

Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2024

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Annual Comprehensive
Financial Report
of the
City of Chesapeake, Virginia
for Fiscal Year Ended
June 30, 2024



Prepared by the
Chesapeake Department of Finance
Kristen N. Bailey, Director

City of Chesapeake, Virginia

Finance Department

Our Mission

We ensure *fiscal responsibility and sustainability* through *prudent financial management, innovative solutions, and transparent practices*. We foster public trust by upholding the highest standards of *accountability, integrity, and service*. By prioritizing *long-term financial health* and *ethical stewardship of resources*, we support *economic prosperity* for the City and the citizens we serve.

Our Vision

We will be a *leader in financial management* by upholding the *highest standards of integrity, supporting innovation, and delivering exceptional customer service*. We foster a culture of *transparency and accountability*, ensuring the long-term financial health and prosperity of the community we serve.

Acknowledgments

This report was prepared through the dedicated and proficient efforts of the Department of Finance staff and various departments. Their professionalism and commitment to excellence embody the spirit of the City that Cares, upholding the highest standards of transparency and stewardship.

The following employees were instrumental in the preparation of this report:

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Tamara Walters

We extend our sincere appreciation to the City Manager, Mayor, and Members of City Council for their leadership and support. Their commitment to responsible governance and dedication to maintaining the City's fiscal responsibility and sustainability have been vital in ensuring the success of this report. Thank you for your continued focus on transparency, accountability, and the well-being of our community.

Please visit us at: www.cityofchesapeake.net

CITY OF CHESAPEAKE, VIRGINIA

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INTRODUCTORY SECTION



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December 10, 2024

To the Honorable Mayor, Members of City Council, and the Citizens of Chesapeake, Virginia:

We are pleased to submit the Annual Comprehensive Financial Report for the City of Chesapeake, Virginia (the City) for the fiscal year ended June 30, 2024. State law requires that every general-purpose government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement.

The financial statements in this report conform to Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive internal control framework established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

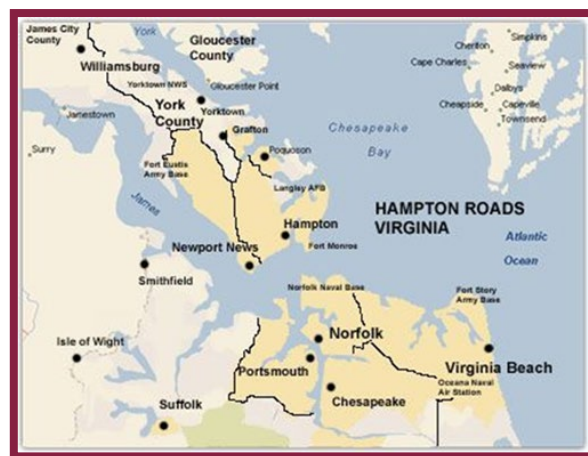
Cherry Bekaert LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Chesapeake's financial statements for the year ended June 30, 2024. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

City History and Structure

The City of Chesapeake, formed on January 1, 1963, by the merger of Norfolk County and the City of South Norfolk, encompasses 353 square miles and is surrounded by the cities of Norfolk, Portsmouth, Virginia Beach, Suffolk, and the North Carolina state line. With an estimated population of 252,478, Chesapeake is the second-largest city in the Commonwealth of Virginia in terms of both population and land area.

The City of Chesapeake derives its governing authority from a charter granted by the Virginia General Assembly. The City is organized under the Council-Manager form of government.



The City Council serves as the City's legislative body, with the Mayor as its presiding officer. The Mayor and eight Council members are elected at large, and the Council selects a Vice Mayor from its members. The Council appoints a City Manager as the Chief Executive Officer to oversee daily City operations. Constitutional officers—City Treasurer, Commissioner of Revenue, Clerk of the Circuit Court, Sheriff, and Commonwealth's Attorney—are also elected at large.



Cities in Virginia have jurisdiction over the entire area within their boundaries and operate independently. There are no overlapping jurisdictions, and consequently, citizens of Virginia cities are not subject to overlapping debt or taxation. Per the requirements of GASB, the financial reporting entity consists of the "Primary Government" (the City of Chesapeake) and its component units, which are legally separate organizations for which the City is financially accountable.

The City provides a full range of general governmental services to its citizens. These services include law enforcement, emergency medical response, fire protection, collection and disposal of solid waste, water and sewer utility services, stormwater utility services, parks, recreation, tourism, libraries, and the construction and maintenance of highways, streets, and other infrastructure. Other services include public education in grades pre-kindergarten through twelfth, public health and social services, planning and zoning, economic development, mental health assistance, agricultural services, judicial activities, and general administrative services.

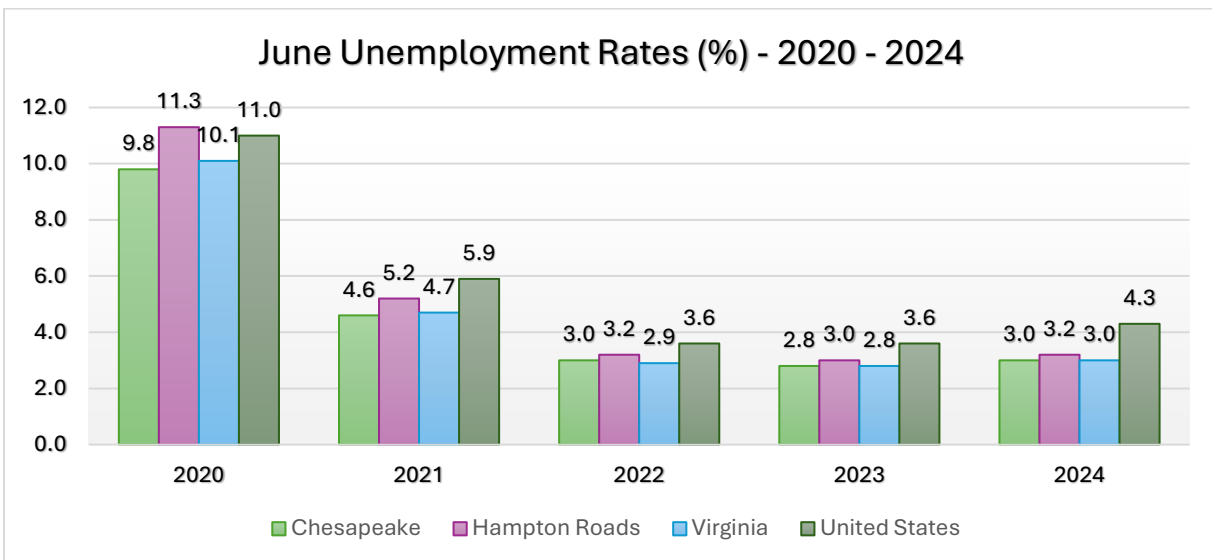
Component units are presented and reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the Primary Government and to differentiate their financial position and operational results from those of the Primary Government. Discretely presented component units included in this report are Chesapeake Public Schools, Chesapeake Mosquito Control Commission, Chesapeake Airport Authority, and Chesapeake Land Bank Authority. The activities of one component unit, the Economic Development Authority of the City of Chesapeake (the EDA), are so intertwined with the City's activities that they are, in substance, part of the City's operations. Therefore, the EDA is blended with the City's business-type activities. The Other Post Employment Benefits Trust Fund (OPEB Trust) is where the City accounts for the costs of future benefits obligated to City employees after retirement, primarily in the form of retiree health insurance benefits. This fiduciary-type component unit is included within the fiduciary fund financial statements.

The City Charter requires the City Manager to submit a balanced budget to the City Council no later than April 1 for the ensuing fiscal year to begin on July 1. The proposed budget, which the City Council may modify, must be adopted by a majority vote of the City Council 47 days before the end of the current fiscal year; otherwise, the proposed budget, as submitted by the City Manager, becomes the budget for the ensuing fiscal year.

