2,553,954	-	8,940,834
Construction in progress	29,666,627	20,981,733	19,948,232	30,700,128
Total assets, not being depreciated	<u>36,053,507</u>	<u>23,535,687</u>	<u>19,948,232</u>	<u>39,640,962</u>
Capital assets, being depreciated:				
Buildings	159,484,384	9,170,489	-	168,654,873
Improvements other than buildings	20,286,246	-	-	20,286,246
Machinery and equipment	675,451,290	35,048,154	6,858,346	703,641,098
Totals at historical cost	<u>855,221,920</u>	<u>44,218,643</u>	<u>6,858,346</u>	<u>892,582,217</u>
Less accumulated depreciation for:				
Buildings	79,825,111	3,531,386	-	83,356,497
Improvements other than buildings	11,777,809	501,201	-	12,279,010
Machinery and equipment	327,227,645	18,580,965	4,284,438	341,524,172
Total accumulated depreciation	<u>418,830,565</u>	<u>22,613,552</u>	<u>4,284,438</u>	<u>437,159,679</u>
Total capital assets, being depreciated, net	<u>436,391,355</u>	<u>21,605,091</u>	<u>2,573,908</u>	<u>455,422,538</u>
Wastewater capital and intangible assets, net	<u>\$ 473,871,384</u>	<u>\$ 45,140,778</u>	<u>\$ 22,641,017</u>	<u>\$ 496,371,145</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Non-major - Total	Balance			Balance
	June 30, 2024	Increases	Decreases	June 30, 2025
Intangible assets:				
Capacity rights, net of amortization	\$ 2,830,412	\$ -	\$ 937,957	\$ 1,892,455
Capital assets, not being depreciated:				
Land and improvements	47,145,835	967,083	356,423	47,756,495
Construction in progress	1,125,124	1,683,592	322,320	2,486,396
Total assets, not being depreciated	<u>48,270,959</u>	<u>2,650,675</u>	<u>678,743</u>	<u>50,242,891</u>
Capital assets, being depreciated:				
Buildings	8,939,656	-	191,835	8,747,821
Improvements other than buildings	32,488,871	-	6,997	32,481,874
Machinery and equipment	4,251,895	-	66,555	4,185,340
Infrastructure	7,250,802	-	-	7,250,802
Totals at historical cost	<u>52,931,224</u>	<u>-</u>	<u>265,387</u>	<u>52,665,837</u>
Less accumulated depreciation for:				
Buildings	4,395,753	198,980	30,694	4,564,039
Improvements other than buildings	23,686,253	1,101,025	6,997	24,780,281
Machinery and equipment	1,974,620	218,442	66,555	2,126,507
Infrastructure	1,928,118	299,669	-	2,227,787
Total accumulated depreciation	<u>31,984,744</u>	<u>1,818,116</u>	<u>104,246</u>	<u>33,698,614</u>
Total capital assets, being depreciated, net	<u>20,946,480</u>	<u>(1,818,116)</u>	<u>161,141</u>	<u>18,967,223</u>
Non-major business-type activities capital assets, net	<u>\$ 72,047,851</u>	<u>\$ 832,559</u>	<u>\$ 1,777,841</u>	<u>\$ 71,102,569</u>

Total Business-type Activities	Balance			Balance
	June 30, 2024	Increases	Decreases	June 30, 2025
Intangible assets:				
Capacity rights, net of amortization	\$ 68,408,826	\$ 1,870,239	\$ 3,796,248	\$ 66,482,817
Capital assets, not being depreciated:				
Land	67,600,330	3,912,702	356,423	71,156,609
Construction in progress	44,873,478	59,481,305	39,833,019	64,521,764
Total assets, not being depreciated	<u>112,473,808</u>	<u>63,394,007</u>	<u>40,189,442</u>	<u>135,678,373</u>
Capital assets, being depreciated:				
Buildings	253,578,403	10,943,891	191,835	264,330,459
Improvements other than buildings	63,709,447	-	6,997	63,702,450
Machinery and equipment	1,326,880,009	76,387,233	7,450,401	1,395,816,841
Infrastructure	7,250,802	-	-	7,250,802
Totals at historical cost	<u>1,651,418,661</u>	<u>87,331,124</u>	<u>7,649,233</u>	<u>1,731,100,552</u>
Less accumulated depreciation for:				
Buildings	117,733,754	5,695,077	30,694	123,398,137
Improvements other than buildings	42,899,305	1,875,829	6,997	44,768,137
Machinery and equipment	575,183,981	33,829,094	4,822,922	604,190,153
Infrastructure	1,928,118	299,669	-	2,227,787
Total accumulated depreciation	<u>737,745,158</u>	<u>41,699,669</u>	<u>4,860,613</u>	<u>774,584,214</u>
Total capital assets, being depreciated, net	<u>913,673,503</u>	<u>45,631,455</u>	<u>2,788,620</u>	<u>956,516,338</u>
Total business-type activities capital and intangible assets, net	<u>\$ 1,094,556,137</u>	<u>\$ 110,895,701</u>	<u>\$ 46,774,310</u>	<u>\$ 1,158,677,528</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Amortization and depreciation were charged to the various activities as follows:

Water	\$	2,739,414
Wastewater		<u>118,877</u>
Total amortization expense	\$	<u><u>2,858,291</u></u>
Water	\$	17,268,001
Wastewater		22,613,552
Non-major funds		<u>1,818,116</u>
Total depreciation expense	\$	<u><u>41,699,669</u></u>

C. Component Unit - School Board

Capital asset activity for the year ended June 30, 2025, for the School Board component unit was as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 53,652	\$ -	\$ 53,652	\$ -
Capital assets, being depreciated:				
Machinery and equipment	215,701,066	30,336,899	5,307,496	240,730,469
Right-to-use buildings	7,616,611	1,692,715	221,018	9,088,308
Right-to-use equipment	49,933	-	-	49,933
Right-to-use subscriptions	<u>10,051,662</u>	<u>-</u>	<u>1,971,065</u>	<u>8,080,597</u>
Total at historical cost	<u>233,419,272</u>	<u>32,029,614</u>	<u>7,499,579</u>	<u>257,949,307</u>
Less accumulated depreciation and amortization for:				
Machinery and equipment	139,264,819	18,534,885	5,076,648	152,723,056
Right-to-use buildings	1,346,381	1,330,992	221,018	2,456,355
Right-to-use equipment	31,242	12,483	-	43,725
Right-to-use subscriptions	<u>3,952,311</u>	<u>2,919,086</u>	<u>1,971,065</u>	<u>4,900,332</u>
Less accumulated depreciation/amortization	<u>144,594,753</u>	<u>22,797,446</u>	<u>7,268,731</u>	<u>160,123,468</u>
Total capital assets, being depreciated, net	<u>88,824,519</u>	<u>9,232,168</u>	<u>230,848</u>	<u>97,825,839</u>
School Board capital assets, net	<u>\$ 88,878,171</u>	<u>\$ 9,232,168</u>	<u>\$ 284,500</u>	<u>\$ 97,825,839</u>

Current year depreciation and amortization on capital assets of the School Board was \$22,797,446.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025, 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				
2011A School, due 2032	\$ 15,630,000	4.05 - 4.30%	\$780,000	\$ 5,460,000
2012B School, due 2033	18,595,000	3.05 - 5.05%	925,000 - 930,000	7,435,000
2013A School, due 2034	18,305,000	3.05 - 5.05%	915,000	8,235,000
2015 General Improvement & Refunding, due 2029	92,110,000	3.00 - 5.00%	1,735,000 - 11,930,000	27,115,000
2016 General Improvement & Refunding, due 2036	86,480,000	2.125 - 5.00%	2,095,000 - 5,370,000	37,610,000
2017B General Improvement, due 2037	82,270,000	3.00 - 5.00%	4,110,000 - 4,115,000	49,350,000
2018A General Improvement, due 2038	51,450,000	3.00 - 5.00%	2,570,000 - 2,575,000	33,425,000
2018B School, due 2039	13,735,000	3.55 - 5.05%	685,000 - 690,000	9,595,000
2019A General Improvement, due 2039	69,925,000	2.50 - 5.00%	3,495,000 - 3,500,000	48,935,000
2020A School, due 2041	38,340,000	2.90%	1,915,000 - 1,920,000	25,835,000
2020 General Improvement, due 2040	59,755,000	2.00 - 5.00%	2,985,000 - 2,990,000	44,810,000
2020B General Improvement, due 2035	41,485,000	0.80 - 1.55%	1,760,000 - 3,680,000	30,660,000
2022 School, due 2042	116,605,000	2.00 - 5.00%	5,830,000 - 5,835,000	99,115,000
2023 General Improvement, due 2043	104,800,000	4.00 - 5.00%	5,370,000 - 5,375,000	96,685,000
2024 General Improvement, due 2044	90,000,000	4.00 - 5.00%	4,730,000 - 4,740,000	<u>90,000,000</u>
Total general obligation bonds				614,265,000
Add: Premium				<u>47,011,219</u>
Net general obligation bonds				<u>\$ 661,276,219</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending	General Obligation Bonds			
	June 30	Principal	Interest	Total
2026	\$	53,720,000	\$ 23,688,020	\$ 77,408,020
2027		50,320,000	21,364,879	71,684,879
2028		46,585,000	19,129,086	65,714,086
2029		43,425,000	16,995,434	60,420,434
2030		41,625,000	15,056,959	56,681,959
2031-2035		191,050,000	51,924,263	242,974,263
2036-2040		138,920,000	21,795,484	160,715,484
2041-2045		48,620,000	3,603,293	52,223,293
Total	\$	<u>614,265,000</u>	<u>\$ 173,557,416</u>	<u>\$ 787,822,416</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. In October 2020, the VPSA refinanced a series of Local School Bonds, including the County's 2013A 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	Schedule of				Total
	June 30	2011A	2012B	2013A	
2026	\$	50,325	\$ 43,925	\$ 73,997	\$ 168,247
2027		51,125	42,675	70,965	164,765
2028		52,175	45,025	68,250	165,450
2029		53,475	43,825	65,504	162,804
2030		50,025	43,825	63,703	157,553
2031-2034		<u>109,325</u>	<u>130,075</u>	<u>235,880</u>	<u>475,280</u>
Total	\$	<u>366,450</u>	<u>\$ 349,350</u>	<u>\$ 578,299</u>	<u>\$ 1,294,099</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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.

In June 2024, the County issued Revenue Bonds through the EDA to (a) finance the costs of various local mobility improvements, including but not limited to (i) Powhite Parkway Extension Phase I and II, (ii) Upper Magnolia Access Improvements, (iii) Center Pointe Parkway Extension, (iv) Woolridge Road Extension and (vii) Otterdale Road/Swift Creek Crossing Drainage improvements, and (b) pay the related costs of issuance of the bonds. In the event of default, the entire unpaid principal and interest balance cannot be declared immediately due and payable.

Revenue bonds outstanding at June 30, 2025, 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	\$ 31,990,000
2020 EDA Public Facility Revenue Bonds, due 2041	85,000,000	2.00 - 5.00%	4,250,000	68,000,000
2024 EDA Revenue Bonds (Mobility Projects), due 2050	284,735,000	4.00 - 5.00%	5,970,000 - 19,070,000	<u>284,735,000</u>
Total governmental-type activities revenue bonds				384,725,000
Add: Premium				<u>35,186,626</u>
Net governmental-type activities				419,911,626
Business-type Activities				
Major Enterprise Funds				
2016 Water and Sewer, due 2027	\$ 53,695,000	5.00%	\$2,005,000 - 6,315,000	5,290,000
Add: Premium				<u>165,257</u>
Net business-type activities				<u>5,455,257</u>
Total revenue bonds				<u>\$ 425,366,883</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

The Wastewater Funds are responsible for the following revenue bonds:

<u>Wastewater</u>	
Total revenue bonds	\$ 5,290,000
Net revenue bonds	5,455,257

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

Year Ending	Governmental Activities			Business-type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>						
2026	\$ 12,505,000	\$ 17,430,900	\$ 29,935,900	\$ 3,285,000	\$ 182,375	\$ 3,467,375
2027	12,805,000	16,805,650	29,610,650	2,005,000	50,125	2,055,125
2028	13,115,000	16,165,400	29,280,400	-	-	-
2029	13,445,000	15,509,650	28,954,650	-	-	-
2030	13,790,000	14,837,400	28,627,400	-	-	-
2031-2035	74,775,000	64,201,850	138,976,850	-	-	-
2036-2040	84,120,000	47,816,500	131,936,500	-	-	-
2041-2045	72,830,000	30,671,250	103,501,250	-	-	-
2046-2050	87,340,000	11,822,350	99,162,350	-	-	-
Total	<u>\$ 384,725,000</u>	<u>\$ 235,260,950</u>	<u>\$ 619,985,950</u>	<u>\$ 5,290,000</u>	<u>\$ 232,500</u>	<u>\$ 5,522,500</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 were used for the Chester Arts Center.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025, for the Special Subfund Revenue Bonds are:

	<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 - 1,122,314	\$ 6,317,044
2017A Virginia Resource Authority, due 2037	6,550,000	3.125 - 5.125%	315,000 - 475,000	4,735,000
2017B Virginia Resource Authority, due 2037	7,185,000	3.125 - 5.125%	375,000 - 380,000	4,530,000
2017C Virginia Resource Authority, due 2037	2,675,000	3.125 - 5.125%	140,000 - 145,000	1,680,000
2018A Virginia Resource Authority, due 2039	14,775,000	4.125 - 5.125%	735,000 - 740,000	10,335,000
2018B Virginia Resource Authority, due 2039	4,710,000	3.457 - 4.407%	235,000	<u>3,290,000</u>
Total governmental special subfund revenue bonds				30,887,044
Add: Premium				1,939,935
Less: Discount				<u>(16,841)</u>
Net governmental activities				<u>32,810,138</u>
Business-type Activities				
2016A Virginia Resource Authority due 2028	\$ 44,676	4.476 - 5.125%	\$ 2,618 - 2,686	7,956
Add: Premium				<u>383</u>
Net business-type activities				<u>8,339</u>
Total special subfund revenue bonds				<u>\$ 32,818,477</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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

Year Ending <u>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>
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	2,942,382	1,004,501	3,946,883	2,618	59	2,677
2029	2,190,000	888,156	3,078,156	-	-	-
2030	2,200,000	790,445	2,990,445	-	-	-
2031-2035	11,180,000	2,443,653	13,623,653	-	-	-
2036-2039	6,505,000	415,478	6,920,478	-	-	-
Total	<u>\$ 30,887,044</u>	<u>\$ 7,973,582</u>	<u>\$ 38,860,626</u>	<u>\$ 7,956</u>	<u>\$ 549</u>	<u>\$ 8,505</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 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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.

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.

In December 2022, in accordance with the Support Agreement, the EDA issued bonds to finance the design, acquisition, construction and equipping of certain public infrastructure and open space improvements in the County related to the Spring Rock Green Development project. In the event of default, the lender may, without further demand or notice, declare the entire unpaid balance as due and payable.

The Chippenham Place CDA dissolved on June 29, 2023. As a result of the dissolution, the County assumed the outstanding Series 2017 Revenue Refunding Bond, with a balance of \$6,884,176.

Direct borrowings as of June 30, 2025, are as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Total Outstanding</u>
Governmental Activities				
Chippenham Place Special Assessment Note, due 2032	\$ 11,774,028	2.89%	\$799,658 - \$948,731	\$ 6,106,979
2019 EDA Tax Exempt Revenue Bond, due 2032	15,000,000	2.35	691,000 - 1,459,000	8,952,000
Chester Arts Community Center, due 2032	6,899,800	3.09	459,987	3,219,909
2020C EDA Refunding Bond, due 2030	5,659,000	1.00	389,000 - 423,000	2,031,000
2020E EDA Refunding Bond, due 2035	6,246,000	2.00	400,000 - 479,000	4,384,000
2022 EDA Spring Rock Green Loan, due 2043	23,000,000	4.34	810,000 - 1,694,000	<u>21,625,000</u>
Total governmental activities				<u>\$ 46,318,888</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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

Year Ending	Governmental Activities			
	June 30	Principal	Interest	Total
2026	\$	4,189,644	\$ 1,492,950	\$ 5,682,594
2027		4,279,755	1,376,618	5,656,373
2028		4,373,533	1,257,191	5,630,724
2029		4,468,998	1,134,564	5,603,562
2030		4,567,170	1,008,651	5,575,821
2031-2035		12,739,788	3,447,448	16,187,236
2036-2040		6,831,000	1,823,429	8,654,429
2041-2043		4,869,000	323,091	5,192,091
Total	\$	<u>46,318,888</u>	<u>\$ 11,863,942</u>	<u>\$ 58,182,830</u>

F. 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, 2025, \$1,292,200 remained outstanding on the loan. Projected future debt service payments on the full amount of the loan are as follows:

Year Ending	Business-type Activities			
	June 30	Principal	Interest	Total
2026	\$	92,300	\$ 36,311	\$ 128,611
2027		92,300	33,717	126,017
2028		92,300	31,124	123,424
2029		92,300	28,530	120,830
2030		92,300	25,936	118,236
2031-2035		461,500	90,777	552,277
2036-2039		369,200	25,936	395,136
Total	\$	<u>1,292,200</u>	<u>\$ 272,331</u>	<u>\$ 1,564,531</u>

G. Conduit Debt Obligations

To further economic development in the County, the EDA has issued the following industrial development bonds that meet the definition of a conduit debt obligation. No commitments beyond the collateral, the payments from the private-sector facility, and maintenance of the tax-exempt status of the

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

conduit debt obligation were extended by the EDA for the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements.

Retirement Facilities First Mortgage Revenue Bonds 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. On June 30, 2025, the bonds had an outstanding principal balance of \$26,041,701.

Multifamily Housing Revenue Bonds to finance the acquisition, construction and equipping of multi-family housing developments. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector facility. On June 30, 2025, the outstanding principal balance was \$34,534,871 with \$315,134 remaining on a draw down structure issue.

H. 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 \$35,486,540, \$2,961,224 and \$686,035 for accrued vacation, sick and compensatory time leave benefits, respectively, and the business-type activities of the Primary Government recorded \$1,922,173, \$269,171 and \$104,940 for accrued vacation, sick leave, and compensatory time benefits, respectively. The School Board component unit recorded \$22,147,667 and \$7,576,152 for accrued vacation/personal and sick leave benefits, respectively. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

I. 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 \$7,866,027 for the governmental activities of the Primary Government, \$464,970 for the business-type activities of the Primary Government and \$5,191,000 for the School Board component unit. A liability of \$6,779,564 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, 2025, and b) liabilities for claims incurred but not reported as of June 30, 2025. 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.

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, 2025, are reported as accounts payable in the Healthcare Fund. An estimate of claims incurred but not reported as of June 30, 2025, is reported as a current claims liability in the Healthcare Fund in the amount of \$9,827,000.

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

requirements. The County anticipates it will incur an additional postclosure care liability of \$688,337 at June 30, 2025. 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, 2025, the County's portion of the liability of the shared costs of cleanup is not reasonably estimable.

J. 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 \$198,205,875 for the VRS Local Plan and \$14,508,217 for the County Supplemental Retirement Plan. The business-type activities of the Primary Government recorded net pension liabilities of \$8,969,713 for the VRS Local Plan. The School Board component unit recorded net pension liabilities of \$7,067,377 and \$392,395,458 for the VRS Local and Teachers' Pool Plans and \$233,611 for the School Board Supplemental Retirement Program. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

K. 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 Plan, the Schools VRS cost-sharing Teachers' Pool Health Insurance Credit Program and the Schools VRS Political Subdivision 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 \$24,970,634 for OPEB-Retiree Healthcare, \$3,317,956, for OPEB-Line of Duty, and \$11,557,202 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 \$2,414,863 for OPEB-Retiree Healthcare and \$907,424 for the County's share of VRS cost-sharing Group Life Insurance Plan. The School Board component unit recorded net OPEB liabilities of \$95,140,560 for OPEB-Retiree Healthcare, \$20,903,787 for the School Board's share of VRS cost-sharing Group Life Insurance Plan, \$48,408,824 for the School Board's share of the VRS cost-sharing Teacher Employee Health Insurance Credit Program, and \$1,206,349 for the School Board's share of the VRS cost-sharing Political Subdivision Health Insurance Credit Program. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

L. Changes in Long-term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2025:

Governmental Activities	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
General obligation bonds	\$ 577,065,000	\$ 90,000,000	\$ 52,800,000	\$ 614,265,000	\$ 53,720,000
Add: Premium	44,582,279	9,607,632	7,178,692	47,011,219	6,641,719
Net bonds payable	<u>621,647,279</u>	<u>99,607,632</u>	<u>59,978,692</u>	<u>661,276,219</u>	<u>60,361,719</u>
Revenue bonds payable	391,260,000	-	6,535,000	384,725,000	12,505,000
Add: Premium	38,541,134	-	3,354,508	35,186,626	3,303,580
Net bonds payable	<u>429,801,134</u>	<u>-</u>	<u>9,889,508</u>	<u>419,911,626</u>	<u>15,808,580</u>
Subfund revenue bonds	34,716,247	-	3,829,203	30,887,044	2,932,314
Add: Premium	2,342,855	-	402,920	1,939,935	340,227
Less: Discount	(19,381)	2,540	-	(16,841)	(2,361)
Net subfund revenue bonds payable	<u>37,039,721</u>	<u>2,540</u>	<u>4,232,123</u>	<u>32,810,138</u>	<u>3,270,180</u>
Certificates of participation	327,211	-	327,211	-	-
Add: Premium	2,474	-	2,474	-	-
Net certificates of participation	<u>329,685</u>	<u>-</u>	<u>329,685</u>	<u>-</u>	<u>-</u>
Direct borrowings	<u>51,415,072</u>	<u>-</u>	<u>5,096,184</u>	<u>46,318,888</u>	<u>4,189,644</u>
Total bonds and loans	<u>1,140,232,890</u>	<u>99,610,172</u>	<u>79,526,192</u>	<u>1,160,316,870</u>	<u>83,630,123</u>
Other liabilities:					
Compensated absences, as restated*	35,194,083	3,939,716	-	39,133,799	6,133,241
Judgments and claims:					
Workers' compensation					
and risk claims	13,198,366	2,131,666	684,441	14,645,591	8,272,068
Healthcare claims	8,180,000	1,647,000	-	9,827,000	9,827,000
Landfill	692,542	-	4,205	688,337	135,996
Arbitrage	<u>12,970,260</u>	<u>5,598,176</u>	<u>-</u>	<u>18,568,436</u>	<u>-</u>
Total judgements and claims	<u>35,041,168</u>	<u>9,376,842</u>	<u>688,646</u>	<u>43,729,364</u>	<u>18,235,064</u>
Leases payable	6,451,070	506,111	1,851,682	5,105,499	1,585,510
Subscriptions payable	4,289,408	5,231,142	2,810,399	6,710,151	2,385,843
Net pension liabilities	216,450,598	4,627,230	8,363,736	212,714,092	-
Net other postemployment benefits obligations	<u>42,818,222</u>	<u>-</u>	<u>2,972,430</u>	<u>39,845,792</u>	<u>-</u>
Total other liabilities	<u>340,244,549</u>	<u>23,681,041</u>	<u>16,686,893</u>	<u>347,238,697</u>	<u>28,339,658</u>
Total long-term liabilities	<u>\$ 1,480,477,439</u>	<u>\$ 123,291,213</u>	<u>\$ 96,213,085</u>	<u>\$ 1,507,555,567</u>	<u>\$ 111,969,781</u>

* The change in the compensated absences liability is presented as a net change.

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, \$728,861 for compensated absences, \$17,539,976 for judgments and claims, \$3,665,709 for net pension liabilities, and \$946,700 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Business-type Activities	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
<u>Water Fund</u>					
Revenue bonds payable	\$ 2,240,000	\$ -	\$ 2,240,000	\$ -	\$ -
Add: Premium	41,557	-	41,557	-	-
Net bonds payable	<u>2,281,557</u>	<u>-</u>	<u>2,281,557</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Compensated absences, as restated*	1,137,321	63,144	-	1,200,464	226,676
Judgments and claims	597,429	-	173,593	423,836	212,106
Net pension liabilities	4,743,556	-	175,683	4,567,873	-
Net other postemployment benefits obligations	1,533,785	-	38,089	1,495,696	-
Total other liabilities	<u>7,947,962</u>	<u>63,144</u>	<u>387,365</u>	<u>7,687,869</u>	<u>438,782</u>
Total long-term liabilities	<u>10,229,519</u>	<u>63,144</u>	<u>2,668,922</u>	<u>7,687,869</u>	<u>438,782</u>
<u>Wastewater Fund</u>					
Revenue bonds payable	8,415,000	-	3,125,000	5,290,000	3,285,000
Add: Premium	408,789	-	243,532	165,257	129,629
Net bonds payable	<u>8,823,789</u>	<u>-</u>	<u>3,368,532</u>	<u>5,455,257</u>	<u>3,414,629</u>
Other liabilities:					
Compensated absences, as restated*	1,049,383	3,288	-	1,052,672	167,543
Judgments and claims	74,304	-	33,170	41,134	20,585
Net pension liabilities	4,435,790	-	167,858	4,267,932	-
Net other postemployment benefits obligations	1,823,248	-	48,926	1,774,322	-
Total other liabilities	<u>7,356,400</u>	<u>3,288</u>	<u>249,954</u>	<u>7,136,060</u>	<u>188,128</u>
Total long-term liabilities	<u>16,180,189</u>	<u>3,288</u>	<u>3,618,486</u>	<u>12,591,317</u>	<u>3,602,757</u>
<u>Non-major</u>					
Certificates of participation	12,789	-	12,789	-	-
Add: Premium	99	-	99	-	-
Net certificates of participation	<u>12,888</u>	<u>-</u>	<u>12,888</u>	<u>-</u>	<u>-</u>
Subfund revenue bonds	13,753	-	5,797	7,956	2,686
Add: Premium	733	-	350	383	213
Net subfund revenue bonds payable	<u>14,486</u>	<u>-</u>	<u>6,147</u>	<u>8,339</u>	<u>2,899</u>
Airport Revolving Loan Fund	1,384,500	-	92,300	1,292,200	92,300
Total certificates of participation, revolving loan funds and revenue bonds payable	<u>1,411,874</u>	<u>-</u>	<u>111,335</u>	<u>1,300,539</u>	<u>95,199</u>
Other liabilities:					
Compensated absences, as restated*	32,927	10,221	-	43,148	12,233
Net pension liabilities	140,295	-	6,387	133,908	-
Net other postemployment benefits obligations	53,865	-	1,596	52,269	-
Total other liabilities	<u>226,016</u>	<u>10,221</u>	<u>7,983</u>	<u>229,325</u>	<u>12,233</u>
Total long-term liabilities	<u>1,637,890</u>	<u>10,221</u>	<u>119,318</u>	<u>1,529,864</u>	<u>107,432</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Total Business-type Activities	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
Revenue bonds payable	\$ 10,655,000	\$ -	\$ 5,365,000	\$ 5,290,000	\$ 3,285,000
Add: Premium	450,346	-	285,089	165,257	129,629
Net bonds payable	11,105,346	-	5,650,089	5,455,257	3,414,629
Certificates of participation	12,789	-	12,789	-	-
Add: Premium	99	-	99	-	-
Net certificates of participation	12,888	-	12,888	-	-
Subfund revenue bonds	13,753	-	5,797	7,956	2,686
Add: Premium	733	-	350	383	213
Net subfund revenue bonds payable	14,486	-	6,147	8,339	2,899
Airport Revolving Loan Fund	1,384,500	-	92,300	1,292,200	92,300
Total bonds, certificates of participation revolving fund loans and revenue bonds payable	12,517,220	-	5,761,424	6,755,796	3,509,828
Other liabilities:					
Compensated absences, as restated*	2,219,631	76,653	-	2,296,284	406,453
Judgments and claims	671,733	-	206,763	464,970	232,691
Net pension liabilities	9,319,641	-	349,928	8,969,713	-
Net other postemployment benefits obligations	3,410,898	-	88,611	3,322,287	-
Total other liabilities	15,621,903	76,653	645,302	15,053,254	639,144
Total long-term liabilities	\$ 28,139,123	\$ 76,653	\$ 6,406,726	\$ 21,809,050	\$ 4,148,972

* The change in the compensated absences liability is presented as a net change.

Summaries of long-term obligation transactions for the School Board component unit for the year ended June 30, 2025, are as follows:

School Board	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
Compensated absences*	\$ 28,133,093	\$ 1,590,726	\$ -	\$ 29,723,819	\$ 1,927,100
Judgments and claims	5,204,000	760,612	773,612	5,191,000	2,597,803
Leases payable	6,024,998	1,692,715	1,107,109	6,610,604	1,145,182
Subscription payable	4,677,779	-	1,833,078	2,844,701	1,434,457
Net pension liabilities	424,044,781	-	24,348,335	399,696,446	-
Net other postemployment benefits obligations	171,535,316	-	5,875,796	165,659,520	-
Total long-term liabilities	\$ 639,619,967	\$ 4,044,053	\$ 33,937,930	\$ 609,726,090	\$ 7,104,542

* The change in the compensated absences liability is presented as a net change.

M. 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 \$483,710,529 is reported in the government-wide statements of the Primary Government on behalf of the School Board component unit. In addition, revenue bonds of \$40,000,000, 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.

In addition to the general obligation debt and financed purchase obligations, the Primary Government has also recorded accrued interest payable of \$9,391,633 in the government-wide financial

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

statements on behalf of the School Board component unit; \$9,043,545 for the general obligation bonds and \$348,087 for the revenue bonds issued by the EDA on behalf of the County for use on School projects.