Economic Condition and Outlook

Chesapeake's central location in Hampton Roads, proximity to the Port of Virginia, robust transportation network, available land, and skilled labor pool continued to attract international businesses in fiscal year 2024. Chesapeake is a well-connected community with treasured rural areas, vibrant residential neighborhoods, and thriving commercial and industrial centers. As a result, the civilian labor force grew from 180,951 in 2013 to 199,843 in 2023, while median household income rose from \$67,252 to \$92,633, according to the U.S. Census Bureau's American Community Survey.

The City experienced business capital investment and job growth in fiscal year 2024. Additionally, unemployment rates in Chesapeake and the broader Hampton Roads region have returned to pre-pandemic levels. Prior to the COVID-19 pandemic in 2019, the unemployment rate in the City of Chesapeake was 2.8% and stands at 3.0% as of September 2024, outperforming regional and national averages.



Chesapeake's General Obligation bonds maintain top ratings from all three credit agencies, with AAA from Fitch and S&P and Aaa from Moody's. These ratings reflect the City's continued growth and diversification of its tax base, stable resident income levels, solid financial position supported by fiscal policies and conservative budget assumptions, manageable debt burden with modest future borrowing plans, and an above-average yet manageable pension liability. The City and region also benefit from proactive long-range capital planning and a regional approach to infrastructure resiliency efforts.

In June 2024, S&P upgraded the Chesapeake Transportation System's (CTS) senior toll road revenue bonds (series 2012A, 2012B, and 2024A) from "BBB+" to "A-." S&P indicated the upgrade was driven by resilient traffic and revenue growth through the COVID-19 pandemic, maintenance of solid debt service coverage ratios, and City Council's approval of toll rate increases through 2035.

Overview of Financial Performance

The City is dedicated to serving the citizens of Chesapeake by striving to provide efficient and effective services, safety and security, quality education, and promoting balanced and planned development while maintaining a fiscally responsible government. City Council and management remain proactive in effectively managing resources and controlling costs.

The City's fiscal year 2024 Operating and Capital budgets preserved and enhanced essential services while funding strategic initiatives. Strong financial performance was achieved through effective cost management and resource oversight.

General Fund revenues of \$785.7 million exceeded the revised budget by \$47.4 million (6.4%). Personal property tax revenues, business licenses, restaurant food taxes, investment income, and revenues from the Commonwealth primarily drove this excess over budgeted revenues.

General Fund expenditures and other financing sources and uses of \$746.3 million were \$56.8 million (7.1%) under the revised budget. These savings were primarily due to payroll vacancy savings, capital outlay expenditures, education, and transfers to other funds.

The additional revenue plus the expenditure savings totals \$104.2 million. The City uses these funds to pay for strategic economic development initiatives and high-priority capital projects. This practice contributes to the City's long-term financial health and delivers value to residents by helping maintain a low tax rate.

Strategic Framework

For fiscal year 2024, the City's strategic anchors continued to create clarity within the organization. This strategic framework serves as the decision-making lens for City staff in day-to-day operations and provides a guide for aligning resources to achieve City Council's Vision.

Strategic Anchor #1

- ✓ We help make Chesapeake an exceptional place to live, learn, work, farm, and play.

Strategic Anchor #2

- ✓ We provide outstanding service to our community, our customers, and each other.

Strategic Anchor #3

- ✓ We will be fiscally responsible and sustainable.

City Council's strategic framework includes five outcomes by which success is measured:

- ✓ Economic Prosperity
- ✓ Connectivity
- ✓ Cultural Diversity
- ✓ Environmental Responsibility
- ✓ Safety and Security

The City recognizes that a balanced, well-planned approach to development impacts all five desired outcomes, driving *Economic Prosperity*, enhancing technical, physical, and social *Connectivity*, supporting *Cultural Diversity*, promoting *Environmental Responsibility*, and ensuring community *Safety and Security*.

Economic Prosperity

For the Fiscal Year

Public hearings conducted by the Planning Commission have remained robust. During fiscal year 2024, the Planning Department coordinated the review of 258 public hearings and administrative applications. The reviews included 87 Planning Commission public hearing item reviews, 19 reviews by the Chesapeake Bay Preservation Area Board, 19 administrative plan reviews, and 133 historic district architectural reviews.

Multiple large residential developments have been proposed or submitted in recent years, with strong interest in the Dominion Boulevard corridor, South Battlefield Boulevard corridor, Greenbrier Planning Area, and the Edinburgh Area. The City expects this trend of increasing development proposals and ongoing construction to continue.

In fiscal year 2024, the City continued to help property owners navigate site development, zoning, and building requirements to optimize property use while maintaining community health, safety, and welfare. Commercial and residential development has remained steady, with 94 commercial permits issued, valued at \$142.8 million, and 616 residential permits issued, valued at \$282.5 million.

The 4,022-acre Williams Farm property, now known as the Coastal Virginia Commerce Park (CVCP), was designated a Unique Economic Development Opportunity (UEDO) and mega-site by the Virginia Economic Development Partnership (VEDP) in 2015. In November 2022, the City Council approved rezoning 1,420 acres from Agricultural (A-1) to Planned Unit Development – Industrial Park (PUD_IP). The EDA used a \$0.8 million Virginia Business Ready Sites Program (VBRSP) grant for due diligence and permitting, including approvals from the Virginia Department of Environmental Quality and the U.S. Army Corps of Engineers achieved in 2024. This site is now the largest mega site in Virginia.

An update of the City's Comprehensive Plan is underway. In preparation for this project, consultants have provided foundational reports on demographics, housing, market analysis, development strategies, and a gap analysis of the existing plan, identifying best practices from peer jurisdictions. Key updates include revisions to the Land Use Plan map, Master Transportation Plan, demographic data, state mandate compliance, and integration of small area plans, aligning with City Council's Strategic Plan. Community engagement included 14 Open House events with over 500 attendees and three surveys with over 2,700 responses. Additional planning activities include public meetings for the Greenbrier Area Plan, Trails and Connectivity Plan, South Norfolk and Indian River Design Guidelines, and the Deep Creek Area Plan.

Work on the Greenbrier Area Plan started in January 2023. The initial work involved a robust public engagement process and intensive information gathering and evaluation. By Fall 2023, the consultant team introduced potential scenarios focusing on developing or redeveloping key areas within Greenbrier. These strategies will continue to be developed and vetted with City leaders, the public, and other stakeholders, with an expected report delivery by Summer 2025.

Over the next five years, an additional \$2.5 million has been committed to the Economic Development Investment Program (EDIP) to incentivize potential target industries expected to anchor the Coastal Virginia Commerce Park (CoVAC) and other targeted economic development sites.

The Chesapeake Economic Development Department's 2023 Annual Report highlighted \$280.7 million in investments and the creation of 1,319 new jobs in Chesapeake during the year.

The department continued its support of Chesapeake's small business community in fiscal year 2024 with events promoting SWaM certification, partnerships with the Virginia Tourism Corporation, and a Veteran Small Business Roundtable. Staff also conducted business retention visits and one-on-one consultations with several small businesses advancing to ribbon-cutting events. Other notable announcements included:

In 2024, **LS GreenLink USA Inc.**, a Korean-based cable manufacturer, announced the construction of a new \$681.0 million subsea cable manufacturing facility at the Deep Water Terminal Site. This project will create 338 new jobs and position Chesapeake as a prime destination for future offshore wind and advanced manufacturing projects.



Aerial Rendering of LS Greenlink USA, Inc. facility

Virginia Natural Gas (VNG) has announced and received City land use approval for an Operations Headquarters expansion project at 401 Clearfield Avenue. The facility will serve as the new home for approximately 150 team members currently located in Chesapeake and Virginia Beach. It will consolidate operations employees, retain over 40 jobs, and bring an additional 100 jobs to the City of Chesapeake.

Venture X opened their Class A coworking space in Summit Pointe, offering tenants a unique blend of luxury and functional office space. With 18,000+ square feet of cutting-edge design and premium amenities, the office space spans the second floor of the Summit Pointe office building, providing an inspiring environment where productivity thrives.

Sims Metal Recycling, part of the Australian-based Sims Limited, hosted a "metal cutting" ceremony at their plant in South Norfolk to mark a \$20.0 million capital investment. Their new two-story shear is designed to cut metal up to eight inches thick, significantly improving efficiency while reducing emissions by up to 80%. In addition to the shear, Sims Metal also introduced North America's first plant capable of sorting and separating metals like copper and aluminum into small pellets, helping to reduce landfill waste.

Professional Printing is set to expand its operations into Three Oaks Industrial Park in Greenbrier. This new location will enhance its service offerings and production capabilities, supporting the City's growing demand for high-quality printing solutions. The expansion also marks the beginning of the Three Oaks Industrial Park development, which will bolster the inventory of available industrial land in the City and serve as the future home to advanced manufacturing facilities.

The Great Bridge Façade Improvement Grant is a competitive program that aims to ignite impactful exterior improvements to privately owned, non-residential, and mixed-use properties in the Great Bridge Historic Gateway Overlay District. This program has spurred further investment and redevelopment in the district to achieve the vision of the Great Bridge Village Design guidelines, including substantial façade improvements of shopping centers and stand-alone commercial businesses. The results are increased value in the buildings and aesthetics.

The Chesapeake Land Bank Authority (CLBA) is working to acquire vacant, abandoned, and tax-delinquent properties in designated target areas, including South Norfolk, Great Bridge Village, South Military Highway, and others as defined by City Council. Acquired properties will be used for revitalization and redevelopment with residential, commercial, and industrial activities. In fiscal year 2024, the CLBA approved eighteen South Norfolk Residential Rehabilitation Grant program applications, awarding \$0.2 million, leveraging a total investment of \$0.3 million to rehabilitate and improve the local housing stock. Additionally, the CLBA was active in acquiring or disposing of five properties within designated target areas, furthering the City's revitalization and redevelopment efforts.

Effective utilization of Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) entitlement funds contributes to City Council's *Safety and Security* and *Economic Prosperity* outcomes by addressing critical housing, infrastructure, and economic needs. These funds support the City's efforts to build more resilient communities, promote equity, and create the conditions for sustained economic growth.

The City received \$1.1 million in CDBG and \$0.6 million in HOME entitlement funds to address goals identified in the City's Program Year (PY) 2024 Annual Action Plan. These funds were strategically allocated to address various community needs, including housing rehabilitation, affordable housing development, homebuyer assistance, and rental support. Additional resources were directed towards emergency shelter, transitional housing, rapid rehousing, permanent supportive housing, and homelessness prevention case management services. The funds also supported early childhood enrichment and youth development initiatives, public facilities and park improvements, fire prevention activities, and housing code enforcement efforts. A portion of the funds allocated were utilized to cover administrative costs incurred by the Chesapeake Planning Department and the Chesapeake Redevelopment and Housing Authority (CRHA) to ensure compliance and effective monitoring of these programs.

All CDBG and HOME PY 2024 activities benefited low to moderate-income individuals earning less than 80% of the City's area median income, with at least 84% of beneficiaries classified as low to moderate-income by HUD standards. Of the total CDBG funding, 52% was allocated to activities benefitting South Norfolk, including environmental code enforcement, homelessness prevention and case management services, and youth development programming (Boys and Girls Club and Children's Harbor).

The City received just over \$2.0 million in HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) funding, specifically designed to benefit homeless individuals, families at risk of homelessness, and other vulnerable populations. To guide the effective use of these funds, the Chesapeake Planning Department conducted a comprehensive needs assessment and gap analysis and consulted with community partners and local organizations, including Virginia Supportive Housing. The resulting HOME-ARP Allocation Plan was approved in March 2023, with activities already underway by various non-profits and City agencies.

In addition to *Economic Prosperity*, Human Services programs align with City Council's outcomes of *Connectivity and Safety and Security*, by addressing essential needs that support a stable, productive workforce and creating a foundation for long-term community well-being.

Chesapeake Thrives, coordinated by the Commission on Health and Well-being, tackles city-wide and neighborhood-specific challenges through a public-private partnership. The initiative, focused on eight priority areas, aims to build a comprehensive health and well-being system for Chesapeake residents, offering streamlined access to services through a "no-wrong-door" approach.

The Human Services / We Care Resource Center received \$115,000 to support the City's McKinney-Vento Homeless Assistance Act services and homelessness prevention efforts, aiming to boost *Economic Prosperity* by reducing homelessness. Serving 30-50 individuals and families daily, the Center provides showers, laundry, case management, and employment services. Outreach staff also reach those unable to visit, offering meals, clothing, toiletries, and resources tailored to their needs.

"Chesapeake Works – Worlds of Work" (WOW) is a hands-on, day-in-the-life career expo that exposes 8th graders from all Chesapeake Public Schools to a variety of careers available to them in Hampton Roads, as well as the educational pathways needed to attain those careers. WOW promotes City Council's *Connectivity* and *Economic Prosperity* outcomes by connecting students to careers, industries, and education. The program is possible due to the City's partnerships with the Hampton Roads Workforce Council, Tidewater Community College, Old Dominion University, Chesapeake Public Schools, Hampton Roads Chamber, and Dollar Bank.

For the Future

The City actively manages growth to balance employment opportunities, an expanding tax base, diverse housing needs, and environmental health. It aims to make the best use of land and infrastructure to support revitalization, redevelopment, and new development while preserving rural, historic, and environmental assets. Since 2000, Chesapeake's growth has averaged just over 1.1% annually, with projections of 46,000 new residents and 19,600 households by 2045. Employment is expected to grow by 39.2% from 2020 to 2045, outpacing the regional growth rate of 34.6%.

In fiscal year 2025, the CIP includes \$16.4 million in additional funding from the South Norfolk TIF to fully fund the new South Norfolk Municipal Facility. This new facility will build on significant public investments in the Poindexter Street Corridor, furthering area revitalization. The facility will provide new commercial spaces, replace outdated spaces for several City departments, and address additional space needs. Investment in a large municipal building in the South Norfolk area that includes flexible space for commercial or retail use will increase overall daily business and employment activity in the commercial core, which is aligned with City Council's desired outcome of *Economic Prosperity*. The new building will house the Police Department (2nd Precinct), Human Services (Community Corrections), City Treasurer, Commissioner of Revenue, Commonwealth's Attorney, Chesapeake Integrated Behavioral Health (CIBH), Planning, Economic Development, Development and Permits, Schools, Parks, Recreation and Tourism, CLBA, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and Public Communications. The project design is complete, and bidding for construction is underway.



Rendering of South Norfolk Municipal Office Building – Exterior View (Poindexter Avenue)

Connectivity

For the Fiscal Year

City Council has identified and resourced several strategic priority areas through the Capital Improvement Program (CIP). Most notable is a new \$297.0 million project to construct a water and sewer transmission system providing southern *Connectivity* between the Dominion Corridor and Battlefield Boulevard. The project fosters *Environmental Responsibility* by providing critical water and sewer infrastructure to southern Chesapeake, improving system reliability and resilience. In addition, the project facilitates *Economic Prosperity* through targeted development opportunities. Specifically, this new utility infrastructure will provide transmission capability to the Public Safety Training Academy, the Northwest River Water Treatment Plant, and other adjacent City-owned properties, Naval Station Northwest Annex, Coastal Virginia Commerce Park (CoVAC), Northwest River Park, St. Brides and Indian Creek Correctional Facilities, and other future facilities.

City Council recognizes that one of the best ways to achieve the outcomes of *Connectivity* as well as *Safety and Security* in neighborhoods is by adding sidewalks and multi-use trails.

The City's Trails and *Connectivity* Plan, launched in late 2023, aims to enhance *Connectivity* by improving pedestrian, cyclist, and equestrian infrastructure, linking recreational spaces, blueways, and greenways across the City. The project will protect open space and environmentally sensitive areas, with completion expected by June 2025.