N. Lease Payable

As of June 30, 2025, the County had 24 active leases. The leases have payments that range from \$5,830 to \$316,740 and interest rates that range from 0.6480% to 3.4970%. The total combined value of the lease liability is \$5,105,499 and the total combined value of the short-term lease liability is \$1,585,510. The value of the right to use asset of \$10,707,130 with accumulated amortization of \$5,609,310 is included within the Lease Class activities table found below as of June 30, 2025. These leases had \$0 of variable payments and \$0 of other payments not included in the Lease Liability within the fiscal year.

Governmental Activities

Land Leases	\$	489,111
Building and Office Space Leases		4,202,533
Equipment		<u>413,855</u>
Total Governmental Activities Lease Payable	\$	<u>5,105,499</u>

The future principal and interest lease payments as of June 30, 2025, were as follows:

Year Ending	Governmental Activities		
June 30	Principal	Interest	Total
2026	\$ 1,585,510	\$ 86,068	\$ 1,671,578
2027	1,187,227	58,937	1,246,164
2028	543,975	41,086	585,061
2029	470,216	33,922	504,138
2030	385,115	27,198	412,313
2031-2035	462,757	89,412	552,169
2036-2040	35,664	80,121	115,785
2041-2045	60,940	72,212	133,152
2046-2050	93,745	59,381	153,126
2051-2055	135,907	40,187	176,094
2056-2060	<u>144,443</u>	<u>12,845</u>	<u>157,288</u>
Total	\$ <u>5,105,499</u>	\$ <u>601,369</u>	\$ <u>5,706,868</u>

As of June 30, 2025, the Schools had 10 active leases. The leases have payments that range from \$12,736 to \$267,312 and interest rates that range from 0.9480% to 3.5400%. The total combined value of the lease liability is \$6,610,604 and the total combined value of the short-term lease liability is \$1,145,182. The value of the right to use asset of \$9,138,241 with accumulated amortization of \$2,500,080 is included within the Lease Class activities table found below as of June 30, 2025. These leases had \$0 of variable payments and \$0 of other payments not included in the Lease Liability within the fiscal year.

School Board Component Unit

Building and Office Space Leases	\$	6,604,259
Vehicles and Equipment		<u>6,345</u>
Total Governmental Activities Lease Payable	\$	<u>6,610,604</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

The future principal and interest lease payments as of June 30, 2025, were as follows:

Year Ending	School Component Unit		
	Principal	Interest	Total
<u>June 30</u>			
2026	\$ 1,145,184	\$ 180,738	\$ 1,325,922
2027	1,181,881	148,644	1,330,525
2028	858,253	119,354	977,607
2029	432,412	101,513	533,925
2030	403,430	91,758	495,188
2031-2035	1,296,269	326,740	1,623,009
2036-2040	1,226,002	125,393	1,351,395
2041	<u>67,173</u>	<u>397</u>	<u>67,570</u>
Total	\$ <u>6,610,604</u>	\$ <u>1,094,537</u>	\$ <u>7,705,141</u>

O. Subscription Payable

As of June 30, 2025, the County's governmental activities had 29 active subscriptions. The subscriptions have payments that range from \$9,056 to \$601,233 and interest rates that range from 1.8940% to 3.0700%. The total combined value of the subscription liability is \$6,710,151, and the total combined value of the short-term subscription liability is \$2,385,843. The combined value of the right to use asset is \$17,168,544 with accumulated amortization of \$7,811,141.

As of June 30, 2025, the County's School Board Component Unit had 27 active subscriptions. The subscriptions have payments that range from \$0 to \$361,917 and interest rates that range from 1.8940% to 3.1020%. The total combined value of the subscription liability is \$2,844,701, and the total combined value of the short-term subscription liability is \$1,434,456. The combined value of the right to use asset is \$8,080,597 with accumulated amortization of \$4,900,332.

The future principal and interest subscription payments as of June 30, 2025, were as follows:

Year Ending	Governmental Activities			School Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
<u>June 30</u>						
2026	\$ 2,385,843	\$ 162,247	\$ 2,548,090	\$ 1,434,457	\$ 65,746	\$ 1,500,203
2027	1,975,001	102,756	2,077,757	886,265	47,203	933,468
2028	1,288,691	52,924	1,341,615	523,980	13,926	537,906
2029	513,281	24,648	537,929	-	-	-
2030	132,488	15,678	148,166	-	-	-
2031-2034	<u>414,847</u>	<u>23,470</u>	<u>438,317</u>	-	-	-
Total	\$ <u>6,710,151</u>	\$ <u>381,723</u>	\$ <u>7,091,874</u>	\$ <u>2,844,702</u>	\$ <u>126,875</u>	\$ <u>2,971,577</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

10. Commitments and Contingent Liabilities

A. Commitments

At June 30, 2025 the County had construction in progress commitments for the various projects as follows:

<u>Function</u>	<u>Committed at June 30, 2025</u>
General Government	\$ 4,445,856
Administration of Justice	765,031
Public Safety	70,856,309
Public Works	29,157,515
Parks, Recreation and Cultural	52,350,686
Education - School Board	141,111,453
Community Development	<u>7,089,706</u>
Total Construction in Progress Commitments	<u>\$ 305,776,556</u>

At June 30, 2025 the County had subscriptions in progress commitments for governmental operations as follows:

<u>Function</u>	<u>Committed at June 30, 2025</u>
General Government	\$ 11,941,676
Total Subscriptions in Progress Commitments	<u>\$ 11,941,676</u>

B. Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2025, the County had encumbrances expected to be honored upon performance by vendors in the next year as follows:

<u>Function</u>	<u>Encumbered at June 30, 2025</u>
General Fund	\$ 4,314,901
Capital Projects Fund	161,887,010
Internal Service Funds	2,576,721
Schools Capital Projects Fund	252,569,131
Special Revenue Fund	5,238,506
Stormwater Fund	<u>12,545,121</u>
Total Encumbrances	<u>\$ 439,131,391</u>

C. 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

D. 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 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, 2025 was \$750,000 for non-public safety county employees, \$1,000,000 for public safety employees and \$750,000 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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

	County		School Board	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Workers' Compensation:				
Liability, July 1	\$ 8,689,000	\$ 7,898,000	\$ 5,204,000	\$ 5,014,000
Current year claims	2,047,000	2,958,000	1,974,000	1,745,000
Changes in estimates	401,591	572,971	215,309	289,587
Claim payments	<u>(2,806,591)</u>	<u>(2,739,971)</u>	<u>(2,202,309)</u>	<u>(1,844,587)</u>
Liability, June 30	<u>\$ 8,331,000</u>	<u>\$ 8,689,000</u>	<u>\$ 5,191,000</u>	<u>\$ 5,204,000</u>

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

	<u>2025</u>	<u>2024</u>
Risk Management Fund:		
Liability, July 1	\$ 5,181,102	\$ 4,124,104
Current year claims	7,542,639	7,383,733
Changes in estimates	(3,384,261)	(4,240,902)
Claim payments	<u>(2,559,916)</u>	<u>(2,085,833)</u>
Liability, June 30	<u>\$ 6,779,564</u>	<u>\$ 5,181,102</u>

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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

- 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%.

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:

	Primary Government	Component Unit - School Board
Inactive members or their beneficiaries		
currently receiving benefits	2,950	993
Inactive members:		
Vested	757	175
Non-vested	1,235	733
Active elsewhere in VRS	1,115	335
Total inactive members	3,107	1,243
Active members	3,839	811
Total	9,896	3,047

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/2024-annual-report.pdf> or obtained by writing to VRS at P.O. Box 2500, Richmond, VA, 23218-2500.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 \$53,446,940 and \$2,597,885, representing contribution rates of 17.14% and 8.97% of covered employee compensation, respectively, were equal to contractually required contributions. The contractually required contribution rates were determined as part of the June 30, 2023, 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 2025 was \$67,665,303. The contractually required contribution rate for the year ended June 30, 2025, excluding the 5% member rate, was 14.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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.

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, 2025, the County reported a net pension liability of \$207,175,588 measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

For the year ended June 30, 2025, the County recognized pension expense of \$49,704,070. 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	\$ -	\$ 34,353,721
Differences between expected and actual experience	47,794,760	139,208
Contributions subsequent to the measurement date	53,446,940	-
Changes of assumptions	363,143	-
Total	\$ 101,604,843	\$ 34,492,929

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, 2026. 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
2026	\$ (7,828,884)
2027	27,956,563
2028	894,611
2029	(7,357,316)
Total	\$ 13,664,974

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	\$ 406,947,123	\$ 207,175,588	\$ 42,363,000

Component Unit - School Board

At June 30, 2025, the School Board reported a net pension liability of \$7,067,377 measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

For the year ended June 30, 2025, the School Board recognized pension expense of \$1,658,803. 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	\$ -	\$ 3,354,369
Difference between expected and actual experience	1,095,851	-
Contributions subsequent to the measurement date	<u>2,597,885</u>	<u>-</u>
Total	<u>\$ 3,693,736</u>	<u>\$ 3,354,369</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, 2026. 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 (Inflows)/Outflows of Resources</u>
2026	\$ (1,911,654)
2027	969,922
2028	(625,320)
2029	<u>(691,466)</u>
Total	<u>\$ (2,258,518)</u>

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 5.75%</u>	<u>Current Discount 6.75%</u>	<u>1% Increase 7.75%</u>
Net pension liability	\$ 20,827,662	\$ 7,067,377	\$ (4,471,727)

b. VRS Teachers' Pool

At June 30, 2025, the School Board reported a net pension liability of \$392,395,458 for its proportionate share of the net pension liability in the VRS Teachers' Pool. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2023, and rolled forward to the measurement date of June 30, 2024. 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 4.18023%, which was an increase of 0.09661% from June 30, 2024.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

For the year ended June 30, 2025, the School Board recognized pension expense of \$49,660,474. 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	\$ -	\$ 54,013,474
Difference between expected and actual experience	68,075,079	8,079,696
Changes in proportionate share of contributions	25,472,306	669,401
Contributions subsequent to the measurement date	67,665,303	-
Changes of assumptions	7,122,502	-
Total	\$ 168,335,190	\$ 62,762,571

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, 2026. 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
2026	\$ (12,968,931)
2027	42,019,350
2028	12,439,341
2029	(3,582,443)
Total	\$ 37,907,317

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	\$ 728,993,847	\$ 392,395,458	\$ 116,732,086

4. Actuarial Assumptions

Total pension liabilities in the VRS plans were based on an actuarial valuation as of June 30, 2023, 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, 2024.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2024, 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 expenses
Mortality rates:	20% 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 rate 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

2. Hazardous Duty

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2024, 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 with a Modified MP- 2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP- 2020 Improvement Scale; 110 % of rates for males; 105% of rates for females set forward 3 years
Post-disablement.....	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP- 2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2024, 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

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

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	<u>(3.00%)</u>	3.50%	<u>(0.11%)</u>
Total	<u>100.00%</u>		<u>7.07%</u>

*Expected arithmetic nominal return 7.07%

*The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024 on, school divisions are assumed to continue to contribute 100% of the actuarially 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, 2023	\$ 1,457,248,367	\$ 1,241,359,115	\$ 215,889,252
Service Cost	38,680,002	-	38,680,002
Interest	98,455,261	-	98,455,261
Difference between expected and actual experience	33,787,943	-	33,787,943
Contributions - employer	-	46,816,099	(46,816,099)
Contributions - employee	-	13,502,382	(13,502,382)
Net investment income	-	120,068,841	(120,068,841)
Benefit payments, including refunds of employee contributions	(74,663,807)	(74,663,807)	-
Administrative expense	-	(774,690)	774,690
Other changes	-	24,238	(24,238)
Net changes	96,259,399	104,973,063	(8,713,664)
Balance at June 30, 2024	\$ 1,553,507,766	\$ 1,346,332,178	\$ 207,175,588

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

b. VRS Local Plan - School Board Component Unit

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2023	\$ 126,075,380	\$ 117,214,359	\$ 8,861,021
Changes:			
Service cost	2,204,619	-	2,204,619
Interest	8,365,894	-	8,365,894
Difference between expected and actual experience	2,556,985	-	2,556,985
Contributions - employer	-	2,441,092	(2,441,092)
Contributions - employee	-	1,354,338	(1,354,338)
Net investment income	-	11,201,812	(11,201,812)
Benefit payments, including refunds of employee contributions	(8,681,660)	(8,681,660)	-
Administrative expense	-	(78,001)	78,001
Other changes	-	1,901	(1,901)
Net Changes	<u>4,445,838</u>	<u>6,239,482</u>	<u>(1,793,644)</u>
Balance at June 30, 2024	<u>\$ 130,521,218</u>	<u>\$ 123,453,841</u>	<u>\$ 7,067,377</u>

6. Payables to the VRS Plans

At June 30, 2025, 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	\$3,016,543
VRS Local plan - School Board	63,155
VRS Teachers' Pool - School Board	3,208,337

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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.

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, 2025:

Active members	1,156
Terminated members with vested rights	51
Retired members with benefits in pay status and beneficiaries of deceased members receiving benefits	<u>383</u>
Total	<u>1,590</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, 2025 was determined as part of the June 30, 2025 actuarial valuation. The County contributed \$3,215,467, which was greater than the actuarially determined contribution.

4. Rate of Return

As of June 30, 2025, the annual money-weighted rate of return on cash flows on the plan investments, net of pension plan investment expense, was 9.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 \$14,508,217. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2025. 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, 2025, the County recognized pension expense of \$5,632,530.
- 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ 637,838
Difference between expected and actual experience	9,789,333	555,824
Change in assumptions	343,482	532,859
Total	\$ 10,132,815	\$ 1,726,521

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

Year ending June 30:	Deferred (Inflows)/Outflows of Resources
2026	\$ 4,424,081
2027	2,941,568
2028	1,345,636
2029	(304,991)
Total	\$ 8,406,294

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2024	\$ 63,492,935	\$ 53,611,948	\$ 9,880,987
Service cost	477,075	-	477,075
Interest	4,065,911	-	4,065,911
Contributions - employer	-	3,215,467	(3,215,467)
Net investment income	-	5,020,687	(5,020,687)
Administrative expenses	-	(43,424)	43,424
Change in assumptions	(710,479)		(710,479)
Difference between expected and actual experience	8,987,453	-	8,987,453
Benefit payments	<u>(2,835,069)</u>	<u>(2,835,069)</u>	<u>-</u>
Net changes	<u>9,984,891</u>	<u>5,357,661</u>	<u>4,627,230</u>
Balance at June 30, 2025	<u>\$ 73,477,826</u>	<u>\$ 58,969,609</u>	<u>\$ 14,508,217</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, 2025
Actuarial cost method	Entry age normal
Valuation date	July 1, 2025
Investment rate of return	6.5%
Projected salary increases, including inflation	3.50%-5.0%
Inflation rate	2.50% for 2024, 2.40% for 2025 and thereafter
Mortality (post-retirement)	Pub-2010 General Amount-Weighted mortality table, with future generational mortality improvements projected according to Scale MP-21

- 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.

	<u>1% Decrease 5.5%</u>	<u>Current Discount 6.5%</u>	<u>1% Increase 7.5%</u>
Net pension liability \$	25,095,230	\$ 14,508,217	\$ 5,816,710

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

8. Fiduciary Net Position

As of June 30, 2025, the Plan fiduciary net position of \$58,969,609, as a percentage of the total pension liability, was 80.25%.

Chesterfield County, Virginia	
Supplemental Retirement	
Pension Trust	
Assets	
Cash and cash equivalents	\$ 3,001,582
Accounts receivable	117,574
Investments	<u>55,850,453</u>
Total assets	<u>58,969,609</u>
Fiduciary net position	
Restricted for pension benefits	<u>\$ 58,969,609</u>
Additions:	
Contributions	\$ 3,215,467
Investment earnings	5,248,407
Less investment expenses	<u>(227,720)</u>
Net investment income	<u>5,020,687</u>
Total additions, net	<u>8,236,154</u>
Deductions:	
Benefit payments	2,835,069
Administrative expenses	<u>43,424</u>
Total deductions	<u>2,878,493</u>
Increase in net position restricted for pension benefits	5,357,661
Fiduciary net position - July 1, 2024	<u>53,611,948</u>
Fiduciary net position - June 30, 2025	<u>\$ 58,969,609</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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
Notes to Financial Statements
June 30, 2025

b) Membership: Membership of the Program consisted of the following at June 30, 2025:

Active participants	2,004
Retirees (vested)	476
Retirees (non-vested)	<u>141</u>
Total	<u>2,621</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, 2025, was determined as part of the June 30, 2025 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 \$3,500,000, which was greater than the actuarially determined contribution, to the Program.

4. Rate of Return

As of June 30, 2025, the annual money-weighted rate of return on cash flows on the Program's long-term investments, net of investment expense, was 10.38%. 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, 2025, the School Board reported a net pension liability of \$233,611, measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by the June 30, 2025 actuarial valuation date.

b) Pension expense: For the year ended June 30, 2025, the School Board recognized pension expense of \$2,276,937.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ 3,741,838
Difference between expected and actual experience	7,334,179	657,299
Change in assumptions	2,148,181	372,208
Total	\$ 9,482,360	\$ 4,771,345

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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
2026	\$ 2,522,086
2027	1,169,548
2028	1,071,169
2029	(51,788)
Total	\$ 4,711,015

6. Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2024	\$ 82,738,448	\$ 80,294,524	\$ 2,443,924
Service cost	1,092,961	-	1,092,961
Interest	5,218,886	-	5,218,886
Differences between expected and actual experience	2,727,366	-	2,727,366
Change in assumptions	(178,743)	-	(178,743)
Change in benefit terms	-	-	-
Contributions - employer	-	3,500,000	(3,500,000)
Net investment income	-	7,899,622	(7,899,622)
Administrative expenses	-	(328,839)	328,839
Other	-	-	-
Benefit payments	(7,081,717)	(7,081,717)	-
Net changes	1,778,753	3,989,066	(2,210,313)
Balance at June 30, 2025	\$ 84,517,201	\$ 84,283,590	\$ 233,611

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, 2025. Assumptions were determined from an experience study dated May 19, 2022.

Actuarial cost method	Entry age normal
Projected salary increase, including inflation	3.25-4.75%
Inflation rate	2.0%
Mortality	Pub-2016 General Amount-Weighted mortality table, with future generational improvements projected according to Scale MP-21

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 \$	\$ 5,608,077	\$ 233,611	\$ (4,719,637)

8. Fiduciary Net Position

As of June 30, 2025, the Plan fiduciary net position of \$84,283,590 as a percentage of the pension total liability was 99.72%.

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

Assets	
Cash, cash equivalents and investments	\$ 84,167,217
Interest Receivable	132,241
Due from broker	-
Total assets	84,299,458
Liabilities	
Due to broker	15,868
Fiduciary Net Position	
Restricted for pension benefits	\$ 84,283,590
Additions:	
Contributions	\$ 3,500,000
Investment earnings	7,899,622
Total additions	11,399,622
Deductions:	
Benefit payments	7,081,717
Administrative expenses	328,839
Total deductions	7,410,556
Increase in net position restricted for pension benefits	3,989,066
Fiduciary net position - July 1, 2024	80,294,524
Fiduciary net position - June 30, 2025	\$ 84,283,590

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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	\$ 51,300,574	\$ 2,146,366	\$ 53,446,940	\$ 2,597,885
VRS Teachers' Pool	-	-	-	67,665,303
Deferred pension difference between expected and actual:				
VRS Local Plan	45,875,380	1,919,380	47,794,760	1,095,851
VRS Teachers Pool	-	-	-	68,075,079
Supplemental Retirement Plan	9,789,333	-	9,789,333	7,334,179
Deferred change in assumptions:				
VRS Local Plan	348,561	14,582	363,143	-
VRS Teachers Pool	-	-	-	7,122,502
Supplemental Retirement Plan	343,482	-	343,482	2,148,181
Deferred change in proportionate share:				
VRS Teachers' Pool	-	-	-	25,472,306
	<u>\$ 107,657,330</u>	<u>\$ 4,080,328</u>	<u>\$ 111,737,658</u>	<u>\$ 181,511,286</u>
Total deferred outflows of resources related to pensions				

	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	\$ 32,974,115	\$ 1,379,607	\$ 34,353,722	\$ 3,354,369
VRS Teachers' Pool	-	-	-	54,013,474
Supplemental Retirement Plan	637,838	-	637,838	3,741,838
Deferred pension difference between expected and actual:				
VRS Local Plan	133,616	5,592	139,208	-
VRS Teachers' Pool	-	-	-	8,079,696
Supplemental Retirement Plan	555,824	-	555,824	657,299
Deferred change in assumptions:				
Supplemental Retirement Plan	532,859	-	532,859	372,208
Deferred change in proportionate share:				
VRS Teachers' Pool	-	-	-	669,401
	<u>\$ 34,834,252</u>	<u>\$ 1,385,199</u>	<u>\$ 36,219,451</u>	<u>\$ 70,888,285</u>
Total deferred inflows of resources related to pensions				

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

<u>Enterprise funds</u>	<u>Water</u>	<u>Wastewater</u>	<u>Non-major Airport</u>	<u>Total</u>
Deferred Outflows of Resources related to Pensions				
Deferred contributions:				
VRS Local Plan	\$ 1,077,597	\$ 1,029,593	\$ 39,176	\$ 2,146,366
Deferred pension difference between expected and actual:				
VRS Local Plan	963,641	920,708	35,031	1,919,380
Deferred change in assumptions:				
VRS Local Plan	<u>7,322</u>	<u>6,998</u>	<u>262</u>	<u>14,582</u>
Total deferred outflows of resources related to pensions	<u>\$ 2,048,560</u>	<u>\$ 1,957,299</u>	<u>\$ 74,469</u>	<u>\$ 4,080,328</u>

<u>Enterprise funds</u>	<u>Water</u>	<u>Wastewater</u>	<u>Non-major Airport</u>	<u>Total</u>
Deferred Inflows of Resources related to Pensions				
Deferred investment experience:				
VRS Local Plan	\$ 692,640	\$ 661,786	\$ 25,181	\$ 1,379,607
Deferred pension difference between expected and actual:				
VRS Local Plan	<u>2,810</u>	<u>2,681</u>	<u>101</u>	<u>5,592</u>
Total deferred inflows of resources related to pensions	<u>\$ 695,450</u>	<u>\$ 664,467</u>	<u>\$ 25,282</u>	<u>\$ 1,385,199</u>

<u>Internal Service funds</u>	<u>Vehicle and Communications</u>	<u>Risk Management</u>	<u>Total</u>
Deferred Outflows of Resources related to Pensions			
Deferred contributions:			
VRS Local Plan	\$ 758,273	\$ 200,226	\$ 958,499
Deferred pension difference between expected and actual:			
VRS Local Plan	678,082	179,054	857,136
Deferred change in assumptions:			
VRS Local Plan	<u>5,152</u>	<u>1,363</u>	<u>6,515</u>
Total deferred outflows of resources related to pensions	<u>\$ 1,441,507</u>	<u>\$ 380,643</u>	<u>\$ 1,822,150</u>

<u>Internal Service funds</u>	<u>Vehicle and Communications</u>	<u>Risk Management</u>	<u>Total</u>
Deferred Inflows of Resources related to Pensions			
Deferred investment experience:			
VRS Local Plan	\$ 487,391	\$ 128,691	\$ 616,082
Deferred pension difference between expected and actual:			
VRS Local Plan	<u>1,971</u>	<u>525</u>	<u>2,496</u>
Total deferred inflows of resources related to pensions	<u>\$ 489,362</u>	<u>\$ 129,216</u>	<u>\$ 618,578</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

E. Summary of Net Pension Liability and Expense by Pension Plan

	Primary Government			Component Unit
	Governmental	Business-type	Total	School Board
	Activities	Activities		
Net Pension Liability				
VRS Local	\$ 198,205,875	\$ 8,969,713	\$ 207,175,588	\$ 7,067,377
VRS Local - Teachers' Pool	-	-	-	392,395,458
Supplemental Retirement	14,508,217	-	14,508,217	233,611
Total net pension liability	<u>\$ 212,714,092</u>	<u>\$ 8,969,713</u>	<u>\$ 221,683,805</u>	<u>\$ 399,696,446</u>
Pension Expense				
VRS Local	\$ 47,708,015	\$ 1,996,055	\$ 49,704,070	\$ 1,658,803
VRS Local - Teachers' Pool	-	-	-	49,660,474
Supplemental Retirement	5,632,530	-	5,632,530	2,276,937
Total pension expense	<u>\$ 53,340,545</u>	<u>\$ 1,996,055</u>	<u>\$ 55,336,600</u>	<u>\$ 53,596,214</u>
			Non-major Airport	
Enterprise funds	Water	Wastewater		Total
Net Pension Liability				
VRS Local	\$ 4,567,873	\$ 4,267,932	\$ 133,908	\$ 8,969,713
Pension Expense				
VRS Local	\$ 1,002,133	\$ 957,490	\$ 36,432	\$ 1,996,055
Internal Service funds	Vehicle and Communications	Risk Management	Total	
Net Pension Liability				
VRS Local	\$ 3,197,231	\$ 468,478	\$ 3,665,709	
Pension Expense				
VRS Local	\$ 705,170	\$ 186,205	\$ 891,375	

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025 are:

Years of Service	Grandfathered	Non-grandfathered
0 to 9	-	-
10 to 14	50%	-
15 to 19	100%*	\$230 per month
20 to 24	100%*	\$343 per month
25+	100%*	\$457 per month
<i>* as a percentage of the County's contribution, not the total premium</i>		

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 \$271 per month indexed at 3% per year plus up to \$40 per month 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 up to \$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.

Employees covered by the benefit terms of the Other Postemployment Benefit Plan are as follows:

	Primary Government
Inactive members or their beneficiaries currently receiving benefits	1,364
Active members	3,955
Total	5,319

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

2. Contributions

As of June 30, 2025, the County has \$50,472,115 in plan fiduciary net position accumulated for payment of future benefits. The County made contributions and paid premiums to the trust totaling \$6,651,426, which was greater than the actuarially determined contribution (ADC) of \$4,747,480. 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, 2025, the County reported a net OPEB liability of \$27,385,497, measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2025. 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, 2025, the County recognized OPEB income of \$1,816,919. 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	\$ 60,249	\$ -
Difference between expected and actual experience	4,258,767	6,263,416
Change in assumptions or other inputs	1,615,502	7,055,880
Total	\$ 5,934,518	\$ 13,319,296

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

	Deferred Outflows/ (Inflows) of Resources
<u>Year ending June 30:</u>	of Resources
2026	\$ (2,692,351)
2027	(2,602,485)
2028	(1,544,370)
2029	(833,240)
2030	(356,026)
Thereafter	643,694
Total	\$ (7,384,778)

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, 2025

	Net OPEB liability		
	Discount Rate		
	1% Decrease	Current Discount	1% Increase
	<u>6%</u>	<u>7%</u>	<u>8%</u>
Net OPEB liability	\$ 33,751,606	\$ 27,385,497	\$ 21,752,107

	Net OPEB liability		
	Health Care Cost Trend		
	1% Decrease	Current Cost Trend	1% Increase
	<u>1%</u>	<u>Current</u>	<u>1%</u>
Net OPEB liability	\$ 23,021,193	\$ 27,385,497	\$ 32,392,582

4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for the Primary Government were based on an actuarial valuation as of June 30, 2025, 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, 2025
Investment rate of return	7.00%
Inflation.....	2.60%
Salary increases.....	3.50% - 5.35%; based on Top 10 non-Hazardous Duty and Top 10 Hazardous Duty assumption used in the June 30, 2021 VRS valuation
Healthcare cost trend rates	6.60% for 2025 decreasing to and ultimate rate of 4.04% by 2075+
Mortality-locality non-hazardous duty employees:	
Pre-retirement	Pub-2010 General Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement	Pub-2010 General Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Mortality-locality hazardous duty employees:	
Pre-retirement	Pub-2010 Public Safety Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement	Pub-2010 Public Safety Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021

- 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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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</u>
Total Equity		
Large Cap Equity	21.00%	7.20%
Small Cap Equity	10.00%	8.59%
International Equity	13.00%	7.97%
Emerging Markets Equity	5.00%	9.24%
Private Equity	10.00%	10.51%
Long/Short Equity	6.00%	5.39%
Fixed Income		
Core Plus	16.00%	2.83%
Liquid Absolute Return	4.00%	4.25%
Real Assets		
Core Real Estate	10.00%	6.45%
Opportunistic Real Estate	<u>5.00%</u>	9.45%
Total	<u>100.00%</u>	6.98%

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, 2024	\$ 74,041,519	\$ 46,401,314	\$ 27,640,205
Service cost	941,693	-	941,693
Interest	5,019,962	-	5,019,962
Change in assumptions	(57,076)	-	(57,076)
Differences in expected and actual experience	4,562,940	-	4,562,940
Net investment income	-	4,071,301	(4,071,301)
Administrative expenses	-	(500)	500
Employer contributions	-	6,651,426	(6,651,426)
Benefit payments	<u>(6,651,426)</u>	<u>(6,651,426)</u>	<u>-</u>
Net changes	3,816,093	4,070,801	(254,708)
Balance at June 30, 2025	<u>\$ 77,857,612</u>	<u>\$ 50,472,115</u>	<u>\$ 27,385,497</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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

- a) Rate of Return: As of June 30, 2025, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 8.80%. 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, 2025 were as follows:

	Net OPEB Liability
Total OPEB liability	\$ 77,857,612
Plan fiduciary net position	(50,472,115)
Net OPEB liability	\$ 27,385,497
	64.83%

Chesterfield County, Virginia
Postemployment Retiree Healthcare
Benefits Trust - County

Assets	
Cash, investments and receivable	\$ 50,472,115
Fiduciary net position	
Restricted for other postemployment benefits	\$ 50,472,115
Additions:	
Contributions	\$ 6,651,426
Investment earnings	4,101,771
Less investment expenses	(30,470)
Net investment income	4,071,301
Total additions, net	10,722,727
Deductions:	
Benefit payments	(6,651,426)
Administrative expenses	(500)
Total deductions	(6,651,926)
Increase in net position restricted for other postemployment benefits	4,070,801
Fiduciary net position - July 1, 2024	46,401,314
Fiduciary net position - June 30, 2025	\$ 50,472,115

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 1,569 participants in the program in fiscal year 2025. 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.