The fiscal 2024 CIP included three new sidewalk projects, including on Myers Road, Albemarle Drive, and within the South Norfolk Historic District. In addition to aligning with City Council's outcome of *Connectivity*, these three projects also support *Environmental Responsibility* by including storm drainage enhancements.

For the Future

The Aquatics Center at the Dr. Clarence V. Cuffee Community Center, the City's first indoor pool, is currently under design. It will feature amenities such as locker rooms, showers, and rooms that can accommodate swimming classes and programs for all, including lessons, senior programs, competitive swimming, and therapeutic recreation programs. The project has received federal and state funding and is expected to open in fiscal year 2028.



Rendering of the Aquatics Center Design at the Dr. Clarence V. Cuffee Community Center

The City is replacing its outdated mainframe tax system with a modern solution to reduce risk and enhance functionality. The new system will offer streamlined customer accounts, automated tasks, enhanced dashboards, online bill payment, improved bill printing, and payment processing. Phase 1 (covering Personal Property, Real Estate Tax, and Stormwater) is scheduled for a late 2025 launch, featuring upgraded payment processing for in-person, phone, and online transactions. Phases 2 (Business License) and 3 (Income Tax and Miscellaneous Billing) will follow in 2026.

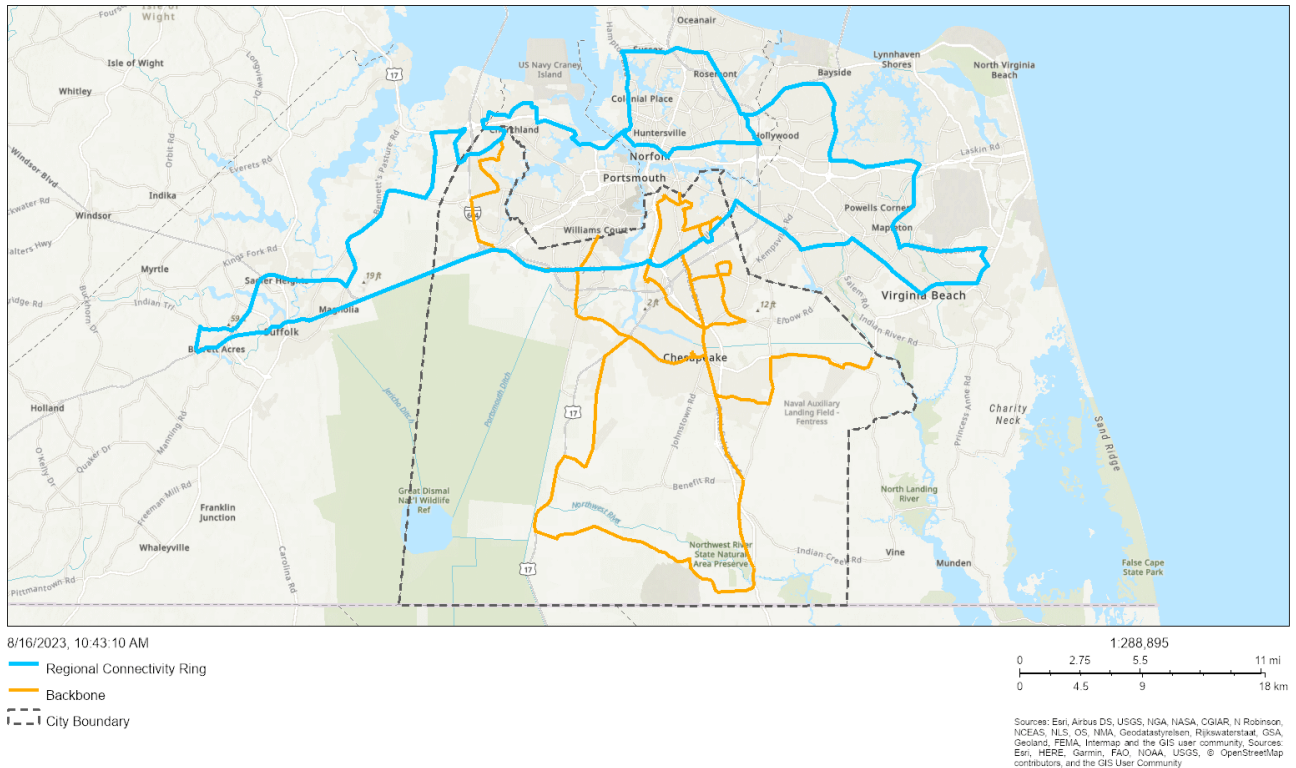
The City has made substantial investments in broadband infrastructure through both regional and individual projects.

The Southside Network Authority (SNA) was created by the five Virginia cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach and is a regional initiative to construct a 119-mile, 288-strand fiber-optic backbone network connecting the Southside Hampton Roads region to the Virginia Beach subsea cables. The SNA fiber ring will create a fully integrated regional fiber network that connects employment areas, higher education, research institutions, and municipal facilities through increased broadband access, speed, and capacity. This effort will drive down average end-user costs and aligns with Council's outcomes of *Connectivity* and *Economic Prosperity* by reducing barriers to entry for innovative new companies wishing to invest in the region. Construction began in December 2022 and is expected to be completed in 2025.

Chesapeake Connects (CCX) is a project in the City's CIP with a budget of \$47.0 million, which includes American Rescue Plan Act (ARPA) grant funds totaling \$35.5 million. This project will provide 175 miles of 432-strand fiber optic backbone network access to 149 City facilities, 54 School facilities, and 7 Libraries. It includes wireless *Connectivity* to support many Smart City initiatives' high and low-speed network *Connectivity* needs, including wireless water meter readers, bridge and railroad crossing alerts, water level sensors, Supervisory Control and Data Acquisition (SCADA) system monitoring, and numerous other valuable applications across the City.

CCX has built-in excess conduit capacity that can be leased to other providers to offer internet services to Chesapeake citizens. This infrastructure, often referred to as middle-mile fiber, means the City will supply the main "highways," while the leasing internet service providers (ISPs) will handle the "driveways" that connect directly to home internet subscribers. This arrangement is designed to increase *Economic Prosperity* by helping smaller ISPs reduce their startup costs, which could, in turn, lower internet costs across the City. Because CCX will also build fiber infrastructure in unconnected portions of the City, residential and commercial broadband services from private providers should eventually be more widely available, thus enhancing accessibility. Construction for the CCX project commenced in the fall of 2022 and is expected to be completed in 2025.

Chesapeake Connects with Regional Ring



Esri, NASA, NOAA, USGS | City of Chesapeake, VIRG, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA |

Cultural Diversity

For the Fiscal Year

The Historic Village at the Dismal Swamp is a significant step toward preserving and enhancing the rich *Cultural Diversity* of the City of Chesapeake. This historical facility represents how generations of the region's residents lived, learned, worked, farmed, and played. From the indigenous groups who first inhabited the area to the extractive efforts of early colonists, plus the unique communities for people of African descent, the Dismal Swamp served as a significant crossroads for trade, commerce, and agriculture. The Historical Village will share these important people's and their descendants' experiences.

A centerpiece of the Historical Village, the Cornland School operated as a public school for people of African descent from the early 1900s to the 1950s, during the era of mandated segregation. It was added to the National Register of Historic Places in 2015. In August of 2021, the one-room Cornland School was carefully relocated from its original site at 2309 Benefit Road to its new home at 5221 Glencoe Street. On June 29, 2024, the City hosted a ribbon-cutting ceremony for

phase 1 of the Historical Village, The Cornland School Museum, which is now accepting group tours. Phase 2 of the project, including the Visitor's Center, will break ground for construction in 2025. The City continues to work with the United States Army Corps of Engineers so that the Superintendent's House may also be rehabilitated to serve as a public museum dedicated to the history of the Dismal Swamp Canal. The Canal is a significant waterway that reshaped early America. It is considered the oldest operating man-made waterway in the United States. Most of the Historical Village is scheduled to be completed in fiscal year 2025, except for the Superintendent's House.



On October 17, 2022, the City Council adopted an updated NAACP Fair Share Agreement to ensure equitable hiring, procurement, and economic practices for all minority groups, including women and veterans, expanding beyond the original focus established 35 years ago.

The City engages in *Cultural Diversity* in recruitment and hiring by participating in career days and job fairs and partnering with minority-focused organizations such as Historically Black Colleges and Universities (HBCUs), Hispanic media outlets, and veteran programs like Virginia Values Veterans (V3) and SkillBridge to attract a diverse pool of job candidates.

The City's recruitment strategies aim to ensure a diverse selection of qualified candidates for supervisory and upper management positions, promoting inclusive leadership.

For the Future

The City will integrate *Cultural Diversity* programming using CARES standards—Courteousness, Attentiveness, Responsiveness, Empowerment, and Stewardship—which are aligned with the City's values. These standards foster a sense of belonging for all citizens, employees, and visitors. Additionally, the City will continue to provide training to build understanding and respect among employees, promoting a more inclusive workplace.

The City's ongoing initiatives aim to:

1. Make decisions aligned with Strategic Anchors and CARES standards.
2. Enhance transparency with visuals showing community investment.
3. Launch a job shadowing program to promote interdepartmental learning.
4. Strengthen connections with minority community groups.
5. Ensure City job opportunities are advertised broadly to local, regional, and national audiences.

Environmental Responsibility

For the Fiscal Year

The City continues its mission of protecting and preserving Chesapeake's unique environmental assets for future generations through the Open Space and Agriculture Preservation Program (OSAP). The City applied for and received matching grant funds from the Virginia Department of Agriculture and Consumer Services for the purchase of Development Rights activities.

The City participated in Clean the Bay Day, with participants collecting more than 2,400 pounds of trash across eleven different sites.

City staff also participated in a CARES Cleanup Challenge. In total, 1,055 volunteers performed 80 cleanups throughout the city, picking up more than 17,400 pounds of litter and debris during fiscal year 2024.

In 2014, the City established the Naval Auxiliary Landing Field (NALF) Fentress Encroachment Protection Acquisition Program (FEPAP) to acquire property rights from willing owners, preventing incompatible land use near Fentress Airfield. Funded through a 50/50 matching grant with the Commonwealth of Virginia, the program has acquired nine properties totaling over 644 acres. A multi-year agreement between the U.S. Navy and the City supports ongoing encroachment protection.

The City partners with the U.S. Navy to acquire property interests under multi-year encroachment protection agreements for NALF Fentress and Naval Support Activity Norfolk Northwest Annex. The Navy reimburses up to 50% of property costs through these agreements in exchange for restrictive use or conservation easements. These acquisitions support the installations' missions, demonstrate the City's commitment to *Environmental Responsibility*, and expand conservation lands in southern Chesapeake.

The City's Urban Forester oversees tree planting, maintenance, and assessment of park and municipal properties. In fiscal year 2024, approximately 650 trees were planted at locations including Stonebridge Park, Cedar Crossings Park, Camelot Park, Jolliff Landing Park, Hunters Cove Park, Western Branch Park, the Chesapeake Arboretum, the Crisis Center, Gertie Play Area, Harbour North Park, Mains Creek parcels, and other municipal facilities.

The City has worked diligently, in conjunction with the Living River Trust and the Virginia Department of Conservation and Recreation, to ensure the acquisition of Newton Neck Park, one of the last large pieces of undisturbed land along the Southern Branch of the Elizabeth River. This unique parcel covers over 90 acres and contains significant undisturbed natural land with wetlands, mature woodlands, and a scenic waterfront. With grant funding from Virginia Outdoors Foundation, City staff has been working with nearby residents, adding and improving existing signage, and conducting cleanups. Future plans include enhancing pedestrian access with bridges, adding trail signage, and exploring options for water recreation amenities.

In July 2022, the City opened seven drop-off recycling centers as an alternative to the three authorized subscription-based recycling curbside collections. Through June 2024, 8,822 tons of recyclables were collected at the drop-off centers.

For the Future

A Firefighting Foam Replacement project was launched in fiscal year 2024, supporting Council's strategic outcome of *Environmental Responsibility*. Aqueous Film Forming Foam (AFFF) has been standard for fighting liquid fuel fires for decades. However, some formulations of AFFF contain PFAS, chemicals that persist in the environment and may contaminate groundwater, posing health risks. Due to these environmental and health concerns, the City has funded the replacement of AFFF with fluorine-free foam to enhance the *Safety and Security* of City firefighters and citizens.

The City continues to receive applications for varying sizes of utility-scale solar energy facilities. As recommended by City Council's adopted Solar Energy Policy, applicants will typically make contributions to the City's OSAP Fund for open space preservation as offsets to the impact of projects on existing agricultural and open space lands.

The City also continues to provide guidance and assistance to the Coastal Virginia Offshore Wind (CVOW) Project led by Dominion Energy. The project involves the installation of wind turbines

off the coast of Virginia Beach, which will ultimately generate up to 8.8 million megawatts of clean, renewable energy that will tie into the electrical grid through the Fentress power substation.

Safety and Security

For the Fiscal Year

In fiscal year 2024, the City continued its *Safety and Security* partnership with Chesapeake Public Schools, a collaboration from the Mayor's Taskforce on School Safety, established in 2018. Over the past year, the Taskforce has enhanced staff training (including substitutes), developed a school evacuation and reunification plan, introduced "smart" student ID badges, hired 25 additional School Safety Officers (SSOs) to ensure each school has at least one, and increased law enforcement presence with eight School Resource Deputies alongside 18 City-funded School Resource Officers at each high school and middle school. The Taskforce will continue advancing school safety efforts this year and beyond, including hiring 8 additional School Resource Deputies to increase public safety presence during the school day.

The Juvenile Services detention facility provides services for youth associated with crimes in the City of Chesapeake. The facility, reduced from 100 beds to 35, now follows a Trauma Informed Care-based behavioral plan, leading to fewer physical restraints and staff injuries. Staff train youth in communication and problem-solving for smoother reintegration, including positive law enforcement interactions to lower recidivism. Youth have also been provided with opportunities to interact with law enforcement positively (i.e., sports) to promote healthy relationships when they return to the community and reduce the recidivism rate. Implementing Trauma-Informed Counseling/Therapy resulted in an 85% reduction in behavioral incidents and a 3% decrease in recidivism in 2024 compared to the previous year. These efforts align with City Council's desired outcomes of *Economic Prosperity* and *Safety and Security*.

Violence Interruption models use trained community volunteers, known as Violence Interrupters, to work with those at high risk of experiencing or committing gun violence. Healthy Chesapeake received a grant from the United Way of South Hampton Roads to expand this approach, providing Professional Community Intervention Training to community partners in South Norfolk and the region. Part I of the training occurred in November 2023, with Part 2 following in Spring 2024.

The Chesapeake CARES Crisis Center expansion and renovation was completed in fiscal year 2024. The Center includes Heron's Cove, a Crisis Receiving Center, offering rapid crisis stabilization to divert individuals from seeking emergency behavioral health services. It also houses CIBH's Emergency Services and the Crisis Intervention Therapeutic Assessment Center.

This project aligns with City Council's outcomes of *Connectivity* and *Safety and Security* by linking citizens to mental health services, offering a safe space, and providing an alternative to emergency room visits for mental health crises.

The Cybersecurity Maturity and Compliance Program was a new initiative in fiscal year 2024. This program fortifies the City's cybersecurity posture through annual assessments and remediation of unsatisfactory findings. The cybersecurity landscape constantly evolves and requires specialized resources to focus on key areas within the cybersecurity program to ensure that the City's data and systems are protected against existing and new threats and meet regulatory requirements. This program helps ensure that the City fully meets cybersecurity industry standards, regulatory compliance, and best practices to ensure that the City's data stays secure and that communications systems connecting the City remain fully functional. Additionally, the City will complete the rollout of two-factor authorization to the workforce in fiscal year 2025. Two-factor authentication is a key cybersecurity tool to protect the City's network and assets.