2. Contributions

As of June 30, 2025, the County had \$22,171,705 in plan fiduciary net position accumulated for payment of future benefits. The County made contributions and paid premiums to the trust totaling \$2,303,002, which was greater than the actuarially determined contribution (ADC) of \$2,136,601. 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, 2025, the County reported a net OPEB liability of \$3,317,956, measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2025. 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, 2025, the County recognized OPEB expense of \$2,014,785. 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	\$ 5,690	\$ -
Difference between expected and actual experience	2,195,558	3,472,539
Change in assumptions	3,092,931	2,842,287
Total	\$ 5,294,179	\$ 6,314,826

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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

<u>Year ending June 30:</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2026	\$ 282,944
2027	(176,872)
2028	(181,503)
2029	(107,967)
2030	(47,277)
Thereafter	<u>(789,972)</u>
Total	<u>\$ (1,020,647)</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		
	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>6%</u>	<u>7%</u>	<u>8%</u>
Net OPEB liability	\$ 6,387,560	\$ 3,317,956	\$ 774,296

	Net OPEB liability		
	Health Care Cost Trend		
	<u>1% Decrease</u>	<u>Current Cost Trend</u>	<u>1% Increase</u>
Net OPEB liability	\$ (215,987)	\$ 3,317,956	\$ 7,675,083

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, 2025, 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025
Investment rate of return	7.0%
Inflation.....	2.6%
Salary increases.....	3.50% - 4.75%; based on top 10 Hazardous Duty assumption used in the June 30, 2021 VRS LODA valuation
Healthcare cost trend rates	6.60% for 2025 and decreasing to an ultimate rate of 4.04% by 2075+
Pre-retirement mortality.....	Pub-2010 Public Safety Employees Headcount- Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement mortality	Pub-2010 Public Safety Retirees Headcount- Weighted Mortality Table projected fully generationally using scale MP-2021
Disabled	Pub-2010 Public Safety Disabled Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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%	7.20%
Small Cap Equity	10.00%	8.59%
International Equity	13.00%	7.97%
Emerging Markets Equity	5.00%	9.24%
Private Equity	10.00%	10.51%
Long/Short Equity	6.00%	5.39%
Fixed Income		
Core Plus	16.00%	2.83%
Liquid Absolute Return	4.00%	4.25%
Real Assets		
Core Real Estate	10.00%	6.45%
Opportunistic Real Estate	<u>5.00%</u>	9.45%
Total	<u>100.00%</u>	6.98%

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, 2024	\$ 24,540,494	\$ 19,324,883	\$ 5,215,611
Service cost	1,694,641	-	1,694,641
Interest	1,796,839	-	1,796,839
Changes of benefit terms	96,892		96,892
Change in assumptions	(12,572)	-	(12,572)
Differences in expected and actual experience	(1,475,132)	-	(1,475,132)
Net investment income		1,695,821	(1,695,821)
Administrative expenses		(500)	500
Employer contributions		2,303,002	(2,303,002)
Benefit payments	<u>(1,151,501)</u>	<u>(1,151,501)</u>	<u>-</u>
Net changes	<u>949,167</u>	<u>2,846,822</u>	<u>(1,897,655)</u>
Balance at June 30, 2025	<u>\$ 25,489,661</u>	<u>\$ 22,171,705</u>	<u>\$ 3,317,956</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 8.80%. 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, 2025, were as follows:

	<u>Net OPEB Liability</u>
Total OPEB liability	\$ 25,489,661
Plan fiduciary net position	<u>(22,171,705)</u>
Net OPEB liability	<u>\$ 3,317,956</u>
Fiduciary net position as a percent of total OPEB liability	86.98%

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

Assets	
Cash, investments and receivable	\$ <u>22,171,705</u>
Fiduciary net position	
Restricted for other postemployments benefits	<u>\$ 22,171,705</u>
Additions:	
Contributions	\$ 2,303,002
Investment earnings	1,708,233
Less investment expenses	<u>(12,412)</u>
Net investment income	<u>1,695,821</u>
Total additions, net	<u>3,998,823</u>
Deductions:	
Benefit payments	1,151,501
Administrative expenses	<u>500</u>
Total deductions	<u>1,152,001</u>
for other postemployment benefits	2,846,822
Fiduciary net position - July 1, 2024	<u>19,324,883</u>
Fiduciary net position - June 30, 2025	<u>\$ 22,171,705</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025 are:

Years of Service	Grandfathered	Non-grandfathered
0 to 9	-	-
10 to 14	100%*	-
15 to 19	100%*	\$241 per month
20 to 24	100%*	\$361 per month
25+	100%*	\$481 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, 2025

2. Contributions

As of June 30, 2025, the School Board has \$35,753,372 in plan fiduciary net position accumulated for payment of future benefits. The School Board made contributions and paid premiums to the trust totaling \$13,689,657, which was greater than the actuarially determined contribution (ADC) of \$10,449,730. 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, 2025, the School Board reported a net OPEB liability of \$95,140,560, measured as of June 30, 2025. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2025. 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, 2025, the School Board recognized OPEB income of \$1,667,197. 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	\$ 23,907	\$ -
Difference between expected and actual experience	2,918,256	12,935,153
Change in assumptions	968,263	4,317,559
Total	\$ 3,910,426	\$ 17,252,712

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
2026	\$ (7,199,284)
2027	(5,241,945)
2028	(1,507,298)
2029	606,241
Total	\$ (13,342,286)

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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		
	<u>1% Decrease</u> 6%	<u>Current Discount</u> 7%	<u>1% Increase</u> 8%
Net OPEB liability	\$ 105,292,060	\$ 95,140,560	\$ 86,152,624

	Net OPEB liability		
	Health Care Cost Trend		
	<u>1% Decrease</u>	<u>Current Cost Trend</u>	<u>1% Increase</u>
Net OPEB liability	\$ 88,673,113	\$ 95,140,560	\$ 102,417,306

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, 2025, 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, 2025
Investment rate of return.....	7.00%
Inflation.....	2.60%
Salary increases	3.50% - 5.95% for Teachers (based on Teachers assumption used in the June 30, 2021 VRS valuation) 3.50% - 5.35% for non-Teachers (based on Top 10 non-Hazardous Duty assumption used in the June 30, 2021 VRS valuation)
Healthcare cost trend rates.....	6.60% for 2025 decreasing to and ultimate rate of 4.04% by 2075+
Pre-retirement mortality	Teachers: Pub-2010 Teachers Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021 Non-Teachers: Pub-2010 General Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement mortality.....	Teachers: Pub-2010 Teachers Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021 Non-Teachers: Pub-2010 General Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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</u>
Total Equity		
Large Cap Equity	21.00%	7.20%
Small Cap Equity	10.00%	8.59%
International Equity	13.00%	7.97%
Emerging Markets Equity	5.00%	9.24%
Private Equity	10.00%	10.51%
Long/Short Equity	6.00%	5.39%
Fixed Income		
Core Plus	16.00%	2.83%
Liquid Absolute Return	4.00%	4.25%
Real Assets		
Core Real Estate	10.00%	6.45%
Opportunistic Real Estate	<u>5.00%</u>	9.45%
Total	<u>100.00%</u>	6.98%

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2024	\$ 130,128,696	\$ 31,950,181	\$ 98,178,515
Service cost	1,138,802	-	1,138,802
Interest	8,752,099	-	8,752,099
Change in assumptions	(83,828)	-	(83,828)
Differences in expected and actual experience	3,647,820	-	3,647,820
Net investment income	-	2,803,691	(2,803,691)
Administrative expenses	-	(500)	500
Employer contributions	-	13,689,657	(13,689,657)
Benefit payments	<u>(12,689,657)</u>	<u>(12,689,657)</u>	<u>-</u>
Net changes	<u>765,236</u>	<u>3,803,191</u>	<u>(3,037,955)</u>
Balance at June 30, 2025	<u>\$ 130,893,932</u>	<u>\$ 35,753,372</u>	<u>\$ 95,140,560</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, 2025, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 8.81%. 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, 2025 were as follows:

	<u>Net OPEB Liability</u>
Total OPEB liability	\$ 130,893,932
Plan fiduciary net position	<u>(35,753,372)</u>
Net OPEB liability	<u>\$ 95,140,560</u>

Fiduciary net position as
a percent of total
OPEB liability 27.31%

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Chesterfield County, Virginia
Postemployment Retiree Healthcare
Benefits Trust - Schools

Assets	
Cash, investments and receivable	<u>\$ 35,753,372</u>
Fiduciary Net Position	
Restricted for other postemployment benefits	<u>\$ 35,753,372</u>
Additions:	
Contributions	\$ 13,689,657
Investment earnings	2,824,479
Less investment expenses	<u>(20,788)</u>
Net investment income	2,803,691
Total additions, net	<u>16,493,348</u>
Deductions:	
Benefit payments	12,689,657
Administrative expenses	<u>500</u>
Total deductions	<u>12,690,157</u>
Increase in net position restricted for other postemployment benefits	3,803,191
Fiduciary net position - July 1, 2024	<u>31,950,181</u>
Fiduciary net position - June 30, 2025	<u>\$ 35,753,372</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 2023 ACFR. A copy of the 202 VRS ACFR may be downloaded from the VRS website at [VRS ACFR for the Fiscal Year Ended June 30, 2024 \(varetire.org\)](https://www.varetire.org) 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 additional 25% on each subsequent January 1 until it reaches 25% of its original value. For

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 \$9,532 as of June 30, 2025.

- 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, 2024 was 0.54% of covered employee compensation. This rate was determined from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program for the years ended June 30, 2025 and June 30, 2024 by the County and School Board component unit are as follows:

<u>Description</u>	<u>2025</u>	<u>2024</u>
County	\$1,469,349	\$1,548,864
School Board - non-professional	154,341	170,009
School Board - professional	2,232,639	2,427,285

- c) Liabilities - At June 30, 2025, the County, School Board component unit non-professional and Professional groups reported liabilities of \$12,464,626, \$1,368,232 and \$19,535,555, 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, 2024 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, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024 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, 2024 and June 30, 2023 were as follows:

<u>Description</u>	<u>2024</u>	<u>2023</u>
County	1.11698%	1.11508%
School Board - non-professional	0.12261%	0.11492%
School Board - professional	1.75062%	1.73743%

For the year ended June 30, 2025, the County recognized GLI OPEB expense of \$581,695 and School Board component unit non-professional group recognized GLI OPEB expense of \$114,627. The School Board component unit professional group recognized GLI OPEB expense of \$861,591. 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

At June 30, 2025, 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	\$ 1,965,958	\$ 304,469
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,050,638
Change in assumptions	71,049	617,721
Changes in proportion	982,185	10,196
Employer contributions subsequent to measurement date	1,469,349	-
Total	\$ 4,488,541	\$ 1,983,024

(ii) School Board - non-professional group:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 215,802	\$ 33,421
Net difference between projected and actual earnings on GLI OPEB program investments	-	115,328
Change in assumptions	7,799	67,807
Changes in proportion	202,917	36,086
Employer contributions subsequent to the measurement date	154,341	-
Total	\$ 580,859	\$ 252,642

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

(iii) School Board - professional group:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,081,206	\$ 477,188
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,646,643
Change in assumptions	111,353	968,142
Changes in proportion	1,229,510	86,808
Employer contributions subsequent to the measurement date	<u>2,232,639</u>	<u>-</u>
Total	<u>\$ 6,654,708</u>	<u>\$ 3,178,781</u>

County, School Board component unit non-professional and professional contributions of \$1,469,349, \$154,341, and \$2,232,639, 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, 2026. 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
2025	\$ (262,785)	\$ (14,242)	\$ (496,449)
2026	504,511	61,744	762,465
2027	280,145	54,110	313,765
2028	317,252	37,088	336,192
2029	197,046	35,176	327,316
Thereafter	-	-	-
Total	<u>\$ 1,036,169</u>	<u>\$ 173,876</u>	<u>\$ 1,243,289</u>

d) Actuarial assumptions - The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023 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, 2024.

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality rates (all).....	Update to PUB2010 public sector mortality tables. 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

3) Mortality rates - School Board - professional:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

- 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, 2024, the net GLI OPEB liability is as follows (amounts expressed in thousands):

Total for the Cost-Sharing Employer Plans - GLI (all employers)	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,132
Employers' Net GLI OPEB Liability	\$ 1,115,922
Plan Fiduciary Net Position as a % of the Total GLI OPEB Liability	73.41%

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 (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%

*Expected arithmetic nominal return 7.07%

*The above allocation provides a one-year return of 7.07%. 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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

- 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 employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate.

From July 1, 2024 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

- h) Sensitivity - 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	\$ 19,384,113	\$ 12,464,626	\$ 6,874,591
School Board - non-professional	2,127,779	1,368,232	754,618
School Board - professional	30,380,325	19,535,555	10,774,406

- i) Payables - At June 30, 2025, 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	\$ 127,365
School Board - non-professional	13,905
School Board - professional	200,673

E. Other Postemployment Benefits - Teacher Employee Health Insurance Credit Program

1. Plan Description

Professional staff of the School Board component unit participate in the VRS Teacher Employee Health Insurance Credit (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 2024 ACFR. A copy of the 2024 VRS ACFR may be downloaded from the VRS website at [VRS](#)

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

[Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024 \(varetire.org\)](http://varetire.org) 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.
- b) **Contribution** - Each school division's contractually required employer contribution rate for the year ended June 30, 2025 and 2024 was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$5,747,139 and \$5,437,827 for the years ended June 30, 2025 and June 30, 2024, respectively.
- c) **Liabilities** - At June 30, 2025, the School Board component unit reported a liability of \$48,408,824 for its proportionate share of the net HIC Program OPEB (HIC OPEB) liability. The net HIC OPEB liability was measured as of June 30, 2024 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, 2023 and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board component unit's proportion of the HIC Program was 4.189% compared to 4.092% at June 30, 2023.

For the year ended June 30, 2024, the School Board component unit recognized HIC OPEB expense of \$4,641,461. Since there was a change in proportionate share between June 30, 2023 and June 30, 2024, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the School Board component unit reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Post-disablement.....Pub-2010 Amount Weighted Teachers Disabled 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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality rates (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 ratesAdjusted rates to better fit experience at each age and service decrement through 9 years of service

Disability ratesNo change

Salary scale.....No change

Discount rateNo 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, 2024, the net HIC OPEB liability is as follows (amounts expressed in thousands):

Total for the Cost-Sharing Employer Plans - HIC (all employers)	Teachers' Health Insurance Credit
Total HIC OPEB Liability	\$ 1,478,105
Plan Fiduciary Net Position	(322,457)
Employers' Net HIC OPEB Liability	\$ 1,155,648
Plan Fiduciary Net Position as a % of the Total HIC OPEB Liability	21.82%

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	<u>-3.00%</u>	3.50%	<u>-0.11%</u>
Total	<u>100.00%</u>		<u>7.07%</u>

*Expected arithmetic nominal return 7.07%

*The above allocation provides a one-year return of 7.07%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected 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, 2024, 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, 2024 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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Employer's proportionate share of the net HIC OPEB liability	\$ 55,052,909	\$ 48,408,824	\$ 42,777,354

- i) Payables - At June 30, 2025, the School Board component unit owed \$515,725 to the VRS HIC Program due to the timing of when contractually required contribution payments become due.

F. Other Postemployment Benefits - Political Subdivision Health Insurance Credit Program

1. Plan Description

The School Board participates in the VRS Political Subdivision Health Insurance Credit (PSHIC) Program, a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employees. All full-time, salaried permanent employees of participating public school divisions are automatically covered by the VRS PSHIC Program upon employment. The plan is administered by the VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. The benefit ends upon the retiree's death. Detail information about the PSHIC Program's fiduciary net position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report. A copy of the 2023 VRS Annual Comprehensive Financial Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-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 - For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45 per month. The benefit vests with eligible employees who retire with at least 15 years of service credit.

As of the June 30, 2024 actuarial valuation, the School Board had the following employees covered by the benefit terms of the PSHIC Plan:

Active employees	883
Inactive employees and beneficiaries	<u>766</u>
Total	<u>1,649</u>

- b) Contribution – The School Board's contractually required employer contribution rate for the year ended June 30, 2025 was 1.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the PSHIC Program were \$326,286 and \$313,150 for the years ended June 30, 2025 and June 30, 2024 respectively.

- b) Liabilities – The School Board’s net PSHIC OPEB liability was measured as of June 20, 2024. The total PSHIC liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

For the year ended June 30, 2025, the School Board recognized \$49,009 of PSHIC income.

- c) Actuarial assumptions – The total PSHIC OPEB liability was based on an actuarial valuation as of June 30, 2023 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, 2024.

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

Mortality rates:

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 ser 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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (all).....	Updated to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement rates.....	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability rates	No change
Salary scale.....	No change
Discount rate.....	No change

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

- d) Net PSHIC OPEB Liabilities – The net PSHIC OPEB liability represents the program’s total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2025, the net HIC OPEB liability was \$1,206,349.

The total PSHIC 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.

- e) 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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>

*Expected arithmetic nominal return 7.07%

* The above allocation provides a one-year return of 7.07%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

- f) 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 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, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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.

g) Changes in Net PSHIC OPEB Liability:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2023	\$ 1,929,648	\$ 361,226	\$ 1,568,422
Changes for the year:			
Service cost	18,289	-	18,289
Interest	126,484	-	126,484
Differences in expected and actual experience	(148,946)	-	(148,946)
Net investment income	-	45,408	(45,408)
Administrative expenses	-	(659)	659
Employer contributions	-	313,150	(313,150)
Benefit payments	(148,198)	(148,198)	-
Other changes	-	1	(1)
Net changes	<u>(152,371)</u>	<u>209,702</u>	<u>(362,073)</u>
Balance at June 30, 2024	<u>\$ 1,777,277</u>	<u>\$ 570,928</u>	<u>\$ 1,206,349</u>

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.

	<u>1% Decrease (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Employer's proportionate share of the net HIC OPEB liability	\$ 1,378,095	\$ 1,206,349	\$ 1,059,315

i) At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to the PSHIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 18,551	\$ 390,548
Net difference between projected and actual earnings on HIC OPEB program investments	-	9,136
Change in assumptions	27,563	-
Employer contributions subsequent to measurement date	326,286	-
Total	<u>\$ 372,400</u>	<u>\$ 399,684</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

\$326,286 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board'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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Political Subdivision Health Insurance Credit Program</u>
2026	\$ (175,333)
2027	(149,518)
2028	(25,623)
2029	(3,096)
Total	<u>\$ (353,570)</u>

- j) Payables – At June 30, 2025, the School owed \$29,404 to the VRS PSHIC Program due to the timing of when contractually required contribution payments become due.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

G.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	\$ 54,936	\$ 5,313	\$ 60,249	\$ 23,907
Other Postemployment Benefit Trust - Line of Duty	5,690	-	5,690	-
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	3,883,226	375,541	4,258,767	2,918,256
Other Postemployment Benefit Trust - Line of Duty	2,195,558	-	2,195,558	-
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	18,551
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	3,081,206
VRS cost-sharing Group Life Insurance Plan	1,822,840	143,118	1,965,958	215,802
Deferred change in assumptions:				
Other Postemployment Benefit Trust	1,473,048	142,454	1,615,502	968,263
Other Postemployment Benefit Trust - Line of Duty	3,092,931	-	3,092,931	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	833,944
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	27,563
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	111,353
VRS cost-sharing Group Life Insurance Plan	65,874	5,175	71,049	7,799
Deferred change in proportionate share:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	4,132,663
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,229,510
VRS cost-sharing Group Life Insurance Plan	910,683	71,502	982,185	202,917
Deferred contributions:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	5,747,139
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	326,286
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	2,232,639
VRS cost-sharing Group Life Insurance Plan	1,362,380	106,969	1,469,349	154,341
Total deferred outflows of resources related to OPEB	\$ 14,867,166	\$ 850,072	\$ 15,717,238	\$ 22,232,139

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

	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	\$ -	\$ -	\$ -	\$ 172,192
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	9,136
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,646,643
VRS cost-sharing Group Life Insurance Plan	974,159	76,479	1,050,638	115,328
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	5,711,104	552,312	6,263,416	12,935,153
Other Postemployment Benefit Trust - Line of Duty	3,472,539	-	3,472,539	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	2,293,494
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	390,548
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	477,188
VRS cost-sharing Group Life Insurance Plan	282,300	22,169	304,469	33,421
Deferred change in assumptions:				
Other Postemployment Benefit Trust	6,433,691	622,189	7,055,880	4,317,559
Other Postemployment Benefit Trust - Line of Duty	2,842,287	-	2,842,287	-
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	968,142
VRS cost-sharing Group Life Insurance Plan	572,749	44,972	617,721	67,807
Deferred change in proportionate share:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	252,317
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	86,808
VRS cost-sharing Group Life Insurance Plan	9,456	740	10,196	36,086
Total deferred inflows of resources related to OPEB	\$ 20,298,285	\$ 1,318,861	\$ 21,617,146	\$ 23,801,822

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Enterprise funds	<u>Water</u>	<u>Wastewater</u>	<u>Non-major Airport</u>	<u>Total</u>
Deferred Outflows of Resources related OPEB				
Deferred investment experience:				
Other Postemployment Benefit Trust	\$ 2,455	\$ 2,783	\$ 75	\$ 5,313
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	173,478	196,646	5,417	375,541
VRS cost-sharing Group Life Insurance Plan	59,961	80,406	2,751	143,118
Deferred change in assumptions				
Other Postemployment Benefit Trust	65,803	74,598	2,053	142,454
VRS cost-sharing Group Life Insurance Plan	2,166	2,909	100	5,175
Deferred change in proportionate share				
VRS cost-sharing Group Life Insurance Plan	29,956	40,172	1,374	71,502
Deferred contributions:				
VRS cost-sharing Group Life Insurance Plan	44,815	60,096	2,058	106,969
Total deferred outflows of resources related to OPEB	<u>\$ 378,634</u>	<u>\$ 457,610</u>	<u>\$ 13,828</u>	<u>\$ 850,072</u>

Enterprise funds	<u>Water</u>	<u>Wastewater</u>	<u>Non-major Airport</u>	<u>Total</u>
Deferred Inflows of Resources related to OPEB				
Deferred investment experience:				
VRS cost-sharing Group Life Insurance Plan	\$ 32,045	\$ 42,967	\$ 1,467	\$ 76,479
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	255,134	289,217	7,961	552,312
VRS cost-sharing Group Life Insurance Plan	9,286	12,455	428	22,169
Deferred change in assumptions:				
Other Postemployment Benefit Trust	287,414	325,805	8,970	622,189
VRS cost-sharing Group Life Insurance Plan	18,841	25,266	865	44,972
Deferred change in proportionate share:				
VRS cost-sharing Group Life Insurance Plan	308	420	12	740
Total deferred inflows of resources related to OPEB	<u>\$ 603,028</u>	<u>\$ 696,130</u>	<u>\$ 19,703</u>	<u>\$ 1,318,861</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Internal Service funds	Vehicle and Communications	Risk Management	Total
Deferred Outflows of Resources related to OPEB			
Deferred investment experience:			
Other Postemployment Benefit Trust	\$ 1,227	\$ 148	\$ 1,375
Deferred OPEB difference between expected and actual:			
Other Postemployment Benefit Trust	86,752	10,459	97,211
VRS cost-sharing Group Life Insurance Plan	39,318	11,402	50,720
Deferred change in assumptions			
Other Postemployment Benefit Trust	32,908	3,968	36,876
VRS cost-sharing Group Life Insurance Plan	1,421	412	1,833
Deferred change in proportionate share:			
VRS cost-sharing Group Life Insurance Plan	19,644	5,696	25,340
Deferred contributions:			
VRS cost-sharing Group Life Insurance Plan	<u>29,387</u>	<u>8,521</u>	<u>37,908</u>
Total deferred outflows of resources related to OPEB	<u>\$ 210,657</u>	<u>\$ 40,606</u>	<u>\$ 251,263</u>

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	\$ 21,013	\$ 6,093	\$ 27,106
Deferred OPEB difference between expected and actual:			
Other Postemployment Benefit Trust	127,589	15,382	142,971
VRS cost-sharing Group Life Insurance Plan	6,089	1,765	7,854
Deferred change in assumptions:			
Other Postemployment Benefit Trust	143,732	17,329	161,061
VRS cost-sharing Group Life Insurance Plan	12,354	3,582	15,936
Deferred change in proportionate share:			
VRS cost-sharing Group Life Insurance Plan	<u>204</u>	<u>59</u>	<u>263</u>
Total deferred inflows of resources related to OPEB	<u>\$ 310,981</u>	<u>\$ 44,210</u>	<u>\$ 355,191</u>

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

H. Summary of Net OPEB Liability and Expense by OPEB Plan

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		School Board
Net OPEB Liability				
Postemployment Retiree Healthcare Benefits	\$ 24,970,634	\$ 2,414,863	\$ 27,385,497	\$ 95,140,560
Line of Duty	3,317,956	-	3,317,956	-
VRS cost-sharing Group Life Insurance Plan	11,557,202	907,424	12,464,626	1,368,232
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	19,535,555
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	48,408,824
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	1,206,349
Total net OPEB liability	\$ 39,845,792	\$ 3,322,287	\$ 43,168,079	\$ 165,659,520
OPEB Expense (Income)				
Postemployment Retiree Healthcare Benefits	\$ (1,656,702)	\$ (160,217)	\$ (1,816,919)	\$ (1,667,197)
Line of Duty	2,014,785	-	2,014,785	-
VRS cost-sharing Group Life Insurance Plan	539,348	42,347	581,695	114,627
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	861,591
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	4,641,461
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	(49,009)
Total OPEB expense	\$ 897,431	\$ (117,870)	\$ 779,561	\$ 3,901,473

Enterprise funds	Non-major			Total
	Water	Wastewater	Airport	
Net OPEB Liability				
Postemployment Retiree Healthcare Benefits	\$ 1,115,525	\$ 1,264,520	\$ 34,818	\$ 2,414,863
VRS cost-sharing Group Life Insurance Plan	380,171	509,802	17,451	907,424
Total net OPEB liability	\$ 1,495,696	\$ 1,774,322	\$ 52,269	\$ 3,322,287
OPEB Expense (Income)				
Postemployment Retiree Healthcare Benefits	\$ (74,010)	\$ (83,897)	\$ (2,310)	\$ (160,217)
VRS cost-sharing Group Life Insurance Plan	17,742	23,791	814	42,347
Total OPEB expense	\$ (56,268)	\$ (60,106)	\$ (1,496)	\$ (117,870)

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

Internal Service funds	Vehicle and Communications	Risk Management	Total
Net OPEB Liability			
Postemployment Retiree Healthcare Benefits	\$ 557,853	\$ 67,260	\$ 625,113
VRS cost-sharing Group Life Insurance Plan	249,292	72,295	321,587
Total net OPEB liability	<u>\$ 807,145</u>	<u>\$ 139,555</u>	<u>\$ 946,700</u>
OPEB Expense (Income)			
Postemployment Retiree Healthcare Benefits	\$ (37,012)	\$ (4,462)	\$ (41,474)
VRS cost-sharing Group Life Insurance Plan	11,634	3,374	15,008
Total OPEB expense	<u>\$ (25,378)</u>	<u>\$ (1,088)</u>	<u>\$ (26,466)</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 2025, tax abatements for the County's incentive program for rehabilitation of commercial properties totaled \$192,767. No other commitments are made by the County as part of these agreements.

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 2025, tax abatements for the County's Technology Zone Programs for Machinery and Tools taxes totaled \$335,093. 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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 2025, tax abatements for the County's Technology Zone Programs for Business License fees totaled \$230,045. 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. In fiscal year 2025, the County rebated \$1,390,156 under this program.

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. 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.

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 2025.

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.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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, 2025 were \$9,232,819. 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 2025. 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.

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 of the InUnison (<https://inunison.org/>).

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 \$1,924,997 for transient occupancy tax to the Convention Authority during the year ended June 30, 2025.

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 \$7,681,205 from the Convention Authority for tax payments made in excess of its allocated share of operating costs during the year ended June 30, 2025.

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

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 \$141,719 to the County for the year ended June 30, 2025. 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 \$261,888 contribution was made by the County in fiscal year 2025. Complete financial statements for GRTC can be obtained from GRTC at 301 East Belt Blvd., Richmond, VA, 23224.

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, 2025 were \$7,477,444. 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, 2025 were \$898,743. Complete financial statements

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

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 2025, the County received \$13,290 from the Health Center Commission for providing support services.

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, 2025 were \$1,903,042.

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 sixteen member Board of Directors and contributed \$385,000 for the year ended June 30, 2025.

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 recently approved a new Tourism Improvement District. The TID provides supplemental and protected funds exclusively for tourism promotion activities and is a self-assessment by the region's hotel industry. Each participating jurisdiction shall collect a 2% assessment on lodging businesses with 41+ rooms and pay to RRT an amount equal to the total assessment collected. The RRT has twenty-five members and the County has one representative serving on RRT's Board of Directors and contributed \$1,763,200 for the year ended June 30, 2025.

County of Chesterfield, Virginia
Notes to Financial Statements
June 30, 2025

E. Plan RVA

Plan RVA, (formerly Richmond Regional Planning District Commission) 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 Plan RVA 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, Plan RVA 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 serving on Plan RVA and paid total dues of \$200,921 for the year ended June 30, 2025.