Increased commercial and industrial development requires specialized rescue capabilities for response to fire, natural and man-made disasters, and acts of terrorism. In fiscal year 2024, the City initiated the addition of a Multipurpose Rescue Vehicle to the Fire Department fleet. This vehicle will enhance the department's ability to provide highly specialized technical rescue responses to the citizens of Chesapeake and Hampton Roads.

Construction is progressing on a new Fire Station 8 on Moses Grandy Trail and Shipyard Road in the Deep Creek section of the City, which will replace the 60-year-old station currently serving the area. The new station will provide safer and more efficient storage of equipment and apparatus to allow the Fire Department to better serve Deep Creek and the surrounding communities.



Rendering of Fire Station #8

Early defibrillation, along with CPR, is the most important intervention to improve survival rates for sudden cardiac arrest. The City dedicated \$0.2 million to the Pads in The Park Program, placing automatic external defibrillators in five City parks. Their placement will significantly enhance the survival of victims of sudden cardiac arrest.

The City allocated \$0.1 million to equip the Fire Department with tools, training, and public education resources for safely extinguishing lithium-ion battery fires. As lithium-ion batteries become more common in devices from cell phones to electric vehicles, specialized response tactics are essential for effective fire safety.

Portable and base radios are vital for reliable communication between first responders and the Emergency Operations Center. Recognizing their importance, the City dedicated \$3.9 million to replace all Fire Department portable radios, enhancing safety for firefighters and the public.

Thermal Imaging Cameras (TIC) have proven invaluable in quickly determining the exact location of structure fires and locating victims in structure fires and Search and Rescue (SAR) operations. Forward-Looking Infrared Radar (FLIR) Maritime Thermal Imaging Systems provide the ability to see clearly in total darkness through solar glare, fog, and smoke. They are used for Search and Rescue (SAR) operations and excel in the maritime environment. The City committed \$0.4 million to replace the TIC and FLIR equipment for the Fire Department, ensuring safe and efficient operations in emergencies on both land and water.

For the Future

In fiscal year 2024, Chesapeake achieved a 96% neurologically intact discharge rate for cardiac arrest patients, surpassing the national average of 73%. To build on this success, in fiscal year 2025, the City began replacing essential biomedical equipment for the Fire Department to improve emergency care outcomes, particularly in cardiac events. This equipment helped the City meet the American Heart Association's Mission: Lifeline EMS standards, earning Gold Plus recognition for the past three years.

The City has allocated funding to replace fire stations in need of modernization and expansion to enhance the safety and security of crews working in the station and citizens in areas served by these stations. Fire Station 4 has served the North Battlefield Boulevard/West Greenbrier area for over 50 years. A new, modern station will include health and safety features to protect the crew. This project's design and engineering phase is projected to begin in fiscal year 2025. In addition to work on Fire Station 4, the design and engineering phase of replacing Fire Station 11 is funded, and construction is set to begin soon. The new station will be centrally located in the Western Branch corridor of the City, providing better access to roads and interstates and reducing city-wide response times. The new station will include several safety advancements to protect personnel. The estimated completion date is July 2029.

As the City grows, the public safety resources must expand to meet the community's increasing needs. The proposed development in the Dominion Corridor will increase the demand for Fire and EMS services in the area. The new Joint Fire and Police Station 16 will allow the City to continue providing outstanding service to citizens and to maintain the City's Insurance Services Office (ISO) rating, which impacts insurance premiums paid by businesses and citizens. Basing apparatus and personnel at new Station 16 will improve public safety response times and support surrounding communities such as Bells Mill, Deep Creek, and Cornland.

The School Emergency Communications and Physical Security Enhancements project provides an additional \$5.0 million in funding over the next four years for *Safety and Security* measures inside and outside school facilities to maintain a high-quality learning environment.

Construction of a new Ranger Station at Northwest River Park, the City's largest park, is underway, replacing the 45-year-old Interpretive Center and Ranger Station at an estimated cost of \$4.4 million.

The Public Safety Training Academy project funds the design and construction of a new modern state-of-the-art facility that will dramatically improve the training capability of all three of the City's public safety departments. The facility will be located on a portion of the Heritage Park site behind Fire Station 7/Police Precinct 6. The fiscal year 2025 CIP includes \$150.0 million for the construction of the facility and sewer line necessary to extend utilities to the site.



Rendering of Public Safety Training Academy

The CIBH Crisis Receiving Center will be expanded in fiscal year 2025 by adding mental health clinicians and psychiatric nurses to the department's complement. This Center will help meet the needs of individuals in the community who struggle with mental health and substance use disorders. These 19 positions, funded by the state, will provide direct care to citizens experiencing a mental health crisis and help stabilize them with less involvement from law enforcement or the emergency room.

The City's goal over the next year for the Sequential Intercept Model (SIM) Cross Systems Mapping process is to improve collaboration to reduce involvement in the justice system for individuals with mental health and substance use disorders. This collaboration is accomplished by identifying gaps, resources, and opportunities within the community and establishing specific priorities for action. Through this process, the partners hope to improve communication, make data-informed decisions, increase community awareness of local resources, and employ best practices to divert individuals from the criminal justice system and into treatment. SIM partners include the Chesapeake Commonwealth's Attorney, Magistrate, Public Defender, Public Communications, Sheriff, Police, Fire, and CIBH.

The City of Chesapeake has allocated \$2.6 million to renovate a 10,000-square-foot property at 2104 Steppingstone Square, which will become the Chesapeake CARES Resource Center, formerly the We Care Resource Center. This facility will operate as a day resource center Monday – Friday, excluding holidays and weekends. In the winter (November to April), the Center will house up to sixty individuals experiencing homelessness overnight. In partnership with the Chesapeake Area Shelter Team (CAST), a volunteer network of churches, and other community partners, the Center will offer overnight shelter during extreme weather, along with essential day services. This initiative aligns with City Council's outcome of *Safety and Security* by addressing the housing needs of individuals unable to access income-based or affordable housing.

Fiscal Responsibility and Sustainability

City Council's commitment to the strategic anchor of *Fiscal Responsibility and Sustainability* is supported by adopting comprehensive financial policies outlined in key publications, including the Annual Operating Budget and the Five-Year CIP. These policies focus on capital planning, cash and debt management, and operational efficiency to ensure the responsible use of City resources. City Council periodically reviews and updates these policies to reflect economic changes and best practices. Each year, they also adopt guiding principles for budget development, promoting a fiscally conservative approach to budgeting.

Minimum Fund Balance Policy. On June 13, 2023, City Council adopted a revised fund balance policy, raising the minimum General Fund Unassigned Fund Balance from 10% to 12% of specified General Fund and Special Revenue fund revenues.

Debt Policy. In February 2007, City Council adopted debt affordability policies that limit the overall net debt to 3.5% of the assessed value of taxable real property and \$3,000 per capita. On May 10, 2015, to reduce the impact of debt service on revenues, City Council amended the policy to limit the City's tax-supported debt service to 10% percent of budgeted general governmental revenues, effective July 1, 2015.

Investment Policy. In June 2024, City Council adopted a formal investment policy, including an Investment Committee, to ensure public funds are managed with prudence, transparency, and accountability, supporting fiscal sustainability and public trust. This action followed the fiscal year 2023 decision to transfer investment management from the elected City Treasurer to the City Manager through the Finance Department.

Internal Controls. City management is responsible for establishing and maintaining an internal control structure designed to ensure the City's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to prepare financial statements in conformity with GAAP. The City's comprehensive internal controls framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Budgetary Controls. The annual appropriated budget includes activities of the General Fund, certain Special Revenue Funds, Debt Service Fund, Enterprise Funds, Chesapeake Mosquito Control Commission–Component Unit, and Chesapeake Public Schools–Component Unit. Project-length financial plans are adopted for the Capital Projects Funds, including the Public

Schools–Component Unit Construction Fund, Grants Fund, Community Development Fund, and certain other Special Revenue Funds. The legal level of budgetary authority (the level at which expenditures cannot exceed the appropriated amount) occurs at the fund level. City Council may authorize supplemental appropriations based on the availability of financial resources and must approve any revisions that alter total appropriations. City Council must also approve appropriation transfers over \$250,000 and transfers between the capital and operating budgets. The City Manager has been delegated authority to approve transfers of \$250,000 or less within the operating budget or between capital projects. The City uses an encumbrance accounting system to help manage budgetary control. Although encumbrances expire at year-end, they are reviewed and typically re-appropriated in the next year's budget if funds remain available.