17. Subsequent Events

On July 22nd, 2025, the County issued it's \$75,000,000 General Obligation Public Improvement Bonds, Series 2025A, to (1) finance the costs of various capital improvement projects for the public school system and (2) pay the related costs of issuing the 2025A bonds. The Series 2025A Bonds are due January 1 in each of the years 2026 through 2045. Interest on these bonds is due semi-annually in January and July with rates ranging from 4% to 5%, beginning in January 2026.

On October 7th, 2025, the County issued it's \$28,630,000 General Obligation Refunding Bonds, Series 2025B, to (1) refund a portion of each of the 2015A Bonds, the 2015B Bonds and the 2016 Bonds and (2) pay the costs of such refunding and issuing the 2025B bonds. The Series 2025B Bonds are due January 1 in each of the years 2026 through 2029. Interest on these bonds is due semi-annually in January and July with a rate of 5%, beginning in January 2026.

18. Restatement of Beginning Net Position

Change in Accounting Principles - as a result of implementing GASB Statement No. 101, the County has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2024 by \$661,547. The decrease results from recording a liability for compensation time earned that was previously not considered a liability as it was not paid out in the event of employee termination, retirement or death.

Government Wide Restatements

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Beginning Net Position	\$ 1,582,972,702	\$ 1,744,987,453	\$ 3,327,960,155
Adjustments			
Compensated Absences	(570,021)	(91,526)	(661,547)
Adjusted Beginning Net Position	<u>\$ 1,582,402,681</u>	<u>\$ 1,744,895,927</u>	<u>\$ 3,327,298,608</u>

Proprietary Fund Restatements

	<u>Water</u>	<u>Wastewater</u>	<u>Total Non-major</u> <u>Enterprise Funds</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u> <u>Internal Service Funds</u>
Beginning Net Position	\$ 831,245,368	\$ 819,111,018	\$ 94,631,067	\$ 1,744,987,453	\$ 86,237,546
Adjustments					
Compensated Absences	(64,129)	(26,326)	(1,071)	(91,526)	(24,639)
Adjusted Beginning Net Position	<u>\$ 831,181,239</u>	<u>\$ 819,084,692</u>	<u>\$ 94,629,996</u>	<u>\$ 1,744,895,927</u>	<u>\$ 86,212,907</u>

REQUIRED SUPPLEMENTARY INFORMATION

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2025

	<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 current	\$ 556,733,700	\$ 542,952,387	\$ 527,249,383	\$ (15,703,004)
Real property taxes delinquent	3,500,000	4,250,000	24,930,805	20,680,805
Real and personal public service corporation taxes current	15,186,400	16,786,400	17,529,645	743,245
Personal property taxes current	98,145,300	108,876,600	109,182,670	306,070
Personal property taxes delinquent	16,750,000	22,250,000	24,375,371	2,125,371
Machinery and tools taxes current	5,100,000	5,600,000	6,337,261	737,261
Penalties and interest	4,494,300	6,194,300	7,343,658	1,149,358
Special assessments and service districts	1,769,500	1,769,500	4,515,787	2,746,287
Total general property taxes	<u>701,679,200</u>	<u>708,679,187</u>	<u>721,464,580</u>	<u>12,785,393</u>
Other local taxes:				
Bank stock tax	2,600,000	2,900,000	3,500,810	600,810
Business license taxes	24,227,400	25,276,979	29,208,075	3,931,096
Consumer utility taxes	8,723,900	8,723,900	8,974,182	250,282
Local sales and use taxes	75,471,200	77,471,200	80,352,853	2,881,653
Motor vehicle licenses	8,344,900	8,344,900	8,591,808	246,908
Recordation tax	7,319,600	8,269,600	8,596,160	326,560
Short-term rental tax	1,000,000	1,000,000	1,138,539	138,539
Telecommunications tax	9,133,200	9,333,200	9,425,645	92,445
Transient occupancy tax	1,854,100	1,854,100	1,924,997	70,897
Total other local taxes	<u>138,674,300</u>	<u>143,173,879</u>	<u>151,713,069</u>	<u>8,539,190</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	44,000	44,000	35,707	(8,293)
Building permits	7,209,200	10,994,940	11,452,366	457,426
Erosion control fees	100,000	100,000	109,550	9,550
Permits and other licenses	707,600	707,600	710,687	3,087
Plan review fees	300,000	300,000	376,531	76,531
Planning fees	810,000	895,000	991,183	96,183
Total permits, privilege fees and regulatory licenses	<u>9,170,800</u>	<u>13,041,540</u>	<u>13,676,024</u>	<u>634,484</u>
Fines and forfeitures	<u>1,353,200</u>	<u>1,872,228</u>	<u>1,655,320</u>	<u>(216,908)</u>
Use of money and property:				
Use of money	11,351,600	25,280,907	31,758,642	6,477,735
Use of property	891,500	891,500	794,895	(96,605)
Total use of money and property	<u>12,243,100</u>	<u>26,172,407</u>	<u>32,553,537</u>	<u>6,381,130</u>
Charges for services:				
Building inspection administrative fee	656,600	45,000	42,180	(2,820)
Building rental	946,500	946,500	947,191	691
Courthouse maintenance fees	54,000	54,000	45,218	(8,782)
DMV stop fees	450,000	866,400	923,648	57,248
Employee Medical Center	636,000	836,000	876,038	40,038
False alarm charges	60,000	60,000	72,621	12,621
Juvenile Detention Home fees	139,100	139,100	84,000	(55,100)
Landfill fees	1,950,200	2,075,200	2,179,221	104,021
Law Library	100,000	100,000	176,917	76,917
Library fines and services	61,300	151,300	182,193	30,893
Med-flight services	818,300	1,229,800	1,324,400	94,600

(Continued)

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2025

	<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	\$ 948,200	\$ 1,098,200	\$ 1,251,356	\$ 153,156
Police miscellaneous fees	91,200	91,200	81,663	(9,537)
Police officers fees	1,319,400	1,519,400	1,494,255	(25,145)
Recycling proceeds	210,500	210,500	209,485	(1,015)
Sale of publications and maps	500	500	1,253	753
Sheriff fees	843,600	843,600	761,396	(82,204)
Traffic offenses	370,000	370,000	396,655	26,655
Treasurer's administrative fees	2,377,000	2,447,000	2,591,132	144,132
Other	3,157,400	3,314,600	3,326,504	11,904
Total charges for services	<u>15,189,800</u>	<u>16,398,300</u>	<u>16,967,326</u>	<u>569,026</u>
Miscellaneous:				
Public phone commission	160,000	160,000	194,577	34,577
Other miscellaneous	3,006,700	2,444,364	3,106,169	661,805
Total miscellaneous	<u>3,166,700</u>	<u>2,604,364</u>	<u>3,300,746</u>	<u>696,382</u>
Recovered costs:				
Interfund reimbursements	619,000	1,239,850	1,399,325	159,475
Reimbursed by other localities	945,300	945,300	1,045,484	100,184
Other	1,903,100	1,903,100	2,022,966	119,866
Total recovered costs	<u>3,467,400</u>	<u>4,088,250</u>	<u>4,467,775</u>	<u>379,525</u>
Donations and contributions	49,200	51,275	76,693	25,418
Total revenues from local sources	<u>884,993,700</u>	<u>916,081,430</u>	<u>945,875,070</u>	<u>29,793,640</u>
From other governments:				
From the Commonwealth:				
Non-categorical aid:				
Clerk's excess fees	370,000	370,000	362,953	(7,047)
Mobile home sales tax	39,600	39,600	88,643	49,043
Personal property tax relief	41,092,000	41,092,000	41,092,048	48
Rolling stock tax	95,000	95,000	115,533	20,533
Vehicle rental tax	2,200,000	2,200,000	2,223,285	23,285
Total non-categorical aid	<u>43,796,600</u>	<u>43,796,600</u>	<u>43,882,462</u>	<u>85,862</u>
Shared expenditures:				
Clerk of Circuit Court	1,667,600	1,667,600	1,697,460	29,860
Commissioner of the Revenue	764,100	764,100	766,696	2,596
Commonwealth's Attorney	3,319,200	3,622,000	3,483,943	(138,057)
Sheriff	5,327,300	5,327,300	5,092,024	(235,276)
Treasurer	738,600	738,600	729,743	(8,857)
Other	142,800	142,800	140,315	(2,485)
Total shared expenditures	<u>11,959,600</u>	<u>12,262,400</u>	<u>11,910,181</u>	<u>(352,219)</u>
From other governments:				
From the Commonwealth:				
Categorical aid:				
Annexation House Bill 599	9,503,200	9,935,800	9,935,891	91
Chesterfield County Jail	659,600	659,600	836,203	176,603
Emergency medical services	370,100	370,100	371,456	1,356

(Continued)

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2025

	<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	\$ 1,462,600	\$ 1,868,281	\$ 1,868,281	\$ -
Juvenile Detention Home	1,895,800	2,045,800	2,209,775	163,975
Library	319,600	344,600	346,566	1,966
Sheriff programs	2,761,200	2,761,200	2,892,128	130,928
Welfare	5,712,400	6,270,248	6,209,155	(61,093)
Other	3,517,100	4,142,481	4,510,848	368,367
Total categorical aid	<u>26,201,600</u>	<u>28,398,110</u>	<u>29,180,303</u>	<u>782,193</u>
Total from the Commonwealth	<u>81,957,800</u>	<u>84,457,110</u>	<u>84,972,946</u>	<u>515,836</u>
From the federal government:				
Categorical aid:				
Public safety	26,400	26,400	52,818	26,418
Welfare	10,700,000	11,600,000	11,706,507	106,507
Other	100,000	13,948,415	13,958,831	10,416
Total from the federal government	<u>10,826,400</u>	<u>25,574,815</u>	<u>25,718,156</u>	<u>143,341</u>
Total revenues from other governments	<u>92,784,200</u>	<u>110,031,925</u>	<u>110,691,102</u>	<u>659,177</u>
Total revenues	<u>977,777,900</u>	<u>1,026,113,355</u>	<u>1,056,566,172</u>	<u>30,452,817</u>
Expenditures				
General government:				
Accounting	5,905,130	5,821,930	5,697,256	124,674
Board of Supervisors	464,940	482,940	449,778	33,162
Budget and Management	1,232,500	1,212,500	1,183,987	28,513
Commissioner of the Revenue	4,097,900	4,508,481	4,387,667	120,814
Constituent Services	2,640,400	2,715,400	2,629,826	85,574
County Administration	2,301,900	2,366,126	2,334,281	31,845
County Attorney	2,514,863	2,628,336	2,607,324	21,012
Employee benefits	14,695,000	11,635,900	10,037,409	1,598,491
General Services	1,092,200	967,200	864,720	102,480
Human Resource Management	5,735,542	6,178,135	6,012,411	165,724
Information Systems Technology	28,974,535	29,651,339	28,472,247	1,179,092
Interest paid on tax refunds	30,000	105,000	78,530	26,470
Intergovernmental Relations	331,900	336,900	323,223	13,677
Internal Audit	1,205,000	1,250,400	1,214,608	35,792
Learning and Performance Center	1,838,600	1,976,700	1,930,212	46,488
Non-departmental	-	-	8,167	(8,167)
Procurement	2,736,235	2,905,401	2,834,790	70,611
Real Estate Assessments	4,287,811	4,307,811	4,233,823	73,988
Registrar	2,150,954	3,220,788	3,053,895	166,893
Treasurer	6,155,628	6,951,028	6,821,645	129,383
Total general government	<u>88,391,038</u>	<u>89,222,315</u>	<u>85,175,799</u>	<u>4,046,516</u>

(Continued)

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2025

	<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	\$ 5,121,892	\$ 5,387,063	\$ 5,323,320	\$ 63,743
Circuit Court Judges	906,700	1,030,655	1,005,074	25,581
Commonwealth's Attorney	6,967,900	7,746,343	7,602,307	144,036
General District Court	288,166	328,166	301,458	26,708
Juvenile and Domestic Relations Court	257,900	274,639	261,429	13,210
Law Library	138,989	153,624	146,466	7,158
Magistrate	4,600	4,600	4,365	235
Total administration of justice	<u>13,686,147</u>	<u>14,925,090</u>	<u>14,644,419</u>	<u>280,671</u>
Public safety:				
Building Inspections	6,772,600	7,206,813	7,099,342	107,471
Community Corrections	4,864,122	4,997,042	4,878,007	119,035
Emergency Communications Center	10,430,829	10,590,613	10,525,645	64,968
Fire and EMS	93,200,378	99,178,811	97,260,672	1,918,139
Juvenile Detention Home	7,309,300	7,908,409	7,797,065	111,344
Juvenile Probation	83,800	88,800	84,494	4,306
Police	103,701,996	110,525,141	109,146,377	1,378,764
Riverside Regional Jail	7,117,500	7,117,500	7,477,444	(359,944)
Sheriff and Jail	40,120,253	46,306,158	45,007,869	1,298,289
Total public safety	<u>273,600,778</u>	<u>293,919,287</u>	<u>289,276,915</u>	<u>4,642,372</u>
Public works:				
Buildings and Grounds	11,041,582	12,049,736	11,777,116	272,620
Capital Projects Management	1,253,100	1,263,395	1,257,509	5,886
Environmental Engineering	7,696,643	7,896,710	7,859,333	37,377
Right-of-Way	50,000	100,000	79,700	20,300
Streetlights	902,147	981,115	927,970	53,145
Waste and Resource Recovery	6,530,768	7,670,507	7,462,598	207,909
Total public works	<u>27,474,240</u>	<u>29,961,463</u>	<u>29,364,226</u>	<u>597,237</u>
Health and welfare:				
Community Engagement and Resources	4,055,900	6,134,548	5,931,081	203,467
State Health Department Payment	2,929,000	3,108,492	3,049,201	59,291
Social Services	26,324,700	24,332,373	23,828,308	504,065
Tax relief for the elderly	19,248,100	23,448,100	22,639,949	808,151
Total health and welfare	<u>52,557,700</u>	<u>57,023,513</u>	<u>55,448,539</u>	<u>1,574,974</u>
Parks, recreation and cultural:				
Community Contracts	1,520,700	1,520,700	1,520,700	-
District Improvements Funds	167,500	119,613	2,000	117,613
Library	14,258,282	15,341,018	15,112,847	228,171
Parks and Recreation	19,144,336	21,632,215	20,943,606	688,609
Total parks, recreation and cultural	<u>35,090,818</u>	<u>38,613,546</u>	<u>37,579,153</u>	<u>1,034,393</u>

(Continued)

County of Chesterfield, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2025

	<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	\$ 3,072,000	\$ 3,446,388	\$ 3,356,920	\$ 89,468
Convention Center	1,854,100	1,854,100	1,924,997	(70,897)
Cooperative Extension	468,300	245,300	229,672	15,628
Economic Development	3,012,475	5,347,075	5,126,544	220,531
Economic development incentives	210,000	1,159,579	1,049,579	110,000
Planning	6,343,894	5,816,379	5,551,957	264,422
Tax increment financing payments	1,510,000	1,510,000	1,480,454	29,546
Transportation	2,512,656	2,412,656	2,229,958	182,698
Total community development	<u>18,983,425</u>	<u>21,791,477</u>	<u>20,950,081</u>	<u>841,396</u>
Non-departmental	445,600	109,139	-	109,139
Total expenditures	<u>510,229,746</u>	<u>545,565,830</u>	<u>532,439,132</u>	<u>13,126,698</u>
Excess of revenues over expenditures	<u>467,548,154</u>	<u>480,547,525</u>	<u>524,127,040</u>	<u>43,579,515</u>
Other financing sources (uses)				
Transfers in:				
Grants Fund	2,496,400	3,360,200	3,360,200	-
Total transfers in	<u>2,496,400</u>	<u>3,360,200</u>	<u>3,360,200</u>	<u>-</u>
Transfers out:				
Debt Service	(38,069,100.00)	(46,569,153)	(41,922,485)	4,646,668
County Capital Projects Fund	(36,838,200.00)	(275,957,093)	(65,835,472)	210,121,621
Stormwater Fund	-	(2,923,562)	(74,167)	2,849,395
School Capital Projects Fund	-	(158,395)	-	158,395
Grants Fund	(1,611,800)	(3,538,135)	(1,826,815)	1,711,320
Children's Services Fund	(1,907,700)	(1,907,700)	(1,907,700)	-
Mental Health Fund	(16,322,700)	(16,322,700)	(16,322,700)	-
Airport Fund	(1,288,000)	(7,151,820)	(384,456)	6,767,364
School Operating Fund	(398,844,300)	(426,550,215)	(404,303,519)	22,246,696
Total transfers out	<u>(494,881,800)</u>	<u>(781,078,773)</u>	<u>(532,577,314)</u>	<u>248,501,459</u>
Total other financing uses	<u>(492,385,400)</u>	<u>(777,718,573)</u>	<u>(529,217,114)</u>	<u>248,501,459</u>
Net change in fund balance	(24,837,246)	(297,171,048)	(5,090,074)	292,080,974
Fund balance, July 1, 2024	561,704,872	561,704,872	561,704,872	-
Fund balance, June 30, 2025	<u>\$ 536,867,626</u>	<u>\$ 264,533,824</u>	<u>\$ 556,614,798</u>	<u>\$ 292,080,974</u>

County of Chesterfield, Virginia
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Central Virginia Transportation Authority Local
 For the Year Ended June 30, 2025

	<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	\$ -	\$ -	\$ 18,257,184	\$ 18,257,184
Other local taxes:				
Local sales and use tax	21,000,000	21,000,000	23,447,096	2,447,096
Local vehicle fuels tax	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,456,320</u>	<u>456,320</u>
Total revenues	<u>30,000,000</u>	<u>30,000,000</u>	<u>51,160,600</u>	<u>21,160,600</u>
Expenditures				
Community development	<u>-</u>	<u>10,551,100</u>	<u>14,339,771</u>	<u>(3,788,671)</u>
Total expenditures	<u>-</u>	<u>10,551,100</u>	<u>14,339,771</u>	<u>(3,788,671)</u>
Excess of revenues over expenditures	<u>30,000,000</u>	<u>19,448,900</u>	<u>36,820,829</u>	<u>17,371,929</u>
Other financing sources (uses)				
Transfers out:	<u>(30,000,000)</u>	<u>(422,879,202)</u>	<u>(26,709,581)</u>	<u>396,169,621</u>
Total other financing sources (uses), net	<u>(30,000,000)</u>	<u>(422,879,202)</u>	<u>(26,709,581)</u>	<u>396,169,621</u>
Net change in fund balances	-	(403,430,302)	10,111,248	413,541,550
Fund balance, July 1, 2024	<u>413,958,043</u>	<u>413,958,043</u>	<u>413,958,043</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 413,958,043</u>	<u>\$ 10,527,741</u>	<u>\$ 424,069,291</u>	<u>\$ 413,541,550</u>

County of Chesterfield, Virginia
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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 22,190,584	\$ 22,272,468	\$ 23,239,284	\$ 23,782,639	\$ 23,887,734	\$ 26,311,332	\$ 26,220,272	\$ 30,587,307	\$ 36,657,668	\$ 38,680,002
Interest	63,626,498	65,494,255	67,908,912	70,546,359	73,176,982	75,395,644	79,713,046	86,866,400	91,543,617	98,455,261
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)	9,028,885	41,914,379	33,787,943
Benefit payments, including refunds of member contributions	(39,919,429)	(43,967,501)	(46,208,684)	(51,723,215)	(54,535,995)	(56,828,478)	(59,554,807)	(61,698,983)	(64,822,721)	(74,663,807)
Net change in total pension liability	28,706,280	35,615,691	40,435,076	38,986,720	72,733,292	65,324,663	76,460,402	64,783,609	105,292,943	96,259,399
Plan total pension liability - beginning	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	1,287,171,815	1,351,955,424	1,457,248,367
Plan total pension liability - ending	\$ 957,615,971	\$ 993,231,662	\$ 1,033,666,738	\$ 1,072,653,458	\$ 1,145,386,750	\$ 1,210,711,413	\$ 1,287,171,815	\$ 1,351,955,424	\$ 1,457,248,367	\$ 1,553,507,766
Plan fiduciary net position										
Contributions - employer	\$ 26,685,876	\$ 27,306,288	\$ 23,642,700	\$ 24,044,622	\$ 25,567,311	\$ 26,735,004	\$ 29,952,331	\$ 32,237,745	\$ 43,026,101	\$ 46,816,099
Contributions - employee	8,787,349	9,096,346	9,245,876	9,212,218	9,462,407	9,910,875	10,001,761	10,722,370	12,459,740	13,502,382
Net investment income	34,502,076	13,653,023	95,910,844	64,159,374	60,814,725	18,184,370	259,941,671	(1,233,341)	76,053,955	120,068,841
Benefit payments, including refunds of member contributions	(39,919,429)	(43,967,501)	(46,208,684)	(51,723,215)	(54,535,995)	(56,828,478)	(59,554,807)	(61,698,983)	(64,822,721)	(74,663,807)
Administrative expense	(469,584)	(484,906)	(555,458)	(558,774)	(606,813)	(625,503)	(648,038)	(741,927)	(746,374)	(774,690)
Other changes	(7,320)	(5,789)	(85,337)	(56,997)	(38,278)	(21,791)	21,064	27,618	30,739	24,238
Net change in Plan fiduciary net position	29,578,968	5,597,461	81,949,941	45,077,228	40,663,357	(2,645,523)	239,713,982	(20,686,518)	66,001,440	104,973,063
Plan fiduciary net position - beginning	756,108,779	785,687,747	791,285,208	873,235,149	918,312,377	958,975,734	956,330,211	1,196,044,193	1,175,357,675	1,241,359,115
Plan fiduciary net position - ending	\$ 785,687,747	\$ 791,285,208	\$ 873,235,149	\$ 918,312,377	\$ 958,975,734	\$ 956,330,211	\$ 1,196,044,193	\$ 1,175,357,675	\$ 1,241,359,115	\$ 1,346,332,178
Plan net pension liability - ending	\$ 171,928,224	\$ 201,946,454	\$ 160,431,589	\$ 154,341,081	\$ 186,411,016	\$ 254,381,202	\$ 91,127,622	\$ 176,597,749	\$ 215,889,252	\$ 207,175,588
Plan fiduciary net position as a percentage of the total pension liability	82.05%	79.67%	84.48%	85.61%	83.73%	78.99%	92.92%	86.94%	85.19%	86.66%
Covered payroll	\$ 175,451,036	\$ 181,566,910	\$ 184,361,751	\$ 187,590,142	\$ 202,738,683	\$ 202,618,965	\$ 218,503,269	\$ 258,376,156	\$ 261,445,033	\$ 285,862,900
Plan net pension liability as a percentage of covered payroll	97.99%	111.22%	87.02%	82.28%	91.95%	125.55%	41.71%	68.35%	82.58%	72.47%

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.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 2,915,998	\$ 2,651,127	\$ 2,018,689	\$ 1,479,580	\$ 1,744,280	\$ 1,829,998	\$ 1,836,935	\$ 1,662,841	\$ 2,210,947	\$ 2,204,619
Interest	7,583,876	7,846,485	7,895,142	7,789,094	7,694,378	7,676,782	7,763,263	8,210,649	8,139,247	8,365,894
Difference between expected and actual experience	406,101	(1,687,860)	(2,853,536)	(2,665,360)	(532,711)	(211,953)	(1,107,815)	(3,497,194)	1,425,828	2,556,985
Changes of assumptions	-	-	(400,345)	-	2,931,319	-	4,361,917	-	-	-
Benefit payments, including refunds of member contributions	(6,499,271)	(7,809,560)	(8,419,736)	(7,930,103)	(7,982,718)	(8,070,970)	(7,956,272)	(7,822,138)	(8,142,272)	(8,681,660)
Net change in total pension liability	4,406,704	1,000,192	(1,759,786)	(1,326,789)	3,854,548	1,223,857	4,898,028	(1,445,842)	3,633,750	4,445,838
Plan total pension liability - beginning	111,590,718	115,997,422	116,997,614	115,237,828	113,911,039	117,765,587	118,989,444	123,887,472	122,441,630	126,075,380
Plan total pension liability - ending	\$ 115,997,422	\$ 116,997,614	\$ 115,237,828	\$ 113,911,039	\$ 117,765,587	\$ 118,989,444	\$ 123,887,472	\$ 122,441,630	\$ 126,075,380	\$ 130,521,218
Plan fiduciary net position										
Contributions - employer	\$ 2,839,204	\$ 2,166,394	\$ 1,485,751	\$ 1,585,825	\$ 2,490,225	\$ 2,478,507	\$ 1,775,380	\$ 2,085,968	\$ 2,102,424	\$ 2,441,092
Contributions - employee	1,317,080	994,249	772,643	815,103	999,604	970,747	921,367	1,062,855	1,170,011	1,354,338
Net investment income	4,266,413	1,577,265	10,957,663	7,077,891	6,456,989	1,896,056	26,368,154	(55,453)	7,258,625	11,201,812
Benefit payments, including refunds of member contributions	(6,499,271)	(7,809,560)	(8,419,736)	(7,930,103)	(7,982,718)	(8,070,970)	(7,956,272)	(7,822,138)	(8,142,272)	(8,681,660)
Administrative expense	(59,811)	(61,331)	(67,765)	(64,350)	(66,968)	(67,564)	(68,836)	(75,309)	(74,306)	(78,001)
Other changes	(897)	(685)	(9,587)	(6,181)	(4,052)	(3,378)	2,249	(2,259)	(13,887)	1,901
Net change in Plan fiduciary net position	1,862,718	(3,133,668)	4,718,969	1,478,185	1,893,080	(2,796,602)	21,042,042	(4,806,336)	2,300,595	6,239,482
Plan fiduciary net position - beginning	94,655,376	96,518,094	93,384,426	98,103,395	99,581,580	101,474,660	98,678,058	119,720,100	114,913,764	117,214,359
Plan fiduciary net position - ending	\$ 96,518,094	\$ 93,384,426	\$ 98,103,395	\$ 99,581,580	\$ 101,474,660	\$ 98,678,058	\$ 119,720,100	\$ 114,913,764	\$ 117,214,359	\$ 123,453,841
Plan net pension liability - ending	\$ 19,479,328	\$ 23,613,188	\$ 17,134,433	\$ 14,329,459	\$ 16,290,927	\$ 20,311,386	\$ 4,167,372	\$ 7,527,866	\$ 8,861,021	\$ 7,067,377
Plan fiduciary net position as a percentage of the total pension liability	83.21%	79.82%	85.13%	87.42%	86.17%	82.93%	96.64%	93.85%	92.97%	94.59%
Covered payroll	\$ 25,240,789	\$ 19,762,536	\$ 16,006,363	\$ 17,089,386	\$ 20,822,912	\$ 21,813,838	\$ 20,159,457	\$ 26,972,026	\$ 26,838,927	\$ 31,319,581
Plan net pension liability as a percentage of covered payroll	77.17%	119.48%	107.05%	83.85%	78.24%	93.11%	20.67%	27.91%	33.02%	22.57%

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.

**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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Employer's proportion of the Net Pension Liability	3.68087%	3.64488%	3.68164%	3.75075%	3.72883%	3.70121%	3.80244%	3.92959%	4.08362%	4.18023%
Employer's proportionate share of the Net Pension Liability	\$ 463,287,000	\$ 510,798,000	\$ 452,768,000	\$ 441,087,000	\$ 490,735,218	\$ 538,623,255	\$ 295,187,120	\$ 374,120,493	\$ 412,739,836	\$ 392,395,458
Employer's covered payroll	273,364,177	277,791,240	290,256,816	303,034,105	312,334,155	323,215,546	336,644,633	370,997,230	408,031,322	448,790,349
Employer's proportionate share of the Net Pension Liability as a percentage of its covered payroll	169.48%	183.88%	155.99%	145.56%	157.12%	166.65%	87.69%	100.84%	101.15%	87.43%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.68%	68.28%	72.92%	74.81%	73.51%	71.48%	85.82%	82.51%	82.35%	84.61%

Notes to Schedule:

Per GAAP, net pension liabilities are reported using the measurement date, which is one year prior to the reporting date.

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					
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	-	258,376,156	12.48
2023	43,027,384	43,027,384	-	261,445,033	16.46
2024	46,769,926	46,769,926	-	285,862,900	16.36
2025	53,446,940	53,446,940	-	311,802,513	17.14
School Board Component Unit - Non-professional					
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	-	26,972,026	7.73
2023	2,102,568	2,102,568	-	26,838,927	7.83
2024	2,441,092	2,441,092	-	31,319,581	7.79
2025	2,597,885	2,597,885	-	32,566,227	7.98
School Board Component Unit - Professional (Teachers)					
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
2023	64,494,566	64,494,566	-	408,031,322	15.81
2024	70,671,030	70,671,030	-	448,790,349	15.75
2025	67,665,303	67,665,303	-	475,043,637	14.24

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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. 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

- 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:

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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	2.50%	2.50%
Projected salary increases	3.50% - 5.35%	3.50% - 4.75 %
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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Service cost	\$ 389,168	\$ 341,753	\$ 276,487	\$ 278,100	\$ 282,413	\$ 267,803	\$ 376,731	\$ 453,634	\$ 369,250	\$ 477,075
Interest	2,246,553	2,356,749	2,328,557	2,390,185	2,474,123	2,623,719	3,121,684	3,556,824	3,586,214	4,065,911
Difference between expected and actual experience	314,521	(1,267,047)	272,174	690,599	(1,741,882)	6,964,276	5,558,100	(2,223,299)	6,097,487	8,987,453
Changes of assumptions	-	-	-	-	3,491,791	-	-	1,373,934	-	(710,479)
Benefit payments, including refunds of member contributions	(1,574,809)	(1,753,487)	(1,846,337)	(2,015,074)	(2,128,601)	(2,252,109)	(2,355,365)	(2,522,540)	(2,726,572)	(2,835,069)
Net change in total pension liability	1,375,433	(322,032)	1,030,881	1,343,810	2,377,844	7,603,689	6,701,150	638,553	7,326,379	9,984,891
Plan total pension liability - beginning	35,417,228	36,792,661	36,470,629	37,501,510	38,845,320	41,223,164	48,826,853	55,528,003	56,166,556	63,492,935
Plan total pension liability - ending	<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>	<u>\$ 56,166,556</u>	<u>\$ 63,492,935</u>	<u>\$ 73,477,826</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,779,372	\$ 1,614,144	\$ 1,210,600	\$ 734,151	\$ 711,711	\$ 1,554,869	\$ 6,687,871	\$ 3,869,688	\$ 2,330,814	\$ 3,215,467
Net investment income (loss)	(68,103)	3,212,058	2,482,713	2,287,966	1,197,704	8,807,696	(5,340,399)	2,607,329	5,252,335	5,020,687
Benefit payments, including refunds of member contributions	(1,574,809)	(1,753,487)	(1,846,337)	(2,015,074)	(2,128,601)	(2,252,109)	(2,355,365)	(2,522,540)	(2,726,572)	(2,835,069)
Administrative expense	(77,676)	(78,142)	(92,337)	(81,499)	(82,843)	(84,400)	(90,758)	(100,172)	(92,841)	(43,424)
Net change in Plan fiduciary net position	58,784	2,994,573	1,754,639	925,544	(302,029)	8,026,056	(1,098,651)	3,854,305	4,763,736	5,357,661
Plan fiduciary net position - beginning	32,634,991	32,693,775	35,688,348	37,442,987	38,368,531	38,066,502	46,092,558	44,993,907	48,848,212	53,611,948
Plan fiduciary net position - ending	<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>	<u>\$ 48,848,212</u>	<u>\$ 53,611,948</u>	<u>\$ 58,969,609</u>
Plan net pension liability - ending	<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>	<u>\$ 7,318,344</u>	<u>\$ 9,880,987</u>	<u>\$ 14,508,217</u>
Plan fiduciary net position as a percentage of the total pension liability	88.86%	97.86%	99.84%	98.77%	92.34%	94.40%	81.03%	86.97%	84.44%	80.25%
Covered payroll	\$ 137,953,101	\$ 127,044,622	\$ 126,065,622	\$ 122,908,897	\$ 113,542,877	\$ 111,878,471	\$ 120,058,140	\$ 119,379,659	\$ 119,422,305	\$ 122,179,895
Plan net pension liability as a percentage of covered payroll	2.97%	0.62%	0.05%	0.39%	2.78%	2.44%	8.77%	6.13%	8.27%	11.87%

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%.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return	0.30%	11.34%	6.94%	6.39%	3.02%	23.60%	(11.20%)	7.87%	7.39%	9.58%

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total pension liability										
Service cost	\$ 1,915,218	\$ 2,888,145	\$ 1,000,515	\$ 926,887	\$ 874,851	\$ 860,716	\$ 836,867	\$ 1,140,205	\$ 1,123,724	\$ 1,092,961
Interest	4,964,736	5,476,927	6,582,063	5,110,745	4,864,125	4,704,307	4,774,409	5,160,201	5,228,521	5,218,886
Change in benefit terms	-	-	(7,428,337)	-	-	-	-	-	-	-
Difference between expected and actual experience	8,053,289	3,425,955	(5,915,675)	3,648,076	1,465,604	3,510,913	2,258,905	2,167,670	1,011,126	2,727,366
Changes of assumptions	10,225,013	(11,095,641)	(2,062,950)	-	1,021,847	-	4,416,348	-	-	(178,743)
Benefit payments, including refunds of member contributions	<u>(11,252,201)</u>	<u>(12,270,541)</u>	<u>(14,402,588)</u>	<u>(15,072,710)</u>	<u>(11,782,929)</u>	<u>(9,559,129)</u>	<u>(6,388,086)</u>	<u>(6,921,101)</u>	<u>(7,879,956)</u>	<u>(7,081,717)</u>
Net change in total pension liability	<u>13,906,055</u>	<u>(11,575,155)</u>	<u>(22,226,972)</u>	<u>(5,387,002)</u>	<u>(3,556,502)</u>	<u>(483,193)</u>	<u>5,898,443</u>	<u>1,546,975</u>	<u>(516,585)</u>	<u>1,778,753</u>
Program total pension liability - beginning	<u>105,132,384</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>	<u>83,255,033</u>	<u>82,738,448</u>
Program total pension liability - ending	<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>	<u>\$ 83,255,033</u>	<u>\$ 82,738,448</u>	<u>\$ 84,517,201</u>
Program fiduciary net position										
Contributions - employer	\$ 10,305,625	\$ 14,840,273	\$ 16,270,315	\$ 15,947,949	\$ 14,523,844	\$ 13,123,712	\$ 34,300,000	\$ 4,715,000	\$ 4,870,100	\$ 3,500,000
Net investment income	72,592	1,954,218	1,965,443	2,580,666	1,509,679	10,428,903	(7,099,525)	7,543,486	8,921,536	7,899,622
Benefit payments, including refunds of member contributions	(11,252,201)	(12,270,641)	(14,402,588)	(15,072,710)	(11,782,929)	(9,559,129)	(6,388,086)	(6,921,101)	(7,879,956)	(7,081,717)
Other	-	-	2,187	-	-	-	-	-	(139,628)	-
Administrative expense	<u>(73,670)</u>	<u>(85,363)</u>	<u>(109,809)</u>	<u>(140,253)</u>	<u>(181,632)</u>	<u>(210,888)</u>	<u>(233,202)</u>	<u>(248,090)</u>	<u>(317,496)</u>	<u>(328,839)</u>
Net change in Program fiduciary net position	<u>(947,654)</u>	<u>4,438,487</u>	<u>3,725,548</u>	<u>3,315,652</u>	<u>4,068,962</u>	<u>13,782,598</u>	<u>20,579,187</u>	<u>5,089,295</u>	<u>5,454,556</u>	<u>3,989,066</u>
Program fiduciary net position - beginning	<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>	<u>74,839,968</u>	<u>80,294,524</u>
Program fiduciary net position - ending	<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>	<u>\$ 74,839,968</u>	<u>\$ 80,294,524</u>	<u>\$ 84,283,590</u>
Program net pension liability - ending	<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>	<u>\$ 8,415,065</u>	<u>\$ 2,443,924</u>	<u>\$ 233,611</u>
Program fiduciary net position as a percentage of the total pension liability	16.67%	22.59%	32.85%	39.22%	46.39%	64.86%	85.37%	89.89%	97.05%	99.72%
Covered payroll	\$ 205,589,540	\$ 212,785,174	\$ 188,769,652	\$ 176,753,714	\$ 167,675,124	\$ 163,038,026	\$ 161,614,324	\$ 161,248,804	\$ 158,770,752	\$ 153,218,434
Program net pension liability as a percentage of covered payroll	48.25%	39.09%	30.32%	27.46%	24.39%	16.34%	7.40%	5.22%	1.54%	0.15%

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.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Discount rate used to estimate total pension liability	6.60%	4.73%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Annual money-weighted rate of return	2.36%	0.33%	9.63%	6.30%	6.45%	4.49%	29.49%	(15.30%)	12.24%	10.38%

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					
2016	1,579,372	1,779,372	(200,000)	137,953,101	1.29
2017	1,614,144	1,614,144	-	123,324,780	1.31
2018	736,003	1,210,600	(474,597)	126,065,622	0.96
2019	734,151	734,151	-	123,343,213	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
2023	1,451,688	3,869,688	(2,418,000)	119,379,659	3.24
2024	1,230,814	2,330,814	(1,100,000)	119,422,305	1.95
2025	1,815,467	3,215,467	(1,400,000)	122,179,895	2.63
School Board Component Unit					
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
2023	2,714,288	4,715,000	(2,000,712)	161,248,804	2.92
2024	2,270,019	4,870,100	(2,600,081)	158,770,752	3.07
2025	1,411,517	3,500,000	(2,088,483)	153,218,434	2.28

Notes to Schedule:

There have been no significant changes to the benefit provisions since the prior actuarial valuation.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Primary Government & School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Notes to Supplemental Retirement Plan

Methods and assumptions used to determine contribution rates:

The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

	<u>Primary Government:</u>		<u>School Board Component Unit:</u>					
Actuarial Cost Method	Entry Age Method		Entry Age Normal Cost Method, Level % of P;					
Amortization Method	Level dollar		Level dollar					
Amortization period	20 years		12 years closed					
Asset Valuation Method	Fair Value of Assets		Fair Value of Assets					
Inflation Rates	2.40%		2.0%					
Annual Pay Increases	5.0% per year (age 30-39); 4.5% per year (age 40-44); 4.0% per year (age 45-59); 3.5% per year (age 60+)		4.50% per year (<=10 years of service), 4.75% per year (10-14 years of service), 4.50% per year (15-24 years of service), 3.75% (25-29 years of service), 3.25% (30+ years of service)					
Interest Rates - Expected Long Term Rate of Return	6.50% net of investment expenses		6.50% net of investment expenses					
Retirement Rates	Less than 30 years of service		More than 30 years of service		Reduced retirement		Unreduced retirement	
	<u>Age</u>		<u>Age</u>		<u>Age</u>		<u>Age</u>	
	55	5%	55	10%	55-59	10%	55-59	30%
	56	5%	56	10%	60-64	15%	60-64	25%
	57	5%	57	10%	65-69	N/A	65-69	35%
	58	5%	58	15%				
	59	5%	59	15%				
	60	5%	60	20%				
	61	15%	61	20%				
	62	15%	62	20%				
	63	15%	63	20%				
	64	15%	64	20%				
	65	30%	65	40%				
	66	40%	66	40%				
	67	40%	67	30%				
	68	40%	68	30%				
	69	40%	69	30%				
	70+	100%	70+	100%				
Mortality Rates	PUB-2010 General Amount-weighted mortality table, with future generational mortality improvements projected according to Scale MP-21.				PUB-2010 General Amount-Weighted mortality table, with future generational improvements projected according to Scale MP-21			

Other information:

The Plan was closed to all Primary Government employees hired or rehired with an effective date on or after July 1, 2012.

The Program was closed to all School Board Component Unit employees hired or rehired with an effective date on or after July 1, 2013.

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*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability									
Service cost	\$ 927,910	\$ 890,903	\$ 861,270	\$ 960,293	\$ 969,038	\$ 1,049,858	\$ 977,095	\$ 1,073,684	\$ 941,693
Interest	8,038,741	8,564,885	7,081,545	6,335,601	6,183,125	6,150,197	5,790,594	5,553,063	5,019,962
Difference between expected and actual experience	-	(2,083,231)	(3,376,015)	756,151	838,797	(2,729,064)	(4,836,568)	(1,945,887)	4,562,940
Changes of assumptions	-	(13,070,740)	(7,295,365)	(1,639,704)	357,028	(819,561)	2,648,613	(5,052,178)	(57,076)
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>	<u>(8,564,180)</u>	<u>(7,558,064)</u>	<u>(6,651,426)</u>
Net change in total OPEB liability	345,975	(14,436,378)	(10,515,330)	(1,862,739)	(586,733)	(5,211,039)	(3,984,446)	(7,929,382)	3,816,093
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>	<u>85,955,347</u>	<u>81,970,901</u>	<u>74,041,519</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>	<u>\$ 81,970,901</u>	<u>\$ 74,041,519</u>	<u>\$ 77,857,612</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	\$ 8,564,180	\$ 7,558,064	\$ 6,651,426
Net investment income	2,954,980	2,519,903	1,341,593	934,117	9,817,235	(4,045,596)	2,976,721	3,989,734	4,071,301
Benefit payments, including refunds of member contributions	(8,620,677)	(8,738,195)	(7,786,765)	(8,275,080)	(8,934,721)	(8,862,469)	(8,564,180)	(7,558,064)	(6,651,426)
Administrative expense	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<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)	2,976,221	3,989,234	4,070,801
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>	<u>39,435,859</u>	<u>42,412,080</u>	<u>46,401,314</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>	<u>\$ 42,412,080</u>	<u>\$ 46,401,314</u>	<u>\$ 50,472,115</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>	<u>\$ 39,558,821</u>	<u>\$ 27,640,205</u>	<u>\$ 27,385,497</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%	51.74%	62.67%	64.83%
Covered payroll	\$ 181,884,658	\$ 188,928,493	193,640,564	203,568,979	202,192,740	219,426,121	261,357,268	276,456,877	303,315,461
Plan net OPEB liability as a percentage of covered payroll	50.57%	39.37%	32.08%	28.98%	23.58%	21.20%	15.14%	10.00%	9.03%

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>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)	7.55%	9.41%	8.80%

* 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>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability									
Service cost	\$ 601,750	\$ 792,650	\$ 766,287	\$ 1,017,086	\$ 1,026,697	\$ 1,141,895	\$ 1,287,800	\$ 1,703,032	\$ 1,694,641
Interest	945,421	975,937	852,476	1,126,955	1,116,343	1,185,232	1,339,078	1,640,835	1,796,839
Change in benefit terms	-	-	-	-	-	-	-	-	96,892
Difference between expected and actual experience	-	1,125,285	1,928,493	(1,459,176)	(1,163,500)	975,881	(866,881)	195,257	(1,475,132)
Changes of assumptions	-	(4,886,754)	689,110	(70,620)	701,804	(383,053)	3,165,231	(177,430)	(12,572)
Benefit payments	(368,000)	(650,950)	(430,589)	(706,164)	(847,139)	(776,477)	(962,808)	(1,098,762)	(1,151,501)
Net change in total OPEB liability	1,179,171	(2,643,832)	3,805,777	(91,919)	834,205	2,143,478	3,962,420	2,262,932	949,167
Plan total OPEB liability - beginning	13,088,262	14,267,433	11,623,601	15,429,378	15,337,459	16,171,664	18,315,142	22,277,562	24,540,494
Plan total OPEB liability - ending	\$ 14,267,433	\$ 11,623,601	\$ 15,429,378	\$ 15,337,459	\$ 16,171,664	\$ 18,315,142	\$ 22,277,562	\$ 24,540,494	\$ 25,489,661
Plan fiduciary net position									
Contributions - employer	\$ 959,000	\$ 1,080,950	\$ 730,589	\$ 1,432,164	\$ 1,647,139	\$ 776,477	\$ 3,762,808	\$ 2,298,762	\$ 2,303,002
Net investment income	773,132	702,889	385,669	274,013	3,067,393	(1,311,960)	968,420	1,567,979	1,695,821
Benefit payments	(368,000)	(650,950)	(430,589)	(706,164)	(847,139)	(776,477)	(962,808)	(1,098,762)	(1,151,501)
Administrative expense	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Net change in Plan fiduciary net position	1,363,632	1,132,389	685,169	999,513	3,866,893	(1,312,460)	3,767,920	2,767,479	2,846,822
Plan fiduciary net position - beginning	6,054,348	7,417,980	8,550,369	9,235,538	10,235,051	14,101,944	12,789,484	16,557,404	19,324,883
Plan fiduciary net position - ending	\$ 7,417,980	\$ 8,550,369	\$ 9,235,538	\$ 10,235,051	\$ 14,101,944	\$ 12,789,484	\$ 16,557,404	\$ 19,324,883	\$ 22,171,705
Plan net OPEB liability - ending	\$ 6,849,453	\$ 3,073,232	\$ 6,193,840	\$ 5,102,408	\$ 2,069,720	\$ 5,525,658	\$ 5,720,158	\$ 5,215,611	\$ 3,317,956
Plan fiduciary net position as a percentage of the total OPEB liability	51.99%	73.56%	59.86%	66.73%	87.20%	69.83%	74.32%	78.75%	86.98%
Covered payroll	\$ 65,181,494	\$ 67,756,971	\$ 67,615,562	\$ 73,410,549	\$ 75,017,926	\$ 87,967,796	\$ 98,033,921	\$ 100,884,695	\$ 114,344,263
Plan net OPEB liability as a percentage of covered payroll	10.51%	4.54%	9.16%	6.95%	2.76%	6.28%	5.83%	5.17%	2.90%

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>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)	7.57%	9.47%	8.80%

* 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*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability									
Service cost	\$ 1,806,182	\$ 1,342,954	\$ 1,298,283	\$ 1,695,437	\$ 1,507,807	\$ 1,658,089	\$ 1,505,537	\$ 1,274,289	\$ 1,138,802
Interest	14,953,724	14,878,280	13,615,717	12,490,441	12,061,650	11,561,650	9,884,061	9,463,994	8,752,099
Difference between expected and actual experience	-	2,742,227	(20,512,870)	(2,322,927)	(115,678)	(21,208,196)	(3,679,163)	(2,404,645)	3,647,820
Changes of assumptions	-	(22,407,529)	4,990,088	(1,932,185)	(5,284,318)	(1,073,020)	689,007	(5,020,179)	(83,828)
Benefit payments, including refunds of member contributions	<u>(15,784,000)</u>	<u>(16,279,013)</u>	<u>(15,769,337)</u>	<u>(15,961,410)</u>	<u>(15,772,821)</u>	<u>(15,141,717)</u>	<u>(14,347,907)</u>	<u>(13,984,256)</u>	<u>(12,689,657)</u>
Net change in total OPEB liability	975,906	(19,723,081)	(16,378,119)	(6,030,644)	(7,603,360)	(24,203,194)	(5,948,465)	(10,670,797)	765,236
Plan total OPEB liability - beginning	<u>219,710,450</u>	<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>	<u>140,799,493</u>	<u>130,128,696</u>
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>	<u>\$ 140,799,493</u>	<u>\$ 130,128,696</u>	<u>\$ 130,893,932</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	\$ 15,347,907	14,984,256	13,689,657
Net investment income	1,403,555	1,351,473	749,403	544,814	5,965,480	(2,499,723)	1,915,835	2,665,436	2,803,691
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)	(14,347,907)	(13,984,256)	(12,689,657)
Administrative expense	<u>(500)</u>								
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)	2,915,335	3,664,936	3,803,191
Plan fiduciary net position - beginning	<u>10,989,579</u>	<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>	<u>28,285,245</u>	<u>31,950,181</u>
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>	<u>\$ 28,285,245</u>	<u>\$ 31,950,181</u>	<u>\$ 35,753,372</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>	<u>\$ 112,514,248</u>	<u>\$ 98,178,515</u>	<u>\$ 95,140,560</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%	20.09%	24.55%	27.31%
Covered payroll	\$ 319,003,486	\$ 323,355,357	335,848,117	343,080,214	354,671,638	387,128,329	435,677,331	477,863,223	508,403,439
Plan net OPEB liability as a percentage of covered payroll	64.71%	57.01%	49.49%	46.24%	40.62%	31.35%	25.83%	20.55%	18.71%

Notes to Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)	7.55%	9.42%	8.81%

* 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
2023	6,359,768	8,564,180	(2,204,412)	261,357,268	3.28
2024	6,042,605	7,558,064	(1,515,459)	276,456,877	2.73
2025	4,747,480	6,651,426	(1,903,946)	303,315,461	2.19
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
2023	11,906,200	15,347,907	(3,441,707)	435,677,331	3.52
2024	11,389,544	14,984,256	(3,594,712)	477,863,223	3.14
2025	10,449,730	13,689,657	(3,239,927)	508,403,439	2.69
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
2023	1,704,305	3,762,808	(2,058,503)	98,033,921	3.84
2024	2,168,131	2,298,762	(130,631)	100,884,695	2.28
2025	2,136,601	2,303,002	(166,401)	114,344,263	2.01

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) 6.80-4.14% (2023) 6.75-4.14% (2024)
Projected long-term salary increases	6.60-4.04% (2025)
Investment rate of return	7.0% per annum, compounded annually

Remaining amortization period:

Primary Government-Retiree Healthcare	8 years
School Board Component Unit-Retiree Healthcare	13 years
Primary Government-Line of Duty	24 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

	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the Net GLI OPEB Liability	1.00018%	0.99337%	0.99219%	0.99689%	1.00612%	1.03098%	1.11508%	1.11698%
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	\$ 12,413,993	\$ 13,373,304	\$ 12,464,626
Employer's covered payroll	184,488,316	188,887,754	194,504,842	205,164,275	207,726,561	224,265,166	262,661,163	286,800,457
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%	5.54%	5.09%	4.35%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%

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

	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the Net GLI OPEB Liability	0.08521%	0.09024%	0.10825%	0.10526%	0.09994%	0.11208%	0.11492%	0.12261%
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	\$ 1,349,551	\$ 1,378,251	\$ 1,368,232
Employer's covered payroll	15,718,215	17,158,846	21,219,445	21,663,068	20,663,804	24,379,756	27,070,430	31,483,097
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%	5.64%	5.09%	4.35%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%

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

	2017	2018	2019	2020	2021	2022	2023	2024
Employer's proportion of the Net GLI OPEB Liability	1.57670%	1.59756%	1.59763%	1.57354%	1.63459%	1.69313%	1.73743%	1.75062%
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	\$ 20,386,918	\$ 20,837,232	\$ 19,535,555
Employer's covered payroll	290,828,580	303,772,620	313,188,521	323,840,126	337,481,425	368,299,777	409,256,847	449,497,229
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%	5.54%	5.09%	4.35%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%

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	1,121,723	1,121,723	-	207,726,561	0.54
2022	1,211,011	1,211,011	-	224,265,166	0.54
2023	1,419,348	1,419,348	-	262,661,163	0.54
2024	1,548,864	1,548,864	-	286,800,457	0.54
2025	1,469,349	1,469,349	-	312,586,430	0.47
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	111,423	111,423	-	20,663,804	0.54
2022	131,343	131,343	-	24,379,756	0.54
2023	146,180	146,180	-	27,070,430	0.54
2024	170,009	170,009	-	31,483,097	0.54
2025	154,341	154,341	-	32,772,552	0.47
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	1,822,400	1,822,400	-	337,481,425	0.54
2022	1,986,082	1,986,082	-	368,299,777	0.54
2023	2,209,987	2,209,987	-	409,256,847	0.54
2024	2,427,285	2,427,285	-	449,497,229	0.54
2025	2,232,639	2,232,639	-	475,364,254	0.47

* 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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-Hazardous Duty:

- Update 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 age and service decrement 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:

- Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement 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 line of duty disability rate
- No change to the discount rate

VRS Teachers Pool:

- Update 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 decrement through 9 years of service
- 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>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Employer's proportion of the Net HIC OPEB Liability	3.68064%	3.74939%	3.72923%	3.68972%	3.80733%	3.93435%	4.09214%	4.18889%
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	\$ 49,141,862	\$ 49,572,896	\$ 48,408,824
Employer's covered payroll	290,476,817	303,227,835	312,796,215	323,468,947	336,718,341	366,687,755	408,031,322	448,790,349
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%	13.40%	12.15%	10.79%
Plan Fiduciary Net Position as a percentage of the Total HIC OPEB Liability	7.04%	8.08%	8.97%	9.95%	13.15%	15.08%	17.90%	21.82%

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 eight years of data is available. However, additional years will be included as they become available.

County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
Component Unit - School Board (unprofessional)
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Political Subdivision's Health Insurance Credit Plan

Schedule of Changes in Net HIC OPEB Liability and Related Ratios

Total HIC OPEB Liability	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Service cost	\$ -	\$ 28,389	\$ 29,505	\$ 19,452	\$ 18,289
Interest	-	141,314	153,927	166,907	126,484
Changes of benefit terms	2,093,533	-	-	-	-
Difference between expected and actual experience	-	-	74,207	(636,069)	(148,946)
Changes of assumptions	-	63,303	94,240	-	-
Benefit payments	-	-	(151,286)	(147,774)	(148,198)
Net change in total HIC OPEB liability	<u>2,093,533</u>	<u>233,006</u>	<u>200,593</u>	<u>(597,484)</u>	<u>(152,371)</u>
Total HIC OPEB liability - beginning	<u>-</u>	<u>2,093,533</u>	<u>2,326,539</u>	<u>2,527,132</u>	<u>1,929,648</u>
Total HIC OPEB liability - ending (a)	# \$ 2,093,533	\$ 2,326,539	\$ 2,527,132	\$ 1,929,648	\$ 1,777,277
Plan fiduciary net position					
Contributions - employer	\$ -	\$ 162,004	\$ 190,774	\$ 267,206	\$ 313,150
Net investment income	-	21,521	(930)	18,159	45,408
Benefit payments	-	-	(151,286)	(147,774)	(148,198)
Administrator charges	-	(718)	(326)	(498)	(659)
Other	-	-	2,933	161	1
Net change in plan fiduciary net position	<u>-</u>	<u>182,807</u>	<u>41,165</u>	<u>137,254</u>	<u>209,702</u>
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>182,807</u>	<u>223,972</u>	<u>361,226</u>
Plan fiduciary net position - ending (b)	\$ -	\$ 182,807	\$ 223,972	\$ 361,226	\$ 570,928
County's net HIC OPEB liability - ending (a) - (b)	\$ 2,093,533	\$ 2,143,732	\$ 2,303,160	\$ 1,568,422	\$ 1,206,349
Plan fiduciary net position as a percentage of the total HIC OPEB liability	0.00%	7.86%	8.86%	18.72%	32.12%
Covered payroll	\$ 21,663,068	\$ 20,663,804	\$ 24,167,059	\$ 26,836,909	\$ 31,319,581
County's net HIC OPEB liability as a percentage of covered payroll	9.66%	10.37%	9.53%	5.84%	3.85%

**County of Chesterfield, Virginia
 Required Supplementary Information (Unaudited)
 School Board Component Unit
 (See Accompanying Report of the Independent Auditor)
 Schedule of Employer VRS Health Insurance Credit Plan Contributions**

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
Political Subdivision Health Insurance Credit Program					
2022	\$ 190,920	\$ 190,920	\$ -	\$ 24,167,059	0.79%
2023	267,206	267,206	-	26,836,909	1.00
2024	313,150	313,150	-	31,319,581	1.00
2025	\$ 326,286	326,286	-	\$ 32,568,591	1.00
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	4,074,292	4,074,292	-	336,718,341	1.21
2022	4,436,922	4,436,922	-	366,687,755	1.21
2023	4,937,179	4,937,179	-	408,031,322	1.21
2024	5,437,287	5,437,287	-	448,790,349	1.21
2025	5,747,139	5,747,139	-	475,043,637	1.21

**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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates - Teachers

- Update 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 age and service decrement through 9 years of service
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

**County of Chesterfield, Virginia
Required Supplementary Information (Unaudited)
School Board Component Unit
(See Accompanying Report of the Independent Auditor)
Virginia Retirement System - Political Subdivision 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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 Locality Employers - General Employees

- Update 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 age and service decrement 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.

Tourism Improvement Fund - This fund receives transient occupancy taxes and district fees to support marketing and advertising for tourism initiatives in the Richmond region, including contributions to the Greater Richmond Convention Center and Richmond Region Tourism.

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.

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.

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.

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.

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.

County of Chesterfield, Virginia
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2025

	Special Revenue Funds						Total Non-major Governmental Funds
	Tourism	Stormwater	Grants	Mental Health	Children's Services	Jail Canteen	
ASSETS							
Cash and cash equivalents	\$ 2,498,794	\$ 23,270,403	\$ 13,903,801	\$ 9,525,582	\$ 5,203,956	\$ 319,405	\$ 54,721,941
Accounts receivable, net	-	2,496,300	8,763,997	7,084,192	344,533	13,739	18,702,761
Due from other governments	-	2,263,959	3,651,398	73,366	2,415,334	-	8,404,057
Total assets	<u>\$ 2,498,794</u>	<u>\$ 28,030,662</u>	<u>\$ 26,319,196</u>	<u>\$ 16,683,140</u>	<u>\$ 7,963,823</u>	<u>\$ 333,144</u>	<u>\$ 81,828,759</u>
LIABILITIES							
Accounts payable	\$ 618,662	\$ 1,141,105	\$ 2,675,901	\$ 700,151	\$ 2,118,152	\$ 11,218	\$ 7,265,189
Accrued liabilities	26,890	-	309,769	1,577,973	-	-	1,914,632
Retainages payable	-	746,048	55,662	-	-	-	801,710
Unearned revenues	-	-	1,395,047	-	-	-	1,395,047
Total liabilities	<u>645,552</u>	<u>1,887,153</u>	<u>4,436,379</u>	<u>2,278,124</u>	<u>2,118,152</u>	<u>11,218</u>	<u>11,376,578</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenues	-	2,379,987	-	-	-	-	2,379,987
Unavailable revenues	-	116,313	7,343,042	2,854,368	92,972	-	10,406,695
Total deferred inflows of resources	<u>-</u>	<u>2,496,300</u>	<u>7,343,042</u>	<u>2,854,368</u>	<u>92,972</u>	<u>-</u>	<u>12,786,682</u>
FUND BALANCES							
Restricted	1,853,242	23,647,209	4,427,318	-	-	-	29,927,769
Assigned	-	-	10,112,457	11,550,648	5,752,699	321,927	27,737,731
Total fund balances	<u>1,853,242</u>	<u>23,647,209</u>	<u>14,539,775</u>	<u>11,550,648</u>	<u>5,752,699</u>	<u>321,927</u>	<u>57,665,500</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,498,794</u>	<u>\$ 28,030,662</u>	<u>\$ 26,319,196</u>	<u>\$ 16,683,140</u>	<u>\$ 7,963,823</u>	<u>\$ 333,145</u>	<u>\$ 81,828,760</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, 2025

	Special Revenue Funds						Total Non-major Governmental Funds
	Tourism	Stormwater	Grants	Mental Health	Children's Services	Jail Canteen	
Revenues							
From local sources:							
Use of money and property	\$ -	\$ 1,069,255	\$ 9,041	\$ -	\$ -	\$ -	\$ 1,078,296
Charges for services	-	4,899,207	10,393,420	27,304,218	-	-	42,596,845
Miscellaneous	-	-	1,045,378	32,241	-	164,738	1,242,357
Recovered costs	3,674,840	-	48,136	296,385	1,346,972	-	5,366,333
Donations and contributions	10,900	-	128,938	-	-	-	139,838
From component unit - School Board	-	-	-	-	5,143,200	-	5,143,200
Transient occupancy tax	5,756,208	-	-	-	-	-	5,756,208
From other governments	-	2,263,959	13,460,420	12,504,366	12,884,122	-	41,112,867
Total revenues	<u>9,441,948</u>	<u>8,232,421</u>	<u>25,085,333</u>	<u>40,137,210</u>	<u>19,374,294</u>	<u>164,738</u>	<u>102,435,944</u>
Expenses							
Current:							
Administration of justice	-	-	1,564,044	-	-	-	1,564,044
Public safety	-	-	14,094,038	-	-	134,110	14,228,148
Public works	-	8,224,766	-	-	-	-	8,224,766
Health and welfare	-	-	7,146,039	55,433,673	21,432,709	-	84,012,421
Parks, recreation and cultural	-	-	110,734	-	-	-	110,734
Community development	8,453,057	-	3,622,486	-	-	-	12,075,543
Debt Service:							
Principal	-	-	551,122	1,511,471	-	-	2,062,593
Interest	-	-	39,919	156,510	-	-	196,429
Capital Outlay	-	-	-	2,583,036	-	-	2,583,036
Total expenditures	<u>8,453,057</u>	<u>8,224,766</u>	<u>27,128,382</u>	<u>59,684,690</u>	<u>21,432,709</u>	<u>134,110</u>	<u>125,057,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>988,891</u>	<u>7,655</u>	<u>(2,043,049)</u>	<u>(19,547,480)</u>	<u>(2,058,415)</u>	<u>30,628</u>	<u>(22,621,770)</u>
Other financing sources (uses)							
Leases	-	-	-	-	-	-	-
Subscriptions	-	-	-	2,583,036	-	-	2,583,036
Transfers in	-	74,167	2,502,718	16,365,300	1,907,700	-	20,849,885
Transfers out	(858,202)	-	(3,402,800)	(742,851)	-	(10,000)	(5,013,853)
Total other financing sources (uses), net	<u>(858,202)</u>	<u>74,167</u>	<u>(900,082)</u>	<u>18,205,485</u>	<u>1,907,700</u>	<u>(10,000)</u>	<u>18,419,068</u>
Net change in fund balances	130,689	81,822	(2,943,131)	(1,341,995)	(150,715)	20,628	(4,202,702)
Total fund balances, July 1, 2024	1,722,553	23,565,387	17,482,906	12,892,643	5,903,414	301,299	61,868,202
Total fund balances, June 30, 2025	<u>\$ 1,853,242</u>	<u>\$ 23,647,209</u>	<u>\$ 14,539,775</u>	<u>\$ 11,550,648</u>	<u>\$ 5,752,699</u>	<u>\$ 321,927</u>	<u>\$ 57,665,500</u>

See accompanying independent auditors' report.