Other Information

Single Audit. As a recipient of federal and state financial assistance, the City is also responsible for establishing and maintaining an adequate internal control structure to ensure and document compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management and the City Auditor. As part of the City's Single Audit, tests are performed to determine the adequacy of internal controls and its compliance with applicable laws and regulations, including that portion related to federal awards.

The testing of major federal award programs for the fiscal year ended June 30, 2024, disclosed no material internal control weaknesses or violations of applicable laws and regulations.

Independent Audit. The City's Charter, SEC 11.06, *Annual Audit*, requires an audit by independent certified public accountants. The accounting firm of Cherry Bekaert LLP was selected by the City's Audit Selection Committee and approved by City Council. In addition to meeting the requirements set forth in the City's Charter, the audit is also designed to meet the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The Report of Independent Auditor on the Basic Financial Statements is included in the Financial Section of this report. The Reports of Independent Auditor on internal controls and compliance can be found in the Compliance Section of this report.

Awards. 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 City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the 43rd consecutive year that Chesapeake has achieved this prestigious award. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable program requirements. A Certificate of Achievement is valid for one year only. The City believes the current ACFR meets the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's *Distinguished Budget Presentation Award* for its annual budget document for the fiscal year beginning July 1, 2023. The City's budget document has achieved this recognition 32 times since 1989, including consecutive annual recognition since 2003. To qualify for the Distinguished Budget Presentation Award, the City of Chesapeake's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Finally, the City received the GFOA *Award for Outstanding Achievement in Popular Annual Financial Reporting* (PAFR Award) for the fiscal year ended June 30, 2023. This was the 2nd consecutive year that Chesapeake has received this award, with its first PAFR published in fiscal year 2022. GFOA's PAFR Award was established to assist and encourage governments to extract information from their ACFR to produce high-quality financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

The City has the distinction of being a "GFOA Triple Crown winner," having received excellence awards for financial reporting, popular financial reporting, and distinguished budget presentation. Only sixteen local governments in Virginia have this designation, including three other cities in the Hampton Roads region.

Acknowledgments. The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in preparing this report. Also deserving of special commendation are all of the skilled, talented, and dedicated employees of the City of Chesapeake - the workforce of the City - who endeavor to make Chesapeake an exceptional place to live, learn, work, farm, and play. We also express our sincere appreciation to the Mayor and City Council for their leadership, guidance, and establishment of policies for managing financial operations in a sound and progressive manner.

Very truly yours,



Christopher M. Price
City Manager

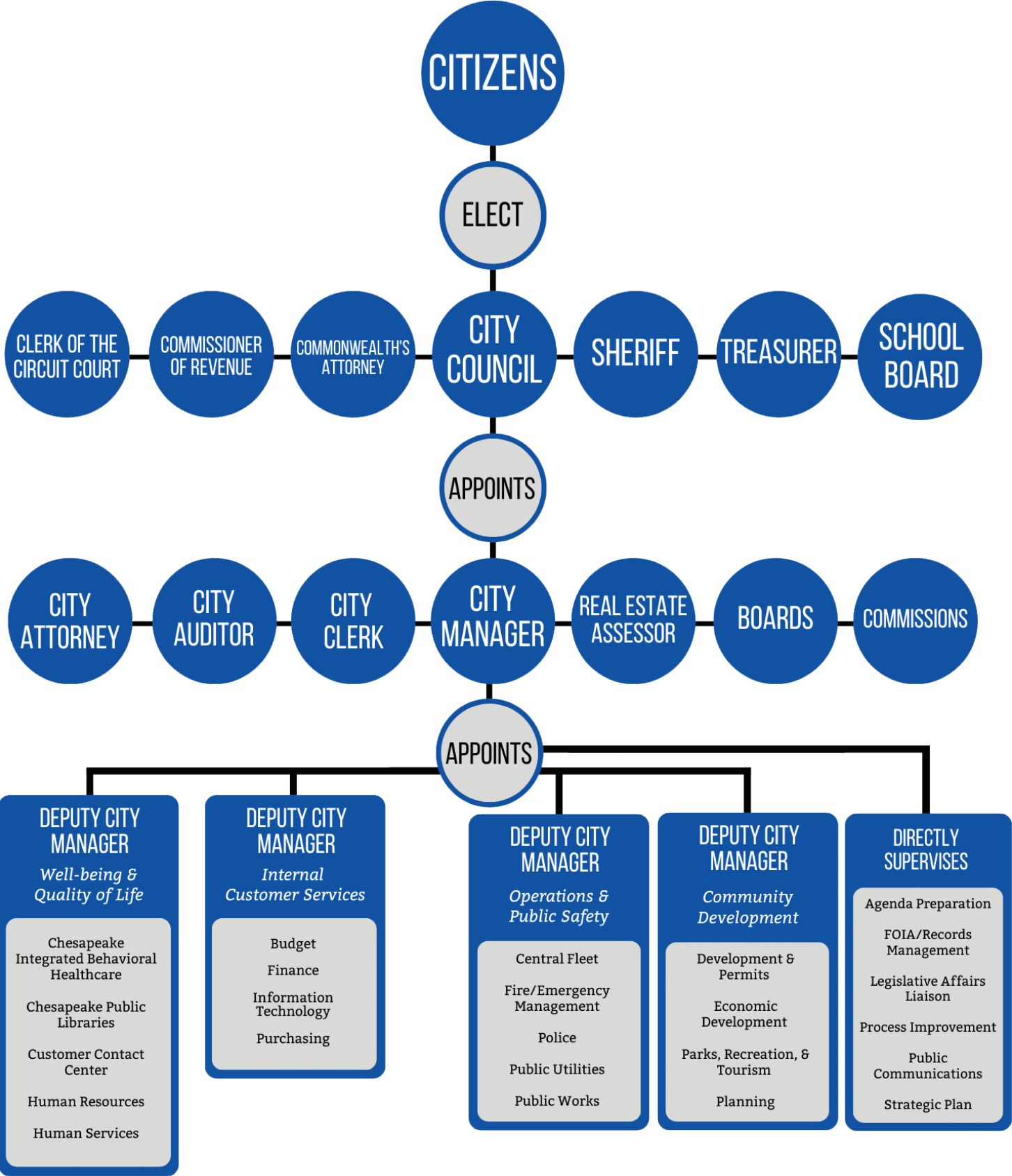


Kristen N. Bailey
Director of Finance

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CITYWIDE ORGANIZATIONAL CHART



CITY OF CHESAPEAKE, VIRGINIA

City Officials
June 30, 2024

City Council

Dr. Richard W. West
John M. de Triquet, M.D.