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

Children's Services Fund

This fund is used to account for the financial resources related to providing child centered, family focused and locally based services for at-risk youth.

Mental Health Support Services Fund

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.

Stormwater

This fund reflects revenues collected from stormwater utility fees and expenditures related to meeting the County's stormwater management program initiatives.

County of Chesterfield, Virginia
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Children's Services Fund
 For the Year Ended June 30, 2025

	<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:				
Recovered costs	\$ 851,000	\$ 851,000	\$ 1,346,972	\$ 495,972
From component unit - School Board	5,143,200	5,143,200	5,143,200	-
From other governments	<u>12,075,600</u>	<u>12,075,600</u>	<u>12,884,122</u>	<u>808,522</u>
Total revenues	<u>18,069,800</u>	<u>18,069,800</u>	<u>19,374,294</u>	<u>1,304,494</u>
Expenditures				
Health and welfare	<u>19,977,500</u>	<u>19,977,500</u>	<u>21,432,709</u>	<u>(1,455,209)</u>
Total expenditures	<u>19,977,500</u>	<u>19,977,500</u>	<u>21,432,709</u>	<u>(1,455,209)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,907,700)</u>	<u>(1,907,700)</u>	<u>(2,058,415)</u>	<u>(150,715)</u>
Other financing sources				
Transfers in: General Fund	<u>1,907,700</u>	<u>1,907,700</u>	<u>1,907,700</u>	<u>-</u>
Total other financing sources	<u>1,907,700</u>	<u>1,907,700</u>	<u>1,907,700</u>	<u>-</u>
Net change in fund balances	-	-	(150,715)	(150,715)
Fund balance, July 1, 2024	<u>5,903,414</u>	<u>5,903,414</u>	<u>5,903,414</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 5,903,414</u>	<u>\$ 5,903,414</u>	<u>\$ 5,752,699</u>	<u>\$ (150,715)</u>

County of Chesterfield, Virginia
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Mental Health Fund
 For the Year Ended June 30, 2025

	<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:				
Charges for services	\$ 29,578,100	\$ 29,578,100	\$ 27,304,218	\$ (2,273,882)
Miscellaneous	-	-	32,241	32,241
Recovered costs	9,500	9,709	296,385	286,676
From other governments	<u>9,954,100</u>	<u>9,955,175</u>	<u>12,504,366</u>	<u>2,549,191</u>
Total revenues	<u>39,541,700</u>	<u>39,542,984</u>	<u>40,137,210</u>	<u>594,226</u>
Expenditures				
Health and welfare	<u>58,300,651</u>	<u>58,618,590</u>	<u>59,684,690</u>	<u>(1,066,100)</u>
Total expenditures	<u>58,300,651</u>	<u>58,618,590</u>	<u>59,684,690</u>	<u>(1,066,100)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,758,951)</u>	<u>(19,075,606)</u>	<u>(19,547,480)</u>	<u>(471,874)</u>
Other financing sources (uses)				
Subscriptions	-	-	2,583,036	2,583,036
Transfers in:				
General Fund	16,322,700	16,322,700	16,365,300	42,600
Grants Fund	<u>42,600</u>	<u>42,600</u>	<u>-</u>	<u>(42,600)</u>
Total transfers in	<u>16,365,300</u>	<u>16,365,300</u>	<u>16,365,300</u>	<u>-</u>
Transfers out:	<u>(1,305,900)</u>	<u>(989,246)</u>	<u>(742,851)</u>	<u>246,395</u>
Total other financing sources (uses), net	<u>15,059,400</u>	<u>15,376,054</u>	<u>18,205,485</u>	<u>246,395</u>
Net change in fund balances	(3,699,551)	(3,699,552)	(1,341,995)	(225,479)
Fund balance, July 1, 2024	<u>12,892,643</u>	<u>12,892,643</u>	<u>12,892,643</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 9,193,092</u>	<u>\$ 9,193,091</u>	<u>\$ 11,550,648</u>	<u>\$ 2,357,557</u>

County of Chesterfield, Virginia
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Stormwater Fund
 For the Year Ended June 30, 2025

	<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	\$ -	\$ -	\$ 1,069,255	\$ 1,069,255
Charges for services	-	-	4,899,207	4,899,207
From other governments	-	-	2,263,959	2,263,959
Total revenues	<u>-</u>	<u>-</u>	<u>8,232,421</u>	<u>8,232,421</u>
Expenditures				
Public works	-	-	8,224,766	(8,224,766)
Total expenditures	<u>-</u>	<u>-</u>	<u>8,224,766</u>	<u>(8,224,766)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>7,655</u>	<u>7,655</u>
Other financing sources				
Transfers in from other funds	-	-	74,167	74,167
Total other financing sources	<u>-</u>	<u>-</u>	<u>74,167</u>	<u>74,167</u>
Net change in fund balances	-	-	81,822	81,822
Fund balance, July 1, 2024	<u>23,565,387</u>	<u>23,565,387</u>	<u>23,565,387</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ 23,565,387</u>	<u>\$ 23,565,387</u>	<u>\$ 23,647,209</u>	<u>\$ 81,822</u>

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, 2025

	<u>Enterprise Funds</u>		
	<u>Economic Development Authority</u>	<u>Airport</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,053,945	\$ 1,320,709	\$ 5,374,654
Restricted cash equivalents with trustees	3,870,437	-	3,870,437
Receivables	28,139	63,109	91,248
Lease receivable		299,463	299,463
Interest receivable	-	9,007	9,007
Due from other governments	7,524,723	784,971	8,309,694
Due from other funds	268,318	-	268,318
Due from Chesterfield County	15,550	-	15,550
Total current assets	<u>15,761,112</u>	<u>2,477,259</u>	<u>18,238,371</u>
Non-current assets:			
Lease receivable	4,991,811	4,603,482	9,595,293
Capital assets:			
Intangible asset	1,892,455	-	1,892,455
Land and land improvements	43,765,904	3,990,591	47,756,495
Buildings	-	8,747,821	8,747,821
Improvements other than buildings	1,936,873	30,545,001	32,481,874
Infrastructure	7,250,802	-	7,250,802
Machinery and equipment	-	4,185,340	4,185,340
Construction in progress	-	2,486,396	2,486,396
Total capital assets	<u>54,846,034</u>	<u>49,955,149</u>	<u>104,801,183</u>
Less accumulated depreciation	<u>(3,607,600)</u>	<u>(30,091,014)</u>	<u>(33,698,614)</u>
Net capital assets	<u>51,238,434</u>	<u>19,864,135</u>	<u>71,102,569</u>
Total non-current assets	<u>56,230,245</u>	<u>24,467,617</u>	<u>80,697,862</u>
Total assets	<u>71,991,357</u>	<u>26,944,876</u>	<u>98,936,233</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	136	136
Deferred outflows related to pensions	-	74,469	74,469
Deferred outflows related to other postemployment benefits	-	13,828	13,828
Total deferred outflows of resources	<u>-</u>	<u>88,433</u>	<u>88,433</u>

(Continued)

County of Chesterfield, Virginia
Combining Statement of Net Position
Non-major Enterprise Funds
June 30, 2025

	<u>Enterprise Funds</u>		
	<u>Economic Development Authority</u>	<u>Airport</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	310,887	97,736	408,623
Accrued liabilities	1,185,673	249,295	1,434,968
Compensated absences	-	12,233	12,233
Airport Revolving Loan Fund	-	92,300	92,300
Revenue bonds payable, net	-	2,899	2,899
Total current liabilities	<u>1,496,560</u>	<u>454,463</u>	<u>1,951,023</u>
Non-current liabilities:			
Retainages payable	1,200,940	6,936	1,207,876
Compensated absences	-	30,915	30,915
Net pension liabilities	-	133,908	133,908
Net other postemployment benefit liabilities	-	52,269	52,269
Airport Revolving Loan Fund	-	1,199,900	1,199,900
Revenue bond payable, net	-	5,439	5,439
Total non-current liabilities	<u>1,200,940</u>	<u>1,429,367</u>	<u>2,630,307</u>
Total liabilities	<u>2,697,500</u>	<u>1,883,830</u>	<u>4,581,330</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	25,282	25,282
Deferred inflows related to other postemployment benefits	-	19,703	19,703
Deferred inflows related to leases	4,889,201	4,721,461	9,610,662
Total deferred inflows of resources	<u>4,889,201</u>	<u>4,766,446</u>	<u>9,655,647</u>
NET POSITION			
Net investment in capital assets	51,238,434	18,618,066	69,856,500
Restricted by contractual agreements	1,855,481	-	1,855,481
Restricted by debt covenants	51,021	-	51,021
Unrestricted	11,259,720	1,764,967	13,024,687
Total net position	<u>\$ 64,404,656</u>	<u>\$ 20,383,033</u>	<u>\$ 84,787,689</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, 2025

	Enterprise Funds		
	Economic Development Authority	Airport	Total
Operating revenues			
Charges for services	\$ 1,844,692	\$ 914,164	\$ 2,758,856
From other governments	7,016,355	8,615	7,024,970
Other	402,845	140,822	543,667
Total operating revenues	<u>9,263,892</u>	<u>1,063,601</u>	<u>10,327,493</u>
Operating expenses			
Salaries and wages	-	345,698	345,698
Contractual services	1,631,457	173,039	1,804,496
Amortization	937,957	-	937,957
Materials and supplies	-	19,469	19,469
Heat, light and power	-	103,991	103,991
Depreciation	426,457	1,391,659	1,818,116
Repairs and maintenance	-	90,489	90,489
Other	7,871,384	32,124	7,903,508
Total operating expenses	<u>10,867,255</u>	<u>2,156,469</u>	<u>13,023,724</u>
Operating loss	<u>(1,603,363)</u>	<u>(1,092,868)</u>	<u>(2,696,231)</u>
Non-operating (expenses)			
Interest and dividend income	644,745	-	644,745
Lease revenue	102,610	-	102,610
Interest expense	-	(37,949)	(37,949)
Arbitrage rebate expense	(53,318)	-	(53,318)
Gain (loss) on disposal of capital assets	(121,613)	(145,802)	(267,415)
Other	(9,978,655)	(49,500)	(10,028,155)
Total non-operating expenses, net	<u>(9,406,231)</u>	<u>(233,251)</u>	<u>(9,639,482)</u>
Loss before capital contributions and transfers	(11,009,594)	(1,326,119)	(12,335,713)
Capital contributions	-	1,564,768	1,564,768
Transfers in	544,182	384,456	928,638
Change in net position	(10,465,412)	623,105	(9,842,307)
Net position - July 1, 2024, as previously presented	<u>74,870,068</u>	<u>19,760,999</u>	<u>94,631,067</u>
Restatement - change in accounting principal	-	(1,071)	(1,071)
Net position - July 1, 2024, as restated	<u>74,870,068</u>	<u>19,759,928</u>	<u>94,629,996</u>
Total net position - June 30, 2025	<u>\$ 64,404,656</u>	<u>\$ 20,383,033</u>	<u>\$ 84,787,689</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, 2025

	Enterprise Funds		
	Economic Development Authority	Airport	Total
Cash flows from operating activities			
Receipts from customers	\$ 7,013,397	\$ 920,877	\$ 7,934,274
Lease interest receipts	-	112,651	112,651
Payments to suppliers	(7,028,677)	(487,483)	(7,516,160)
Payments to employees	-	(348,758)	(348,758)
Net cash provided by (used in) operating activities	<u>(15,280)</u>	<u>197,287</u>	<u>182,007</u>
Cash flows from non-capital financing activities			
Transfers in	<u>602,561</u>	<u>165,000</u>	<u>767,561</u>
Net cash provided by non-capital financing activities	<u>602,561</u>	<u>165,000</u>	<u>767,561</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	(29,301,881)	(1,796,818)	(31,098,699)
Capital contributions	16,311,374	1,477,506	17,788,880
Proceeds from sale of capital assets	-	15,340	15,340
Interest paid on certificates of participation and revenue bonds	-	(39,683)	(39,683)
Principal paid on certificates of participation and revenue bonds	-	(110,886)	(110,886)
Net cash provided by used in capital and related financing activities	<u>(12,990,507)</u>	<u>(454,541)</u>	<u>(13,445,048)</u>
Cash flows from investing activities			
Interest received	<u>645,966</u>	-	<u>645,966</u>
Net cash provided by investing activities	<u>645,966</u>	-	<u>645,966</u>
Net increase (decrease) in cash and cash equivalents	(11,757,260)	(92,254)	(11,849,514)
Cash and cash equivalents, July 1, 2024	<u>19,681,642</u>	<u>1,412,963</u>	<u>21,094,605</u>
Cash and cash equivalents, June 30, 2025	<u>\$ 7,924,382</u>	<u>\$ 1,320,710</u>	<u>\$ 9,245,092</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (1,603,363)	\$ (1,092,868)	\$ (2,696,231)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	426,457	1,391,659	1,818,116
Changes in assets and liabilities:			
Receivables, net	(2,250,495)	(30,073)	(2,280,568)
Accounts and other payables	2,474,164	(71,431)	2,402,733
Net cash provided by (used in) operating activities	<u>\$ (953,237)</u>	<u>\$ 197,287</u>	<u>\$ (755,950)</u>
Noncash transactions related to financing, capital and investing activities:			
Nutrient credits used	\$ (937,957)	\$ -	\$ (937,957)
Capital asset transactions	\$ (115,217)	\$ -	\$ (115,217)
Amortized lease revenue	\$ 102,610	\$ -	\$ 102,610

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, 2025

	<u>Vehicle and Communications Maintenance</u>	<u>Risk Management</u>	<u>Healthcare</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 20,557,159	\$ 26,218,623	\$ 30,009,161	\$ 76,784,943
Receivables	92,937	134,003	-	226,940
Due from other governments	12,649	-	-	12,649
Inventories	<u>1,630,118</u>	<u>-</u>	<u>-</u>	<u>1,630,118</u>
Total current assets	<u>22,292,863</u>	<u>26,352,626</u>	<u>30,009,161</u>	<u>78,654,650</u>
Non-current assets:				
Capital assets:				
Buildings	10,488,493	-	-	10,488,493
Improvements other than buildings	1,809,973	-	-	1,809,973
Machinery and equipment	<u>24,730,998</u>	<u>435,740</u>	<u>-</u>	<u>25,166,738</u>
Total capital assets	37,029,464	435,740	-	37,465,204
Less accumulated depreciation	<u>(15,488,268)</u>	<u>(424,670)</u>	<u>-</u>	<u>(15,912,938)</u>
Net capital assets	<u>21,541,196</u>	<u>11,070</u>	<u>-</u>	<u>21,552,266</u>
Total assets	<u>43,834,059</u>	<u>26,363,696</u>	<u>30,009,161</u>	<u>100,206,916</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,441,507	380,643	-	1,822,150
Deferred outflows related to other postemployment benefits	<u>210,657</u>	<u>40,606</u>	<u>-</u>	<u>251,263</u>
Total deferred outflows of resources	<u>1,652,164</u>	<u>421,249</u>	<u>-</u>	<u>2,073,413</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,351,162	157,935	5,221,762	6,730,859
Accrued liabilities	284,886	84,875	-	369,761
Compensated absences	100,584	29,397	-	129,981
Judgments and claims	<u>467,120</u>	<u>4,335,564</u>	<u>9,827,000</u>	<u>14,629,684</u>
Total current liabilities	<u>2,203,752</u>	<u>4,607,771</u>	<u>15,048,762</u>	<u>21,860,285</u>
Non-current liabilities:				
Compensated absences	460,980	137,900	-	598,880
Judgments and claims	466,292	2,444,000	-	2,910,292
Net pension liabilities	3,197,231	468,478	-	3,665,709
Net other postemployment benefit obligations	<u>807,145</u>	<u>139,555</u>	<u>-</u>	<u>946,700</u>
Total non-current liabilities	<u>4,931,648</u>	<u>3,189,933</u>	<u>-</u>	<u>8,121,581</u>
Total liabilities	<u>7,135,400</u>	<u>7,797,704</u>	<u>15,048,762</u>	<u>29,981,866</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	489,362	129,216	-	618,578
Deferred inflows related to other postemployment benefits	<u>310,981</u>	<u>44,210</u>	<u>-</u>	<u>355,191</u>
Total deferred inflows of resources	<u>800,343</u>	<u>173,426</u>	<u>-</u>	<u>973,769</u>
NET POSITION				
Investment in capital assets	21,541,196	11,070	-	21,552,266
Unrestricted	<u>16,009,284</u>	<u>18,802,745</u>	<u>14,960,399</u>	<u>49,772,428</u>
Total net position	<u>\$ 37,550,480</u>	<u>\$ 18,813,815</u>	<u>\$ 14,960,399</u>	<u>\$ 71,324,694</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, 2025

	Vehicle and Communications Maintenance	Risk Management	Healthcare	Total
Operating revenues				
Charges for services	\$ 27,999,470	\$ 12,336,260	\$ 145,647,248	\$ 185,982,978
Other	169,326	688,656	-	857,982
Total operating revenues	<u>28,168,796</u>	<u>13,024,916</u>	<u>145,647,248</u>	<u>186,840,960</u>
Operating expenses				
Salaries and wages	8,121,643	2,406,244	-	10,527,887
Contractual services	1,448,807	1,661,310	-	3,110,117
Materials and supplies	12,066,262	100,027	-	12,166,289
Heat, light and power	119,593	-	-	119,593
Depreciation	2,131,508	2,768	-	2,134,276
Repairs and maintenance	1,644,209	119,563	-	1,763,772
Insurance	-	4,741,510	-	4,741,510
Claims	-	3,897,207	167,413,397	171,310,604
Other	25,244	31,792	-	57,036
Total operating expenses	<u>25,557,266</u>	<u>12,960,421</u>	<u>167,413,397</u>	<u>205,931,084</u>
Operating income (loss)	<u>2,611,530</u>	<u>64,495</u>	<u>(21,766,149)</u>	<u>(19,090,124)</u>
Non-operating revenues				
Interest and dividend income	670,251	966,727	1,662,416	3,299,394
Gain on disposal of capital assets	338,038	-	-	338,038
Total non-operating revenues	<u>1,008,289</u>	<u>966,727</u>	<u>1,662,416</u>	<u>3,637,432</u>
Income (loss) before capital contributions	3,619,819	1,031,222	(20,103,733)	(15,452,692)
Capital contributions	550,641	13,838.00	-	564,479
Change in net position	<u>4,170,460</u>	<u>1,045,060</u>	<u>(20,103,733)</u>	<u>(14,888,213)</u>
Net position - July 1, 2024, as previously presented	33,398,784	17,774,630	35,064,132	86,237,546
Restatement - change in accounting principle	(18,764)	(5,875)	-	(24,639)
Net position - July 1, 2024, as restated	<u>33,380,020</u>	<u>17,768,755</u>	<u>35,064,132</u>	<u>86,212,907</u>
Total net position - June 30, 2025	<u>\$ 37,550,480</u>	<u>\$ 18,813,815</u>	<u>\$ 14,960,399</u>	<u>\$ 71,324,694</u>

County of Chesterfield, Virginia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Vehicle and Communications Maintenance	Risk Management	Healthcare	Total
Cash flows from operating activities				
Receipts from customers	\$ 28,101,030	\$ 13,024,915	\$ 145,647,248	\$ 186,773,193
Payments to suppliers	(14,782,317)	(6,657,225)	-	(21,439,542)
Payments to employees	(8,250,069)	(2,401,917)	-	(10,651,986)
Claims paid	-	(2,421,769)	(163,948,793)	(166,370,562)
Net cash provided by (used in) operating activities	<u>5,068,644</u>	<u>1,544,004</u>	<u>(18,301,545)</u>	<u>(11,688,897)</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(2,937,377)	-	-	(2,937,377)
Proceeds from sale of capital assets	<u>421,022</u>	<u>-</u>	<u>-</u>	<u>421,022</u>
Net cash used in capital and related financing activities	<u>(2,516,355)</u>	<u>-</u>	<u>-</u>	<u>(2,516,355)</u>
Cash flows from investing activities				
Interest received	<u>670,251</u>	<u>966,727</u>	<u>1,662,416</u>	<u>3,299,394</u>
Net increase in cash and cash equivalents	3,222,540	2,510,731	(16,639,129)	(10,905,858)
Cash and cash equivalents, July 1, 2024	<u>17,334,619</u>	<u>23,707,892</u>	<u>46,648,290</u>	<u>87,690,801</u>
Cash and cash equivalents, June 30, 2025	<u>\$ 20,557,159</u>	<u>\$ 26,218,623</u>	<u>\$ 30,009,161</u>	<u>\$ 76,784,943</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,611,530	\$ 64,495	\$ (21,766,149)	\$ (19,090,124)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,131,508	2,768	-	2,134,276
Changes in assets and liabilities:				
Receivables, net	(67,766)	-	-	(67,766)
Inventories	(326,056)	(123,025)	-	(449,081)
Accounts and other payables	<u>719,428</u>	<u>1,599,767</u>	<u>3,464,604</u>	<u>5,783,799</u>
Net cash provided by (used in) operating activities, net	<u>\$ 5,068,644</u>	<u>\$ 1,544,005</u>	<u>\$ (18,301,545)</u>	<u>\$ (11,688,896)</u>
Noncash transactions related to financing, capital and investing activities are as follows:				
Contributions of capital assets	\$ 550,641	\$ -	\$ -	\$ 550,641

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.

Tourism Improvement District Fund - This fund reflects the funds held by the County as fiscal agent for the Richmond Region Tourism Improvement District.

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, 2025

	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	\$ 3,001,582	\$ -	\$ -	\$ -	\$ 3,001,582
Accounts receivable	117,574	-	-	-	117,574
Investments:					
Mutual funds	12,110,480	-	-	-	12,110,480
Common and preferred stocks	10,133,496	-	-	-	10,133,496
Corporate bonds	5,080,548	-	-	-	5,080,548
Municipal bonds	57,270	-	-	-	57,270
U. S. government and agency securities	7,474,406	-	-	-	7,474,406
Exchange traded funds	12,880,454	-	-	-	12,880,454
Collateralized mortgage backed securities	888,263	-	-	-	888,263
Fund of funds	7,225,536	-	-	-	7,225,536
Pooled funds	-	50,472,115	35,753,372	22,171,705	108,397,192
Total investments	55,850,453	50,472,115	35,753,372	22,171,705	164,247,645
Total assets	<u>\$ 58,969,609</u>	<u>\$ 50,472,115</u>	<u>\$ 35,753,372</u>	<u>\$ 22,171,705</u>	<u>\$ 167,366,801</u>
FIDUCIARY NET POSITION					
Restricted for:					
Pension benefits	\$ 58,969,609	\$ -	\$ -	\$ -	\$ 58,969,609
Other postemployment benefits	-	50,472,115	35,753,372	22,171,705	108,397,192
Total net position	<u>\$ 58,969,609</u>	<u>\$ 50,472,115</u>	<u>\$ 35,753,372</u>	<u>\$ 22,171,705</u>	<u>\$ 167,366,801</u>

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, 2025

	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	\$ 3,215,467	\$ 6,651,426	\$ 13,689,657	\$ 2,303,002	\$ 25,859,552
Investment earnings:					
Interest and dividends	2,817,593	18,501	10,296	5,698	2,852,088
Net increase in the fair value of investments	<u>2,430,814</u>	<u>4,083,270</u>	<u>2,814,183</u>	<u>1,702,535</u>	<u>11,030,802</u>
Total investment income	5,248,407	4,101,771	2,824,479	1,708,233	13,882,890
Less investment expenses	<u>(227,720)</u>	<u>(30,470)</u>	<u>(20,788)</u>	<u>(12,412)</u>	<u>(291,390)</u>
Net investment earnings	<u>5,020,687</u>	<u>4,071,301</u>	<u>2,803,691</u>	<u>1,695,821</u>	<u>13,591,500</u>
Total additions, net	<u>8,236,154</u>	<u>10,722,727</u>	<u>16,493,348</u>	<u>3,998,823</u>	<u>39,451,052</u>
Deductions:					
Benefit payments	2,835,069	6,651,426	12,689,657	1,151,501	23,327,653
Administrative expenses	<u>43,424</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>44,924</u>
Total deductions	<u>2,878,493</u>	<u>6,651,926</u>	<u>12,690,157</u>	<u>1,152,001</u>	<u>23,372,577</u>
Increase in net position restricted for pensions/other postemployment benefits	5,357,661	4,070,801	3,803,191	2,846,822	16,078,475
Fiduciary net position - July 1, 2024	<u>53,611,948</u>	<u>46,401,314</u>	<u>31,950,181</u>	<u>19,324,883</u>	<u>151,288,326</u>
Fiduciary net position - June 30, 2025	<u>\$ 58,969,609</u>	<u>\$ 50,472,115</u>	<u>\$ 35,753,372</u>	<u>\$ 22,171,705</u>	<u>\$ 167,366,801</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Greater Richmond Convention Center Authority	Special Welfare	MHSS SSA	Police Safekeeping	Inmate Trust	Central Virginia Transportation Authority	Tourism Improvement District	Appomattox Regional Governor's School	Total
ASSETS									
Cash and cash equivalents	\$ 21,491,387	\$ 42,311	\$ 97,337	\$ 853,325	\$ 149,662	\$ 341,639,669	\$ 152,552	\$ 2,591,615	\$ 367,017,858
Investments with fiscal agent	-	-	-	-	-	14,713,187	-	-	14,713,187
Accounts receivable	286,542	-	1,665	-	-	-	-	-	288,207
Restricted assets:									
Cash and cash equivalents	14,527,801	-	-	-	-	-	-	-	14,527,801
Investments	5,981,833	-	-	-	-	-	-	-	5,981,833
Cash, cash equivalents and investments with trustee	12,631,641	-	-	-	-	-	-	-	12,631,641
Due from other governments	3,798,109	-	-	-	-	-	-	-	3,798,109
Interest receivable	169,638	-	-	-	-	-	-	-	169,638
Total restricted assets	<u>37,109,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,109,022</u>
Total assets	<u>58,886,951</u>	<u>42,311</u>	<u>99,002</u>	<u>853,325</u>	<u>149,662</u>	<u>356,352,856</u>	<u>152,552</u>	<u>2,591,615</u>	<u>\$ 419,128,274</u>
LIABILITIES									
Accounts payable	374,831	-	-	-	113,918	87,395	152,552	134,498	863,194
Wages and benefits	-	-	-	-	-	-	-	384,764	384,764
Unearned revenue	-	-	-	-	-	-	-	117,000	117,000
Due to Chesterfield County	-	-	-	-	7,376	101,439	-	-	108,815
Due to other governments	24,537,918	4,773	-	-	-	28,012,319	-	-	52,555,010
Total liabilities	<u>24,912,749</u>	<u>4,773</u>	<u>-</u>	<u>-</u>	<u>121,294</u>	<u>28,201,153</u>	<u>152,552</u>	<u>636,262</u>	<u>54,028,783</u>
NET POSITION									
Restricted for individuals, other governments and entities	<u>\$ 33,974,202</u>	<u>\$ 37,538</u>	<u>\$ 99,002</u>	<u>\$ 853,325</u>	<u>\$ 28,368</u>	<u>\$ 328,151,703</u>	<u>\$ -</u>	<u>\$ 1,955,353</u>	<u>\$ 365,099,491</u>

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, 2025

	Greater Richmond Convention Center Authority	Special Welfare	MHSS SSA	Police Safekeeping	Inmate Trust	Central Virginia Transportation Authority	Tourism Improvement District	Appomattox Regional Governor's School	Total
ADDITIONS									
Receipts:									
Deposits from and on behalf of others	\$ -	\$ -	\$ -	\$ 637,535	\$ 1,365,173	\$ -	\$ -	\$ -	\$ 2,002,708
Social Security Administration deposits	-	39,594	786,918	-	-	-	-	-	826,512
Local sales and use tax collections	-	-	-	-	-	169,702,129	-	-	169,702,129
Fuel tax collections	-	-	-	-	-	58,046,623	-	-	58,046,623
Transient occupancy tax collections	38,999,729	-	-	-	-	-	-	-	38,999,729
Tourism improvement district fees	-	-	-	-	-	-	1,609,358	-	1,609,358
Food stamp recoupment	-	7,147	-	-	-	-	-	-	7,147
From other governments	-	-	-	-	-	-	-	2,066,800	2,066,800
Tuition deposits from localities	-	-	-	-	-	-	-	3,537,000	3,537,000
Other	715,868	27,109	3,722	-	188	-	-	1,829	748,716
Investment earnings:									
Interest and dividends	2,313,602	10	1,350	-	-	15,503,843	-	-	17,818,805
Net increase in the fair value of investments	39,465	-	-	-	-	(30,166)	-	-	9,299
Total investment income	2,353,067	10	1,350	-	-	15,473,677	-	-	17,828,104
Net investment earnings	2,353,067	10	1,350	-	-	15,473,677	-	-	17,828,104
Total additions, net	42,068,664	73,860	791,990	637,535	1,365,361	243,222,429	1,609,358	5,605,629	\$ 295,374,826
DEDUCTIONS									
Operational payments	6,408,282	-	-	-	-	-	-	5,470,251	\$ 11,878,533
Debt service payments	9,574,726	-	-	-	-	-	-	-	9,574,726
Payments to beneficiaries and participating entities	24,537,918	57,772	767,364	300,909	1,354,181	183,823,704	1,609,358	-	212,451,206
General and administrative expenses	141,719	-	-	-	-	651,542	-	-	793,261
Other payments	-	-	12,092	-	4,646	-	-	-	16,738
Total deductions	40,662,645	57,772	779,456	300,909	1,358,827	184,475,246	1,609,358	5,470,251	\$ 234,714,464
Increase (decrease) in net position	1,406,019	16,088	12,534	336,626	6,534	58,747,183	-	135,378	60,660,362
Fiduciary net position, July 1, 2024	32,568,183	21,450	86,468	516,699	21,834	269,404,520	-	1,819,975	304,439,129
Fiduciary net position, June 30, 2025	\$ 33,974,202	\$ 37,538	\$ 99,002	\$ 853,325	\$ 28,368	\$ 328,151,703	\$ -	\$ 1,955,353	\$ 365,099,491

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, 2025

	<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	\$ 46,859	\$ -	\$ -	\$ -	\$ 46,859	\$ -
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	135,428	-	-	-	135,428	-
County Administration	2,477,400	-	248,128	37,511	2,191,761	-
County Attorney	24,466	-	-	-	24,466	-
General Services	16,445,733	1,134,006	14,561,842	344,721	405,164	-
Human Resource Management	39,555	-	-	-	39,555	-
Information Systems Technology	29,615,399	129,800	6,825,448	162,719	22,497,432	-
Internal Audit	14,790	-	-	-	14,790	-
Learning and Performance Center	136,735	-	-	-	136,735	-
License Inspector	35,393	-	-	-	35,393	-
Procurement	13,838	-	-	-	13,838	-
Real Estate Assessments	1,241,453	85,500	1,061,577	-	94,376	-
Registrar	1,207,055	-	-	-	1,207,055	-
Treasurer	7,371,554	-	-	-	7,371,554	-
Total general government	<u>58,871,478</u>	<u>1,349,306</u>	<u>22,711,987</u>	<u>544,951</u>	<u>34,265,234</u>	<u>-</u>
Administration of justice:						
Circuit Court Clerk	2,075,932	-	-	-	2,075,932	-
Circuit Court Judges	25,084	-	-	-	25,084	-
Commonwealth's Attorney	245,540	-	114,474	-	131,066	-
Community Corrections	2,034,618	336,091	1,557,689	-	140,838	-
General District Court	34,116,281	22,441	32,333,555	118,080	1,642,205	-
Juvenile and Domestic Relations Court	18,699,495	53,173	18,107,972	-	538,350	-
Total administration of justice	<u>57,196,950</u>	<u>411,705</u>	<u>52,113,690</u>	<u>118,080</u>	<u>4,553,475</u>	<u>-</u>
Public safety:						
Animal Control	4,261,286	181,324	3,234,631	96,150	749,181	-
Building Inspections	235,569	105,932	110,100	-	19,537	-
Emergency Communications Center	41,050,182	521,740	63,857	-	40,464,585	-
Fire and EMS	146,162,778	6,623,822	65,689,715	5,012,129	68,837,112	-
Jail	34,222,613	19,950	31,215,425	211,485	2,775,753	-
Juvenile Detention Home	17,609,898	14,000	17,032,310	25,800	537,788	-
Juvenile Probation	34,942	-	-	-	34,942	-
Police	86,903,523	2,812,680	45,947,521	161,134	37,982,188	-
Sheriff	5,109,547	693,219	9,719	-	4,406,609	-
Chesterfield Adolescent Reporting Program	895,050	-	839,609	-	55,441	-
Total public safety	<u>336,485,388</u>	<u>10,972,667</u>	<u>164,142,887</u>	<u>5,506,698</u>	<u>155,863,136</u>	<u>-</u>
Public works:						
Buildings and Grounds	86,319,361	69,099,428	11,962,035	2,628,216	2,629,682	-
Environmental Engineering	49,382,084	1,100	382,168	7,850	2,901,973	46,088,993
Stormwater	1,310,355	1,310,355	-	-	-	-
Waste and Resource Recovery	13,455,622	800,254	741,995	8,582,332	3,331,041	-
Total public works	<u>150,467,422</u>	<u>71,211,137</u>	<u>13,086,198</u>	<u>11,218,398</u>	<u>8,862,696</u>	<u>46,088,993</u>
Health and welfare:						
Citizen Information	45,933	-	-	-	45,933	-
Health	388,569	-	329,123	-	59,446	-
Mental Health Support Services	19,054,502	28,000	15,853,483	-	3,173,019	-
Social Services	26,925,281	297,200	24,525,983	-	2,102,098	-
Total health and welfare	<u>46,414,285</u>	<u>325,200</u>	<u>40,708,589</u>	<u>-</u>	<u>5,380,496</u>	<u>-</u>

(Continued)

County of Chesterfield, Virginia
Schedule of Capital Assets Used in the Operation of Governmental Funds
by Function and Activity
June 30, 2025

	<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	\$ 86,677,297	\$ 3,590,803	\$ 75,125,179	\$ 1,005,919	\$ 6,955,396	\$ -
Parks and Recreation	169,624,161	26,642,244	41,173,692	90,225,488	11,227,458	355,279
Total parks, recreation and cultural	<u>256,301,458</u>	<u>30,233,047</u>	<u>116,298,871</u>	<u>91,231,407</u>	<u>18,182,854</u>	<u>355,279</u>
Education:						
School Board	1,448,754,932	32,070,099	1,371,777,005	44,907,828	-	-
Community development:						
Community Development	29,770,883	4,673,706	20,426,839	289,591	4,380,747	-
Economic Development	157,937	-	-	-	157,937	-
Transportation	552,733	494,500	-	35,805	22,428	-
Total community development	<u>30,481,553</u>	<u>5,168,206</u>	<u>20,426,839</u>	<u>325,396</u>	<u>4,561,112</u>	<u>-</u>
Total governmental funds' capital assets allocated by function	2,384,973,466	\$ 151,741,367	\$ 1,801,266,066	\$ 153,852,758	\$ 231,669,003	\$ 46,444,272
Construction in progress	<u>186,519,683</u>					
Total governmental funds' capital assets	<u>\$ 2,571,493,149</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
June 30, 2025

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2025</u>
General government:				
Accounting	\$ 33,021	\$ 13,838	\$ -	\$ 46,859
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	121,590	13,838	-	135,428
County Administration	2,214,678	299,169	36,447	2,477,400
County Attorney	24,466	-	-	24,466
General Services	16,835,892	-	390,159	16,445,733
Human Resource Management	39,555	-	-	39,555
Information Systems Technology	30,856,469	240,058	1,481,128	29,615,399
Internal Audit	14,790	-	-	14,790
Learning and Performance Center	122,897	13,838	-	136,735
License Inspector	35,393	-	-	35,393
Procurement	-	13,838	-	13,838
Real Estate Assessments	1,241,453	-	-	1,241,453
Registrar	1,558,197	13,838	364,980	1,207,055
Treasurer	7,361,874	64,751	55,071	7,371,554
Total general government	<u>60,526,095</u>	<u>673,168</u>	<u>2,327,785</u>	<u>58,871,478</u>
Administration of justice:				
Circuit Court Clerk	2,045,932	30,000	-	2,075,932
Circuit Court Judges	25,084	-	-	25,084
Commonwealth's Attorney	245,540	-	-	245,540
Community Corrections	2,020,780	13,838	-	2,034,618
General District Court	34,105,679	10,602	-	34,116,281
Juvenile and Domestic Relations Court	18,699,495	-	-	18,699,495
Total administration of justice	<u>57,142,510</u>	<u>54,440</u>	<u>-</u>	<u>57,196,950</u>
Public safety:				
Animal Control	4,269,406	13,838	21,958	4,261,286
Building Inspections	221,731	13,838	-	235,569
Emergency Communications Center	39,412,741	1,637,441	-	41,050,182
Fire and EMS	145,221,320	3,968,981	3,027,523	146,162,778
Jail	32,656,455	1,669,218	103,060	34,222,613
Juvenile Detention Home	17,596,869	13,029	-	17,609,898
Juvenile Probation	41,884	-	6,942	34,942
Police	79,714,697	8,498,345	1,309,519	86,903,523
Sheriff	4,295,306	984,249	170,008	5,109,547
Chesterfield Adolescent Reporting Program	895,050	-	-	895,050
Total public safety	<u>324,325,459</u>	<u>16,798,939</u>	<u>4,639,010</u>	<u>336,485,388</u>

(Continued)

County of Chesterfield, Virginia
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds
June 30, 2025

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2025</u>
Public works:				
Buildings and Grounds	\$ 71,636,632	\$ 14,781,405	\$ 98,676	\$ 86,319,361
Environmental Engineering	48,147,728	1,240,824	6,468	49,382,084
Stormwater	1,310,355	-	-	1,310,355
Waste and Resource Recovery	<u>12,920,892</u>	<u>608,813</u>	<u>74,083</u>	<u>13,455,622</u>
Total public works	<u>134,015,607</u>	<u>16,631,042</u>	<u>179,227</u>	<u>150,467,422</u>
Health and welfare:				
Citizen Information	45,933	-	-	45,933
Health	388,569	-	-	388,569
Mental Health Support Services	17,716,911	1,337,591	-	19,054,502
Social Services	<u>24,813,694</u>	<u>2,111,587</u>	<u>-</u>	<u>26,925,281</u>
Total health and welfare	<u>42,965,107</u>	<u>3,449,178</u>	<u>-</u>	<u>46,414,285</u>
Parks, recreation and cultural:				
Library	86,401,177	283,323	7,203	86,677,297
Parks and Recreation	<u>161,907,321</u>	<u>18,263,850</u>	<u>10,547,010</u>	<u>169,624,161</u>
Total parks, recreation and cultural	<u>248,308,498</u>	<u>18,547,173</u>	<u>10,554,213</u>	<u>256,301,458</u>
Education:				
School Board	<u>1,327,747,000</u>	<u>137,419,598</u>	<u>16,411,666</u>	<u>1,448,754,932</u>
Community development:				
Community Development	28,028,600	1,839,464	97,181	29,770,883
Economic Development	6,098	157,937	6,098	157,937
Transportation	<u>552,733</u>	<u>-</u>	<u>-</u>	<u>552,733</u>
	<u>28,587,431</u>	<u>1,997,401</u>	<u>103,279</u>	<u>30,481,553</u>
Construction in progress				
	<u>189,972,181</u>	<u>180,088,373</u>	<u>183,540,871</u>	<u>186,519,683</u>
Total governmental funds' capital assets	<u>\$ 2,413,589,888</u>	<u>\$ 375,659,312</u>	<u>\$ 217,756,051</u>	<u>\$ 2,571,493,149</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, 2025

	Special Revenue Funds		
	School Operating	Non-major School Activity Funds	Total School Board
ASSETS			
Cash and cash equivalents	\$ 60,399,382	\$ 7,246,056	\$ 67,645,438
Accounts receivable	1,956,586	92,104	2,048,690
Due from other governments	22,273,293	-	22,273,293
Due from primary government	86,603,668	-	86,603,668
Inventories	107,592	-	107,592
Total assets	<u>\$ 171,340,521</u>	<u>\$ 7,338,160</u>	<u>\$ 178,678,681</u>
LIABILITIES			
Accounts payable	\$ 10,491,377	\$ 228,358	\$ 10,719,735
Accrued liabilities	66,935,907	-	66,935,907
Retainages payable	445	-	445
Unearned revenues	1,123,445	-	1,123,445
Total liabilities	<u>78,551,174</u>	<u>228,358</u>	<u>78,779,532</u>
FUND BALANCE			
Nonspendable	107,593	-	107,593
Restricted	17,274,579	-	17,274,579
Assigned	75,407,175	7,109,802	82,516,977
Total fund balance	<u>92,789,347</u>	<u>7,109,802</u>	<u>99,899,149</u>
Total liabilities and fund balance	<u>\$ 171,340,521</u>	<u>\$ 7,338,160</u>	<u>\$ 178,678,681</u>

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

Total fund balance for School Board Funds	\$	99,899,149
Amounts reported for the School Board's governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		97,825,839
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	\$	181,511,286
Deferred outflows related to other postemployment benefits		<u>22,232,139</u>
		203,743,425
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:		
Subscription obligations		(2,844,701)
Lease obligations		(6,610,604)
Compensated absences		(29,723,819)
Judgments and claims		(5,191,000)
Net pension liabilities		(399,696,446)
Net other postemployment benefits obligation liabilities		(165,659,520)
Interest payable		<u>(80,662)</u>
		(609,806,752)
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		(70,888,285)
Deferred inflows related to other postemployment benefits		<u>(23,801,822)</u>
		(94,690,107)
Total net position (deficit) of the School Board's governmental activities	\$	<u>(303,028,446)</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, 2025

	<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	\$ 1,230,526	\$ 309,070	\$ 1,539,596
Charges for services	11,869,607	3,842,619	15,712,226
Donations	451,547	1,180,882	1,632,429
Miscellaneous	1,852,897	5,299,735	7,152,632
Payment from Primary Government	335,495,361	-	335,495,361
From other governments	<u>621,307,678</u>	<u>-</u>	<u>621,307,678</u>
Total revenues	<u>972,207,616</u>	<u>10,632,306</u>	<u>982,839,922</u>
Expenditures			
Current:			
Education	953,793,580	10,554,965	964,348,545
Debt service	3,252,547	-	3,252,547
Payment to Primary Government	<u>25,069,794</u>	<u>-</u>	<u>25,069,794</u>
Total expenditures	<u>982,115,921</u>	<u>10,554,965</u>	<u>992,670,886</u>
Excess of revenues over expenditures	(9,908,305)	77,341	(9,830,964)
Other financing sources			
Proceeds from right-to-use asset transactions	1,692,716	-	1,692,716
Transfers in	-	81,047	81,047
Transfers out	<u>(81,047)</u>	<u>-</u>	<u>(81,047)</u>
Total other financing sources, net	<u>1,611,669</u>	<u>81,047</u>	<u>1,692,716</u>
Net change in fund balance	(8,296,636)	158,388	(8,138,248)
Total fund balance, July 1, 2024	<u>101,085,983</u>	<u>6,951,414</u>	<u>108,037,397</u>
Total fund balance, June 30, 2025	<u>\$ 92,789,347</u>	<u>\$ 7,109,802</u>	<u>\$ 99,899,149</u>

(Continued)

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, 2025

Reconciliation of Fund Balance of Governmental Funds to the Statement of Activities:

Net change in fund balance \$ (8,138,248)

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 and amortization expense:

Capitalized assets	\$ 30,283,246	
Depreciation/amortization	(18,534,885)	
Right-to-use lease and subscription assets	1,692,715	
Right-to-use lease and subscription amortization	<u>(4,262,561)</u>	9,178,515

The net effect of miscellaneous transactions involving capital assets (prepayments, trade-ins, donations, and disposals) increased net position. (230,848)

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

Payments	2,940,187	
Proceeds	<u>(1,692,715)</u>	1,247,472

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 funds, such as:

Compensated absences	(1,590,726)	
Judgments and claims	13,000	
Other postemployment benefits expense	18,241,125	
Pension expense	20,000,319	
Interest payable	<u>30,189</u>	36,693,907

Change in net position of governmental activities \$ 38,750,798

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, 2025

	<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	\$ 2,628,615	\$ 3,763,615	\$ 3,197,339	\$ (566,276)
Charges for services	11,850,185	12,360,383	12,513,008	152,625
Donations	346,800	726,437	451,547	(274,890)
Miscellaneous	2,307,500	2,217,801	1,852,897	(364,904)
Recovered costs	453,000	453,000	689,606	236,606
From the Commonwealth	511,809,400	554,477,063	555,732,096	1,255,033
From the federal government	53,899,400	73,493,056	65,575,582	(7,917,474)
Total revenues	<u>583,294,900</u>	<u>647,491,355</u>	<u>640,012,075</u>	<u>(7,479,280)</u>
Expenditures				
Current:				
Education:				
Instruction	668,139,077	744,722,137	701,929,580	42,792,557
Administration, attendance and health	33,536,798	34,866,999	33,417,528	1,449,471
Pupil transportation	61,276,383	64,403,983	62,361,067	2,042,916
Operations and maintenance	84,579,020	99,032,216	94,799,971	4,232,245
Technology	26,602,868	30,645,885	27,581,689	3,064,196
Food service	39,104,669	38,517,128	38,644,443	(127,315)
Debt service	68,446,000	69,836,948	68,839,169	997,779
Total expenditures	<u>981,684,815</u>	<u>1,082,025,296</u>	<u>1,027,573,447</u>	<u>54,451,849</u>
Deficiency of revenues under expenditures	<u>(398,389,915)</u>	<u>(434,533,941)</u>	<u>(387,561,372)</u>	<u>46,972,569</u>
Other financing sources (uses)				
Transfers in:				
General Fund	386,844,300	426,550,215	404,303,519	(22,246,696)
School Capital Projects Fund	62,500	31,008	31,008	-
Total transfers in	<u>386,906,800</u>	<u>426,581,223</u>	<u>404,334,527</u>	<u>(22,246,696)</u>
Transfers out:				
County Debt Service Fund			-	-
School Capital Projects Fund	(6,469,100)	(72,653,040)	(25,069,791)	47,583,249
Total transfers out	<u>(6,469,100)</u>	<u>(72,653,040)</u>	<u>(25,069,791)</u>	<u>47,583,249</u>
Total other financing sources, net	<u>380,437,700</u>	<u>353,928,183</u>	<u>379,264,736</u>	<u>25,336,553</u>
Net change in fund balance	(17,952,215)	(80,605,758)	(8,296,636)	72,309,122
Fund balance, July 1, 2024	101,085,983	101,085,983	101,085,983	-
Fund balance, June 30, 2025	<u>\$ 83,133,768</u>	<u>\$ 20,480,225</u>	<u>\$ 92,789,347</u>	<u>\$ 72,309,122</u>

(Continued)

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, 2025

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.	\$ 640,012,077
Budgetary intrafund reimbursements and recovered costs are accounted for as revenues and expenditures but are eliminated for financial reporting purposes.	(3,299,819)
Budgetary transfers from the Primary Government, excluding transfers for payment of debt "on behalf" of the School Board, are revenues for financial reporting purposes.	335,495,358
Transactions from non-major School Activity Funds are not reported on budgetary basis statements.	<u>10,632,306</u>
Total revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 982,839,922</u>

Expenditures

Total expenditures on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	\$ 1,027,573,447
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.	(3,299,819)
Budgetary transfers to the Primary Government are expenditures for financial reporting purposes.	25,069,791
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.	(81,047)
Expenditures of School Activity Funds are not reported on budgetary basis statements.	10,554,965
Capital outlay related to lease and subscription obligations are expenditures for financial reporting purposes.	1,692,716
Payments of debt "on behalf" of the School Board are eliminated for financial reporting purposes.	<u>(68,839,167)</u>
Total expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 992,670,886</u>

Other financing sources (uses)

Total other financing sources on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	\$ 379,264,736
Budgetary transfers from the Primary Government are revenues for financial reporting purposes.	(404,334,527)
Proceeds from new lease obligations are other financing sources for financial reporting purposes.	1,692,716
Budgetary transfers to the Primary Government are expenditures for financial reporting purposes.	<u>25,069,791</u>
Total other financing sources on the Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 1,692,716</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia
Discretely Presented Component Unit - School Board
Statement of Net Position
Fiduciary Fund
June 30, 2025

	<u>Pension Trust Fund</u>
	<u>Supplemental Retirement Program Fund</u>
ASSETS	
Cash and cash equivalents with trustee	\$ 5,457,895
Investments with trustee	78,709,322
Interest receivable	118,350
Due from broker	<u>13,891</u>
Total assets	<u>84,299,458</u>
LIABILITIES	
Due to Broker	<u>15,868</u>
Total Liabilities	<u>15,868</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 84,283,590</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, 2025

	<u>Pension Trust Fund</u>
	<u>Supplemental Retirement Program</u>
Additions	
Contributions	\$ 3,500,000
Investment earnings:	
Interest and dividends	2,733,238
Net increase in the fair value of investments	<u>5,166,384</u>
Net investment earnings	<u>7,899,622</u>
Total additions	<u>11,399,622</u>
Deductions	
Benefit payments	7,081,717
Other expenses	-
Administrative expenses	<u>328,839</u>
Total deductions	<u>7,410,556</u>
Increase in net position	3,989,066
Net position - July 1, 2024	<u>80,294,524</u>
Net position - June 30, 2025	<u>\$ 84,283,590</u>

See accompanying independent auditors' report.

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	242-246
<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	247-251
<i>These schedules contain information to help the reader assess Chesterfield's most significant local revenue source, property tax.</i>	
Debt Capacity	252-254
<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	255-257
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which Chesterfield operates.</i>	
Operating Information	258-259
<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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities ⁽¹⁾										
Net investment in capital assets	\$ 689,654,404	\$ 735,341,966	\$ 780,470,955	\$ 814,462,269	\$ 850,405,014	\$ 901,172,315	\$ 922,258,513	\$ 941,772,816	\$ 976,649,039	\$ 1,057,501,430
Restricted	70,554,116	56,082,770	50,758,262	60,771,285	49,267,277	84,527,153	130,702,552	195,893,119	547,655,959	557,172,179
Unrestricted	<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>	<u>316,783,657</u>	<u>58,667,704</u>	<u>44,904,047</u>
Total governmental activities net position	<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>	<u>\$ 1,454,449,592</u>	<u>\$ 1,582,972,702</u>	<u>\$ 1,659,577,656</u>
Business-type activities ⁽¹⁾										
Net investment in capital assets	\$ 809,352,317	\$ 821,397,739	\$ 823,755,861	\$ 835,285,972	\$ 863,656,676	\$ 912,962,124	\$ 969,931,589	\$ 1,028,467,822	\$ 1,075,994,637	\$ 1,147,018,291
Restricted	9,237,200	9,423,700	9,650,000	10,114,333	10,437,550	13,525,708	12,313,884	31,892,486	25,011,112	16,915,485
Unrestricted	<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>	<u>566,244,764</u>	<u>643,981,704</u>	<u>695,821,734</u>
Total business-type activities net position	<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>	<u>\$ 1,626,605,072</u>	<u>\$ 1,744,987,453</u>	<u>\$ 1,859,755,510</u>
Primary government ⁽¹⁾										
Net investment in capital assets	\$ 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	\$ 1,970,240,638	\$ 2,052,643,676	\$ 2,204,519,721
Restricted	79,791,316	65,506,470	60,408,262	70,885,618	59,704,827	98,052,861	143,016,436	227,785,605	572,667,071	574,087,664
Unrestricted	<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>	<u>883,028,421</u>	<u>702,649,408</u>	<u>740,725,781</u>
Total Primary Government net position ⁽¹⁾	<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>	<u>\$ 3,081,054,664</u>	<u>\$ 3,327,960,155</u>	<u>\$ 3,519,333,166</u>

(1) 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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 125,427,912	\$ 126,708,814	\$ 125,580,003	\$ 144,275,963	\$ 144,847,040	\$ 155,326,544	\$ 167,321,705	\$ 175,039,218	\$ 199,797,992	\$ 225,697,727
Administration of justice	11,101,741	10,896,810	10,957,857	11,127,032	12,355,336	13,895,646	13,876,993	15,667,030	16,035,706	16,180,330
Public safety	173,299,691	183,370,852	178,417,303	182,033,985	197,866,264	222,267,096	219,699,082	254,948,574	281,371,675	307,187,203
Public works	40,504,952	45,072,932	53,275,901	57,560,844	85,545,961	80,214,637	92,246,480	98,754,799	96,750,016	112,342,691
Health and welfare	80,438,889	84,390,086	89,977,088	90,421,955	94,363,474	96,786,251	99,138,739	114,923,779	128,971,519	138,850,726
Parks, recreation and cultural	24,321,586	26,351,945	27,912,496	28,426,360	26,551,663	27,953,929	31,310,767	46,835,064	43,984,821	51,155,285
Education - School Board ⁽²⁾	291,984,801	308,043,018	321,030,368	279,510,506	284,364,549	301,488,394	356,264,344	362,677,246	381,320,479	400,037,120
Community development	19,903,410	21,062,911	23,234,184	25,172,733	23,114,692	35,259,749	36,988,846	26,401,538	56,167,019	60,955,879
Interest on long-term debt	14,212,999	14,269,395	15,326,987	16,544,732	18,780,607	20,193,563	20,276,554	28,896,059	39,517,250	29,446,757
Total governmental activities expenses	<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>	<u>1,124,143,307</u>	<u>1,243,916,477</u>	<u>1,341,853,718</u>
Business-type activities:										
Water	40,998,118	40,873,429	41,633,594	44,734,748	46,809,824	48,016,333	49,475,931	53,140,251	58,452,632	60,936,930
Wastewater	39,897,750	39,030,892	40,566,705	41,049,411	42,090,099	44,008,120	45,502,660	50,436,519	53,673,103	58,675,056
Non-major funds	2,850,847	5,561,422	4,135,956	3,173,621	4,106,814	9,555,258	10,394,896	34,067,151	21,533,404	23,410,561
Total business-type activities expenses	<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>	<u>137,643,921</u>	<u>133,659,139</u>	<u>143,022,547</u>
Total Primary Government expenses	<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>	<u>\$ 1,261,787,228</u>	<u>\$ 1,377,575,616</u>	<u>\$ 1,484,876,265</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 87,579,064	\$ 89,880,633	\$ 92,966,265	\$ 106,181,986	\$ 103,894,653	\$ 103,439,746	\$ 112,489,028	\$ 117,677,634	\$ 127,101,491	\$ 128,060,967
Public safety	18,657,124	19,565,438	18,588,424	21,687,330	19,773,290	23,263,146	22,196,324	23,086,259	31,638,301	29,018,483
Health and welfare	22,882,370	24,742,209	30,813,568	26,160,024	24,955,947	22,854,304	24,057,350	31,976,955	33,391,672	29,751,477
Other activities ⁽¹⁾	16,427,067	20,830,090	14,807,815	20,836,311	22,968,270	24,149,717	24,266,298	26,515,861	17,303,594	15,000,711
Operating grants and contributions ⁽²⁾	124,992,376	119,088,730	120,872,849	61,667,457	72,649,328	139,730,077	85,307,387	84,538,148	107,348,717	108,212,906
Capital grants and contributions	22,966,675	33,389,320	38,957,791	39,517,908	59,709,830	80,630,575	91,614,747	100,413,331	107,823,191	116,170,951
Total governmental activities program revenues	<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>	<u>384,208,188</u>	<u>424,606,966</u>	<u>426,215,495</u>
Business-type activities:										
Charges for services:										
Water	43,582,483	47,735,250	50,258,066	51,994,177	56,821,001	57,308,263	62,398,994	64,618,668	67,816,317	71,434,725
Wastewater	43,742,327	46,868,841	49,402,056	50,582,323	52,388,858	54,323,838	57,311,163	57,490,891	61,090,715	64,035,795
Non-major funds	1,010,202	1,592,940	1,269,885	1,205,041	1,233,014	1,560,256	2,344,652	17,107,886	13,767,389	10,327,493
Operating grants and contributions	-	-	-	-	-	1,080,885	1,558,863	-	-	-
Capital grants and contributions	33,153,748	39,834,148	37,817,134	45,948,164	60,764,954	56,436,537	55,666,679	76,500,968	76,845,095	77,019,985
Total business-type activities program revenues	<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>	<u>215,718,413</u>	<u>219,519,516</u>	<u>222,817,998</u>
Total Primary Government program revenues	<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>	<u>\$ 599,926,601</u>	<u>\$ 644,126,482</u>	<u>\$ 649,033,493</u>

(Continued)

County of Chesterfield, Virginia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	\$ (487,691,305)	\$ (512,670,343)	\$ (528,705,475)	\$ (559,023,094)	\$ (583,838,268)	\$ (559,318,244)	\$ (677,192,376)	\$ (739,935,119)	\$ (819,309,511)	\$ (915,638,223)
Business-type activities	37,742,045	50,565,436	52,410,886	60,771,925	78,201,090	69,130,068	73,906,864	78,074,492	85,860,377	79,795,451
Total primary government net expense	\$ (449,949,260)	\$ (462,104,907)	\$ (476,294,589)	\$ (498,251,169)	\$ (505,637,178)	\$ (490,188,176)	\$ (603,285,512)	\$ (661,860,627)	\$ (733,449,134)	\$ (835,842,772)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 401,858,578	\$ 421,227,697	\$ 439,570,375	\$ 466,036,351	\$ 488,202,356	\$ 534,368,072	\$ 594,253,958	\$ 626,134,334	\$ 686,033,833	\$ 716,948,794
Property taxes, levied for special purposes	2,667,960	3,224,211	3,221,313	2,643,307	1,755,786	-	-	-	-	-
Utility taxes	7,867,528	8,043,759	8,216,114	8,329,669	8,283,882	8,498,528	8,611,855	8,629,878	8,598,427	8,974,182
Sales taxes	45,306,831	47,915,376	50,014,870	51,659,170	54,492,560	62,333,768	68,515,480	72,552,490	76,531,984	80,352,853
Motor vehicle licenses	14,275,048	13,944,691	15,210,404	15,240,626	15,072,427	15,882,533	9,865,854	8,908,956	8,310,135	8,591,808
Business license taxes	20,742,026	20,580,987	21,217,270	22,538,092	24,487,081	24,184,161	26,756,039	30,575,045	30,839,476	29,208,075
Other	13,122,548	13,777,956	15,141,786	15,857,572	15,314,188	18,929,955	21,445,772	19,072,366	13,922,074	15,160,507
Payment from School Board	9,427,230	-	-	-	-	-	-	-	-	-
Payment from CPCDA	-	-	-	-	-	-	-	3,331,721	-	-
Payment from Primary Government	-	-	-	-	-	-	-	-	-	98,377
Unrestricted grants and contributions	65,104,169	65,462,954	65,744,743	65,072,971	64,249,477	62,731,149	63,577,453	79,565,588	60,140,291	62,881,045
Investment earnings	1,121,270	1,549,802	4,422,305	12,958,675	14,916,037	1,866,005	(11,488,454)	29,897,995	61,051,485	66,728,583
Miscellaneous	603,354	260,951	1,454,046	2,229,273	943,379	1,030,756	1,534,223	1,515,650	2,947,818	4,797,611
Transfers	(714,882)	(749,313)	(222,238)	(364,375)	(1,484,250)	(20,305,612)	(28,035,735)	(34,630,666)	(542,902)	(928,637)
Total governmental activities	581,381,660	595,239,071	623,990,988	662,201,331	686,232,923	709,519,315	755,036,445	845,553,357	947,832,621	992,813,198
Business-type activities:										
Investment earnings	1,352,092	974,328	2,245,362	8,614,613	7,511,850	880,812	(15,247,385)	11,379,307	31,979,102	34,135,495
Miscellaneous	-	3,328,675	-	-	7,935,240	3,974,923	-	-	-	-
Transfers	714,882	749,313	222,238	364,375	1,484,250	20,305,612	28,035,735	34,630,666	542,902	928,637
Total business-type activities	2,066,974	5,052,316	2,467,600	8,978,988	16,931,340	25,161,347	12,788,350	46,009,973	32,522,004	35,064,132
Total Primary Government	\$ 583,448,634	\$ 600,291,387	\$ 626,458,588	\$ 671,180,319	\$ 703,164,263	\$ 734,680,662	\$ 767,824,795	\$ 891,563,330	\$ 980,354,625	\$ 1,027,877,330
Change in Net Position										
Governmental activities	\$ 93,690,355	\$ 82,568,728	\$ 95,285,513	\$ 103,178,237	\$ 102,394,655	\$ 150,201,071	\$ 77,844,069	\$ 105,618,238	\$ 128,523,110	\$ 77,174,975
Business-type activities	39,809,019	55,617,752	54,878,486	69,750,913	95,132,430	94,291,415	86,695,214	124,084,465	118,382,381	114,859,583
Total Primary Government	\$ 133,499,374	\$ 138,186,480	\$ 150,163,999	\$ 172,929,150	\$ 197,527,085	\$ 244,492,486	\$ 164,539,283	\$ 229,702,703	\$ 246,905,491	\$ 192,034,558

(1) Other activities: Administration of Justice, Public Works, Parks, Recreation and Cultural, Education and Community development.

(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.

**County of Chesterfield, Virginia
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Restricted	\$ 19,074,127	\$ 18,168,690	\$ 19,209,996	\$ 23,244,157	\$ 24,120,378	\$ 25,281,349	\$ 29,440,785	\$ 33,249,401	\$ 35,342,303	\$ 37,002,512
Committed	1,484,040	1,468,131	1,680,987	1,694,052	1,735,315	1,933,701	2,149,815	2,393,360	2,580,229	2,954,561
Assigned	233,819,201	263,559,665	276,746,618	295,638,016	350,483,633	456,225,565	427,745,740	444,843,568	437,731,940	414,507,319
Unassigned	58,668,400	60,004,400	60,004,400	63,004,400	63,004,400	64,800,400	70,800,400	73,800,400	86,050,400	102,150,406
Total General Fund	<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>	<u>\$ 554,286,729</u>	<u>\$ 561,704,872</u>	<u>\$ 556,614,798</u>
All Other Governmental Funds ⁽¹⁾										
Nonspendable	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	149,020,985	205,384,023	154,872,844	208,516,708	224,439,518	299,024,362	390,023,415	447,951,220	696,771,020	679,997,097
Assigned, reported in:										
School Capital Projects Fund	150,352	-	-	-	-	-	-	-	-	-
Special Revenue Funds	<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>	<u>28,578,258</u>	<u>31,078,845</u>	<u>27,737,731</u>
Total all other governmental funds	<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>	<u>\$ 476,529,478</u>	<u>\$ 727,849,865</u>	<u>\$ 707,734,828</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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
General property taxes	\$ 403,863,868	\$ 422,283,775	\$ 446,596,315	\$ 468,733,553	\$ 494,113,384	\$ 536,016,017	\$ 591,477,097	\$ 630,589,572	\$ 687,487,847	\$ 721,464,581
Other local taxes	102,101,705	105,016,089	110,964,756	114,448,075	118,150,668	150,504,608	165,043,462	170,055,239	176,199,220	180,947,049
Permits, fees and licenses	6,764,863	7,425,213	7,824,332	9,264,481	8,911,771	10,005,208	10,773,435	9,601,195	16,237,422	13,676,025
Fines and forfeitures	1,811,841	2,171,101	2,245,952	2,273,900	1,884,988	2,932,862	2,236,780	2,464,907	2,015,885	1,655,320
Use of money and property	1,818,019	2,280,980	5,174,673	13,717,652	15,450,011	2,833,467	(9,367,383)	29,507,127	58,521,996	67,824,297
Charges for services	41,805,240	46,833,619	51,553,451	53,532,424	53,820,363	50,223,414	51,770,976	59,187,225	61,894,692	60,138,534
Donations and miscellaneous	10,402,779	14,756,966	9,195,955	10,652,219	12,359,572	10,822,080	9,860,840	11,713,322	9,664,161	8,068,846
Recovered costs	12,988,894	10,892,720	7,115,564	8,027,131	6,345,080	5,491,221	5,811,263	9,216,916	8,631,759	9,834,108
From component unit - School Board	9,427,230	12,945,526	11,329,125	11,940,962	15,385,079	21,727,448	16,037,376	19,069,945	27,467,232	30,212,991
From component unit - Other ⁽¹⁾	-	-	-	-	-	-	-	3,331,721	-	-
From other governments ⁽²⁾	195,931,063	191,395,432	205,072,874	148,515,925	168,469,862	231,849,668	180,971,127	174,717,384	200,557,663	198,202,868
Total revenues	786,915,502	816,001,421	857,072,997	841,106,322	894,890,778	1,022,405,993	1,024,614,973	1,119,454,553	1,248,677,877	1,292,024,619
Expenditures										
General government	46,519,517	47,014,959	56,277,595	55,235,275	56,743,310	65,183,959	66,631,050	72,397,874	73,986,467	84,489,871
Administration of justice	10,195,274	9,739,559	10,217,442	10,402,310	11,430,290	11,848,037	12,503,261	14,442,117	14,774,124	15,727,204
Public safety	177,339,678	180,405,571	183,280,257	191,755,977	193,899,623	213,494,484	225,760,325	257,392,969	272,327,320	304,121,760
Public works	17,329,618	18,210,063	19,836,094	22,520,412	24,929,889	24,975,738	23,156,899	25,529,173	33,024,060	37,579,936
Health and welfare	81,622,971	83,973,130	86,974,554	91,457,127	93,279,373	94,043,767	99,865,873	117,164,918	129,790,485	139,456,459
Parks, recreation and cultural	19,258,487	20,747,230	21,634,902	22,939,896	22,172,944	21,055,569	26,324,591	28,229,272	34,815,992	37,539,254
Education - School Board ⁽²⁾	268,106,031	282,418,123	294,272,019	249,338,696	237,716,856	242,810,581	316,274,508	308,356,324	331,742,922	335,495,358
Community development	19,727,695	20,882,779	23,343,007	25,204,301	22,715,885	34,051,370	35,860,140	15,711,984	29,610,500	33,000,703
Debt service:										
Principal	41,579,430	42,473,914	47,879,070	48,331,385	54,142,371	55,494,864	60,859,915	69,708,238	73,799,392	73,754,324
Interest	17,737,591	17,730,105	19,373,255	20,610,711	23,581,413	25,919,362	26,235,740	27,748,477	29,178,700	44,488,120
Other	1,275,819	683,442	584,745	1,021,664	893,492	1,121,953	764,686	580,347	1,190,360	2,990,675
Capital outlay	76,490,074	93,304,435	135,661,606	127,051,427	244,460,098	192,655,108	156,270,486	205,622,537	280,010,273	313,506,960
Total expenditures	777,182,185	817,583,310	899,334,546	865,869,181	985,965,544	982,654,792	1,050,507,474	1,142,884,230	1,304,250,595	1,422,150,624
Excess (deficiency) of expenditures over (under) revenues	9,733,317	(1,581,889)	(42,261,549)	(24,762,859)	(91,074,766)	39,751,201	(25,892,501)	(23,429,677)	(55,572,718)	(130,126,005)
Other Financing Sources (Uses)										
Leases	-	-	-	-	-	-	863,227.00	3,365,909	310,263	506,111
Subscriptions	-	-	-	-	-	-	-	1,878,140	3,479,852	5,735,788
Transfers in	24,801,835	28,874,860	54,709,089	55,271,237	55,602,762	38,738,677	47,837,589	65,836,881	111,575,931	230,328,497
Transfers out	(25,194,469)	(34,467,073)	(54,654,921)	(56,135,612)	(56,939,765)	(57,824,444)	(77,834,390)	(103,935,953)	(112,086,562)	(231,257,134)
Bonds issued	100,910,386.00	98,917,642	11,238,100	106,484,781	168,279,764	165,551,399	130,748,372	127,800,000	284,735,000	54,000,000
Premium on bonds issued	-	-	-	-	-	-	-	-	-	45,607,632
Refunding bonds issued	134,941,531	20,224,000	-	-	-	56,046,879	-	12,020,974	26,296,764	-
Payments to escrow agent	(134,642,231)	(20,223,913)	-	-	-	(56,075,309)	-	-	-	-
Total other financing sources, net	100,817,052	93,325,516	11,292,268	105,620,406	166,942,761	146,437,202	101,614,798	106,965,951	314,311,248	104,920,894
Net change in fund balances	\$ 110,550,369	\$ 91,743,627	\$ (30,969,281)	\$ 80,857,547	\$ 75,867,995	\$ 186,188,403	\$ 75,722,297	\$ 83,536,274	\$ 258,738,530	\$ (25,205,111)
Debt service as a percentage of noncapital expenditures	8.14%	7.98%	8.41%	8.88%	9.50%	9.60%	8.93%	9.26%	8.98%	9.51%

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.

County of Chesterfield, Virginia
General Governmental Tax Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Real property taxes	\$ 313,731,924	\$ 325,839,487	\$ 342,996,966	\$ 359,077,665	\$ 380,157,963	\$ 407,965,771	\$ 440,922,104	\$ 471,370,030	\$ 528,415,997	\$ 552,180,188
Property taxes for special purposes	3,865,636	5,336,834	6,032,778	5,850,237	4,304,486	3,917,962	6,465,771	5,214,944	4,062,425	4,515,787
Personal property taxes ⁽¹⁾	106,926,822	109,572,215	115,288,966	120,556,841	124,656,488	137,105,307	158,630,244	127,641,921	123,683,538	133,558,041
Real and personal public service corporation taxes	12,861,027	13,885,590	14,610,625	15,436,481	17,807,558	16,980,324	16,240,147	16,072,822	15,689,864	17,529,645
Machinery and tools taxes	4,564,090	5,372,984	5,039,046	4,950,362	4,670,316	6,094,602	5,857,184	3,348,088	8,344,213	6,337,261
Local sales and use tax ⁽²⁾	46,094,554	48,668,697	50,856,685	52,482,114	54,993,090	62,870,360	69,052,751	72,552,490	76,531,984	80,352,853
Business license taxes	20,742,026	20,580,987	21,539,767	22,538,092	24,487,081	24,184,161	26,756,039	30,575,045	30,839,476	29,208,075
Consumer utility tax	7,867,528	8,043,759	8,216,114	8,329,669	8,283,882	8,498,528	8,611,855	8,629,878	8,598,427	8,974,182
Motor vehicle licenses	14,275,048	13,944,691	15,210,404	15,240,626	15,072,427	15,882,533	9,865,854	8,908,956	8,310,135	8,591,808
Recordation tax	5,655,737	5,892,181	6,383,590	6,849,708	7,747,979	11,065,086	10,829,796	7,903,899	7,593,819	8,596,160
Transient occupancy tax	4,931,324	5,186,616	5,757,601	5,746,917	4,528,009	4,583,087	6,642,030	7,070,316	1,862,929	1,924,997
Other taxes ⁽³⁾	5,541,905	6,067,871	6,720,577	7,214,963	6,646,822	8,325,881	8,427,641	21,723,527	21,344,113	21,408,652
Total	<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>	<u>\$ 781,011,916</u>	<u>\$ 835,276,920</u>	<u>\$ 873,177,649</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

(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 ⁽³⁾ direct tax rate
	Real Estate ⁽²⁾		Personal property	Machinery and tools	Public service	Total	
	Residential	Commercial/ industrial					
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	34,957,101,000	9,109,561,327	5,213,955,792	738,446,268	1,797,799,425	51,816,863,812	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
2023	44,060,645,574	11,661,167,061	6,359,104,613	370,092,202	1,774,180,040	64,225,189,490	1.18
2024	48,795,041,851	12,473,817,794	6,392,178,575	824,306,353	1,748,727,801	70,234,072,374	1.12
2025	52,044,795,999	13,530,552,234	7,229,980,741	626,325,464	1,939,830,688	75,371,485,126	1.13

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	Motor ⁽¹⁾ vehicles	Wild	Special equipped	Vehicle ⁽²⁾	All ⁽³⁾	Data ⁽⁷⁾	Machinery	Total ⁽⁶⁾
			clean	of voluntary	or exotic	motor vehicles	trailer				
			special fuels	personnel	animals	physically	and	others	center	and tools	tax rate
						handicap	semi-trailer				
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
2023	0.92/0.91 ⁽⁴⁾	0.50	3.24	0.96/0.91 ⁽⁴⁾	0.01	0.01	0.96/0.91 ⁽⁴⁾	3.60	0.24	1.00	1.18
2024	0.91/0.90 ⁽⁴⁾	0.50	3.24	0.91/0.90 ⁽⁴⁾	0.01	0.01	0.91/0.90 ⁽⁴⁾	3.60/3.35 ⁽⁴⁾	0.24	1.00	1.12
2025	0.90/0.89 ⁽⁴⁾	0.50	3.24	0.90/0.89 ⁽⁴⁾	0.01	0.01	0.90/0.89 ⁽⁴⁾	3.35	0.24	1.00	1.13

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 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 \$0.05 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)**

<u>Taxpayer</u>	<u>2025</u>			<u>2016</u>		
	<u>Assessed value</u> ⁽¹⁾	<u>Percentage of total assessed valuation</u>	<u>Rank</u>	<u>Assessed value</u> ⁽²⁾	<u>Percentage of total assessed valuation</u>	<u>Rank</u>
Dominion Virginia Power	\$ 1,452,851,020	1.93%	1	\$ 903,705,969	2.30%	1
Bon Secours St. Francis Medical Center	193,546,400	0.26	2	139,509,100	0.36	4
Columbia Gas of Virginia, Inc.	178,226,779	0.24	3	79,284,119	0.20	9
Verizon Communications	142,461,207	0.19	4	206,639,000	0.53	3
Watkins Associates LLC	106,408,800	0.14	5			
Edward Rose Development	103,196,400	0.14	6			
Cole ID Chesterfield VA LLC	96,800,800	0.13	7			
C. J. W. Medical Center	94,331,400	0.13	8	68,314,200	0.17	10
Element at Stonebridge	91,522,300	0.12	9			
Philip Morris USA	<u>90,317,300</u>	<u>0.12</u>	10	102,309,900	0.26	6
E. I. duPont De Nemours and Company				221,028,090	0.82	2
RPI Chesterfield, LLC				129,690,600	0.33	5
Zaremba Metropolitan Mid LLC				84,137,900	0.21	7
Capital One, NA				<u>83,411,400</u>	<u>0.21</u>	8
	<u>\$ 2,549,662,406</u>	<u>3.38%</u>		<u>\$ 2,018,030,278</u>	<u>5.13%</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.

**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
2016	\$ 444,012,047	\$ (1,742,298)	\$ 442,269,749	\$ 424,981,949	95.71 %	\$ 16,952,972	\$ 441,934,921	99.92 %
2017	461,670,404	5,940,329	467,610,732	438,741,489	95.03	28,724,017	467,465,506	99.97
2018	474,416,085	2,413,524	476,829,609	461,398,602	97.26	15,355,995	476,754,597	99.98
2019	495,525,767	6,768,262	502,294,028	479,959,172	96.86	20,981,084	500,940,256	99.73
2020	518,633,584	6,653,455	525,287,039	502,242,424	96.84	21,618,267	523,860,691	99.73
2021	556,501,159	5,964,025	562,465,184	538,928,836	96.84	21,821,075	560,749,911	99.70
2022	638,365,382	(4,353,189)	634,012,193	612,576,241	95.96	19,191,996	631,768,236	99.65
2023	666,465,095	1,092,050	667,557,145	642,375,617	96.39	22,112,043	664,487,660	99.54
2024	698,251,016	155,369,947	853,620,963	673,009,082	96.38	175,246,266	848,255,348	99.37
2025	729,576,409	-	729,576,409	703,260,558	96.39	-	703,260,558	96.39

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			Total Primary Government	Percentage of personal income	Population	Debt per capita
	General obligation bonds	Other ⁽¹⁾⁽⁴⁾	Support & Other Agreements	Public facility lease revenue bonds	Certificates of participation	Financed Purchases	SBITAs & Leases	Revenue bonds ⁽²⁾	Certificates of participation	Other ⁽³⁾				
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	4.01	371,000	2,306
2023	679,220,260	224,144,602	-	-	1,889,628	-	11,571,585	17,937,083	73,874	1,476,800	936,313,832	4.21	378,000	2,446
2024	621,647,279	518,255,926	-	-	329,685	-	10,740,474	11,119,832	12,888	1,384,500	1,163,490,582	4.99	388,000	2,999
2025	661,276,219	499,040,652	-	-	-	-	11,815,650	5,463,596	-	1,292,200	1,178,888,316	4.92	390,000	3,023

(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)

<u>Fiscal year</u>	<u>General obligation bonds outstanding</u>	<u>Estimated population⁽¹⁾</u>	<u>Per capita</u>	<u>Assessed value of taxable property⁽²⁾</u>	<u>Ratio to assessed value</u>
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	51,816,863,812	1.03
2022	616,466,224	371,000	1,662	59,573,554,295	1.03
2023	679,220,260	378,000	1,797	64,224,533,890	1.06
2024	621,647,279	388,000	1,602	70,234,072,374	0.89
2025	661,276,219	390,000	1,696	75,371,485,126	0.88

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	
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	1077
2019	137,268,139	51,034,577	86,233,562	4,910,000	2,086,000	1233
2020	148,214,173	53,833,975	94,380,198	5,160,000	1,834,250	1349
2021	150,424,147	57,381,365	93,042,782	5,425,000	1,569,625	1330
2022	135,948,162	56,459,437	79,488,725	5,710,000	1,291,250	1135
2023	164,443,940	62,678,206	101,765,734	6,000,000	998,500	1454
2024	202,016,305	69,763,726	132,252,579	6,315,000	690,625	1888
2025	199,306,485	73,019,662	126,286,823	5,365,000	398,625	2191

(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⁾
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	21,341,503	57,524	2.9	39.2
2023	378,000	22,232,980	58,817	2.8	39.2
2024	388,000	23,322,735	60,110	3.0	39.5
2025	390,000	23,954,808	61,423	3.5	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 2022-2023 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>2025⁽¹⁾</u>			<u>2016⁽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	0.95%	1000 and over	1	1.14%
United Parcel Service	1000 and over	1	0.95	1000 and over	1	1.14
HCA Virginia Health System/C.J.W. Medical Center	1000 and over	1	0.95	1000 and over	1	1.14
E.I. duPont De Nemours Co.	1000 and over	1	0.95	1000 and over	1	1.14
Wal-Mart Stores Inc.	1000 and over	1	0.95	1000 and over	1	1.14
Hill Phoenix	1000 and over	1	0.95	1000 and over	1	1.14
Kroger	1000 and over	1	0.95	1000 and over	1	1.14
Food Lion	1000 and over	1	0.95	500 to 999	10	0.43
Bon Secours Health System/St. Francis Medical Center	1000 and over	1	<u>0.95</u>	1000 and over	1	1.14
Capital One Financial Corp.				500 to 999	10	0.43
Anteon Corporation				1000 and over	1	1.14
Integrity Staffing Solutions				500 to 999	10	0.43
Martin's Food Market				500 to 999	10	0.43
Honeywell International Inc				500 to 999	10	0.43
Interspan Inc.				500 to 999	10	<u>0.43</u>
Estimated total	<u>18,000</u>		<u>8.91%</u>	<u>22,497</u>		<u>12.84%</u>
Total civilian labor force ⁽¹⁾	209,871			175,370		

Source: (1) Virginia Employment Commission

(2) Chesterfield County Economic Development Department reported as of January 2015

(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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities										
General government	478	478	467	477	476	462	470	506	517	533
Administration of justice	158	159	153	161	162	170	171	174	178	185
Public safety:										
Fire	488	495	486	490	513	519	535	571	594	628
Police	608	621	608	609	653	669	672	682	675	652
Sheriff	269	256	256	257	268	267	275	277	296	307
Other	200	196	194	198	203	198	195	198	208	216
Total public safety	<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>	<u>1,728</u>	<u>1,773</u>	<u>1,803</u>
Public works	140	142	141	154	148	154	156	167	178	190
Health and welfare	576	544	585	600	621	589	612	639	654	668
Parks, recreation and cultural	162	179	175	189	186	193	204	215	239	261
Community development	73	77	87	89	85	86	87	89	90	104
Total governmental activities	<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>	<u>3,518</u>	<u>3,629</u>	<u>3,744</u>
Business-type activities⁽¹⁾										
Water	150	152	151	152	151	153	151	162	154	162
Wastewater	129	122	125	130	128	128	122	129	132	133
Airport	3	3	3	3	2	3	3	3	2	16
Total business-type activities	<u>282</u>	<u>277</u>	<u>279</u>	<u>285</u>	<u>281</u>	<u>284</u>	<u>276</u>	<u>294</u>	<u>288</u>	<u>311</u>
Grand total	<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>	<u>3,812</u>	<u>3,917</u>	<u>4,055</u>
Number of County employees per 1,000 population	10.2	10.1	10.0	10.1	10.2	9.8	9.8	10.1	10.1	10.4

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Police										
Police Activities ⁽¹⁾	677,212	683,042	652,326	620,027	665,250	637,749	597,920	587,390	518,674	493,914
IBR Group A Incidents/Part 1 Offenses ⁽⁶⁾	16,432	16,588	16,147	16,147	15,462	13,885	14,116	15,200	15,009	13,632
Average Response Time for Priority 1 (life threatening calls)	3.57 min.	3.57 min.	4.19 min.	4.07 min.	3.97 min.	4.08 min.	4.28 min.	4.51 min.	4.43 min.	4.70 min.
Fire and EMS										
Emergency operations dispatches	39,756	41,725	42,532	43,107	42,699	44,794	49,627	49,996	51,048	55,347
Emergency medical ambulance dispatches	29,731	32,515	34,586	34,235	33,297	34,694	39,124	38,859	39,544	41,931
Fire engine medical support calls	11,178	13,491	14,489	15,435	15,204	17,416	18,757	14,902	14,829	17,420
Firefighter staffed ambulance calls	25,598	27,633	28,737	29,787	29,162	30,493	35,013	35,325	36,080	38,698
Building inspections conducted	3,277	3,190	3,354	3,313	3,372	4,323	4,217	4,141	3,736	4,634
Construction plans reviewed	1,150	1,222	1,362	1,276	1,307	1,006	1,101	1,285	1,281	1,156
Library ⁽⁴⁾										
Total circulation ⁽²⁾	5,348,564	5,674,592	2,798,632	2,837,082	2,276,766	2,205,169	2,550,426	2,902,941	4,559,746	1,961,392
Number of visitors	3,214,190	3,242,218	4,098,014	4,883,712	5,741,044	4,537,955	6,535,181	7,164,966	8,040,085	1,003,431
Number of public access computer sessions ⁽³⁾	440,464	622,933	802,629	423,168	292,135	90,154	118,971	128,572	131,228	106,715
Number of non-expired cardholders ⁽⁵⁾	N/A	78,084	93,477	98,247						
Elections										
Registered voters	228,605	234,134	239,116	242,291	250,266	260,274	265,633	268,840	275,392	280,026
Utilities										
Water customers serviced	107,212	108,949	110,739	112,659	114,834	117,403	119,240	121,167	123,032	124,444
Wastewater customers serviced	90,660	92,223	93,874	95,622	97,570	99,998	101,858	103,348	104,965	106,423
Parks and Recreation										
Number of park visitors	5,810,922	6,383,686	6,676,771	6,392,693	6,630,991	6,995,353	6,412,610	6,200,000	6,922,208	7,103,775

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 in fiscal year 2012, includes traditional and electronic total circulation.

(3) Beginning in fiscal year 2012, is also included in total circulation.

(4) Beginning in fiscal year 2013, all library statistics include digital patronage.

(5) New metric added beginning in fiscal year 2025, with data available back to fiscal year 2023.

(6) Beginning on January 1, 2019, IBR Group A Incidents include Animal Cruelty. FY23 Data is unavailable.

N/A = Not available

**County of Chesterfield, Virginia
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Airport										
Number of airplane hangars	110	110	110	110	110	110	110	110	110	110
Police										
Number of stations	4	5	5	5	5	5	5	5	5	5
Fire Protection										
Number of fire companies	22	22	22	22	22	23	23	23	23	23
Library										
Number of facilities	10	10	10	10	10	10	10	10	10	10
Utilities										
Water line in system (miles)	1,946	1,971	1,993	2,014	2,048	2,068	2,090	2,121	2,142	2,173
Wastewater line in system (miles)	2,044	2,077	2,104	2,126	2,165	2,190	2,210	2,243	2,264	2,291
Parks and Recreation ⁽¹⁾										
Number of parks	54	56	57	57	62	65	67	67	67	67
Park acreage	4,625	4,863	5,131	5,131	5,165	5,240	5,138	5,165	5,165	5,187
Number of athletic complexes maintained	11	12	12	12	11	11	12	12	14	14

Source: County Departments providing the service

(1) Information includes sites and acreage available to the public as a result of partnership agreements.



This report was prepared by the Accounting Department
Chesterfield County, Chesterfield, Virginia, 23832

ACCOUNTING DEPARTMENT EMPLOYEES

*Russ Abernathy
Hannah Adesina
June Albrecht
Debbie Baicy
Patricia Baskerville
Gina Borrero
Angela Borum
Mattie Brown
Stephanie Burton
Adrienne Carter
Tiffany Childers
Rebecca Clements
Wendy Clements*

*Kimberly Collette
Jennifer Cox
Kathy Cyckowski
Dana Davis
Michael Davis
Elizabeth Fritts
Kimberly Ganzert
Adam Hardell
Whitley Hooker
Nicholas Horton
Lorraine Kosobucki
Kiara Lewis
Loretta Otey*

*Megan Mingia
John Palco
Bridget Pillow
Maria Quijano
Nicole Reilly
Alycia Skora
Kristie Smith
LeShan Smith
Kristie Szafranski
Jessica Tankersley
Lindsey Thornton
Logan Tollison
Bridgett Treadway*

*Ilesha Waller-Morris
Peggy Walsh
Gilbert Wangechi
Angela West
Catie Wilson
Consuela Wilson
Susan Worrell*



Please visit us at: www.chesterfield.gov



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



Accounting | Chesterfield County, VA

Scan Code to View
More Annual Reports



This document was prepared by the Accounting Department.

For comments or questions call 804-748-1673 or email contactacctg@chesterfield.gov