Mayor
Vice Mayor

C. Jeff Bunn
Don J. Carey, III
Robert C. Ike, Jr.
Amanda L. Newins
S.Z. “Debbie” Ritter
Dr. Ella Ward
Daniel W. Whitaker

Other Officials

Ben White
Victoria L. Proffitt
Matthew R. Hamel
James O’Sullivan
Christopher M. Price
Catherine Lindley
Darren Padilla
Sandy Madison
Gregory H. Daniels
Dr. Wanda Barnard-Bailey
Robert N. Geis
Laura A. Fitzpatrick
Brian S. Solis
Marjorie A. Taylor Arrington
Rufus A. Banks, Jr., Robert G. MacDonald, Stephen J. Telfevan, and Andrew D. Kubovcik
Alan P. Krasnoff
Michael R. Katchmark
Erin L. Bedois, Linda L. Bryant, and Tanya L. Lomax
Glynis G. Townsend
Lori B. Galbraith
David J. Whitted, Larry D. Willis, Sr. and David Jones
Bonnie Coffey
Jocelyn Pearson
Jonathan Hobbs
Edwin Gonzalez
Kevin Curling
Jay B. Tate
Steven C. Wright
Kristen N. Bailey
Simone Gulisano
Dr. Nancy M. Welch
Allison Myers
Pamela Little-Hill
Daniel Constantineau
Amanda B. Jackson
Michael D. Barber
James McNamara
Mark Solesky

City Treasurer
Commissioner of the Revenue
Commonwealth’s Attorney
Sheriff
City Manager
City Attorney
City Auditor
City Clerk
Real Estate Assessor
Deputy City Manager
Deputy City Manager
Deputy City Manager
Deputy City Manager
Chief Judge, Circuit Court
Judges, Circuit Court
Clerk of the Circuit Court
Chief Judge, General District Court
Judges, General District Court
Clerk of the General District Court
Chief Judge, Juvenile and Domestic Relations Court
Judges, Juvenile and Domestic Relations Court
Clerk of the Juvenile and Domestic Relations Court
Director of Agriculture
Budget Director
Executive Director, Chesapeake Integrated Behavioral Healthcare
Director of Court Services
Director of Development and Permits
Director of Economic Development
Director of Finance
Fire Chief
Health Director
Director of Human Resources
Director of Human Services
Chief Information Officer
Director of Libraries
Director of Parks, Recreation, and Tourism
Director of Planning
Chief of Police

CITY OF CHESAPEAKE, VIRGINIA

City Officials
June 30, 2024

Heath Covey
David Jurgens
Earl Sorey
Carol A. Robinson

Director of Public Communications
Director of Public Utilities
Director of Public Works
Procurement Administrator

School Board

Angie Swygert
Thomas L. Mercer, Sr.

Chairman
Vice Chairman

Samuel L. Boone, Jr.
Amanda G. Dean
Michael K. Lamonea
John M. McCormick
Norman Pool
Kim A. Scott
Dr. Brittany N. Walker

Other School Board Officials

Dr. Jared A. Cotton
Dr. Angie Smith
Diane Edwards
Dr. Jacqueline C. Miller
Dr. Brian Austin
Melissa Glod
J. Paige Stutz
Dr. Jeff Faust

Superintendent
Chief of Staff / Clerk of the Board
Chief Academic Officer
Chief of Schools
Chief Human Resources Officer
Interim Chief Financial Officer
Chief Operations Officer
Chief Technology Innovation Officer

Supplemental Listing

Wynn Dixon
Kevin Beethoven
Derrick Dudash
Steven C. Wright
John Kownack
Raimundo Rivera

Lisa Wagenbrenner
John M. Harbin

Chairman, Chesapeake Airport Authority
Vice-Chairman, Chesapeake Airport Authority
Secretary/Treasurer, Chesapeake Airport Authority
Executive Secretary, Economic Development Authority
Executive Director, Chesapeake Redevelopment and Housing Authority
Director of Finance and Administration,
Chesapeake Redevelopment and Housing Authority
Director, Chesapeake Mosquito Control Commission
Executive Director, Chesapeake Land Bank Authority



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Chesapeake
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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Report of Independent Auditor

To the Honorable Members of the City Council
City of Chesapeake, Virginia

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of the Chesapeake Airport Authority, which represents 2.5%, 13.0%, and 0.5%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units, as of June 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chesapeake Airport Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the "Specifications"). Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City 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 City'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 City'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 City'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 ("MD&A") and the Required Supplementary Information Other than MD&A, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Other Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards as required by Title 2 of U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical sections, 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 December 9, 2024, on our consideration of the City'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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Virginia Beach, Virginia
December 9, 2024

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Management's
Discussion and Analysis – (MD&A)



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CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2024

The discussion and analysis of the financial performance of the City of Chesapeake, Virginia (the City) provides an overall review of the City's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2024

- The total net position of the City on a government-wide basis, excluding component units, was \$2.6 billion. The unrestricted net position, which represents the amounts available to meet the City's ongoing obligations to citizens and creditors was \$753.3 million.
- The City's government-wide total net position for the primary government increased by \$161.5 million from the prior year. The governmental activities' net position increased by \$125.0 million and business-type net position increased by \$36.5 million.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$813.9 million, an increase of \$63.9 million from the prior year. Approximately \$736.7 million or 90.5% of this amount was unrestricted (committed, assigned, or unassigned).
- The General Fund, on a current financial resources basis, reported a \$39.4 million net increase in fund balance, compared to the final amended budget's projected \$64.8 million decrease. The favorable outcome was driven by strong revenue performance, which exceeded the amended budget by \$47.4 million (6.4%), and expenditures and net transfers that were \$56.8 million (7.1%) lower than projected.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, public works, parks and recreation, and public welfare. The business-type activities include the City's public utilities, stormwater system, and the Chesapeake Transportation System (CTS). While the Economic Development Authority (EDA) is a legally separate entity, it is included in the City's business-type activities due to its financial dependence on the City.

CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

The government-wide financial statements include not only the City itself (known as the *primary government*) but also legally separate entities for which the City is financially accountable (*component units*). The City includes five (5) discretely presented component units in its report: the Chesapeake Public Schools, Chesapeake Mosquito Control Commission, Chesapeake Airport Authority, Chesapeake Land Bank Authority, and Elizabeth River Properties of Chesapeake, Inc. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains seventeen (17) individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and the debt service fund, which are considered major funds. Data from the other fourteen (14) governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its public utilities system, stormwater system, CTS, and EDA operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to manage its retained risks, self-funded health insurance program, fleet of vehicles, and information technology program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements but in more detail. The proprietary fund financial statements provide separate information for the public utilities, stormwater, and CTS, all of which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in this report's combining and individual fund statements and schedules section.

CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two (2) different types of fiduciary funds. The City's fiduciary funds consist of a custodial fund, *Special Welfare*, and an *Other Postemployment Benefits (OPEB) Trust Fund*.

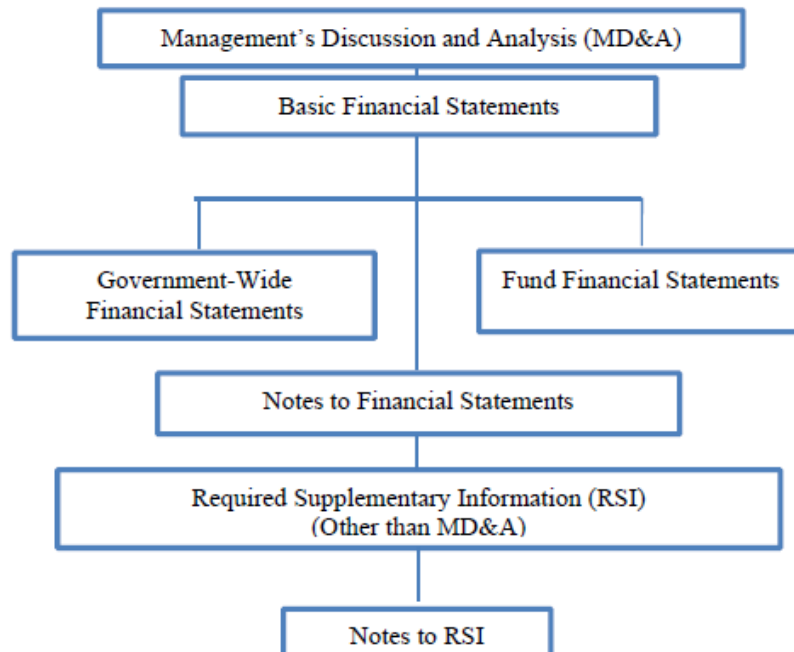
Component Units. The financial statements for component units provide financial information about CPS and other discretely presented component units, which are aggregated on the *government-wide financial statements*.

Notes to the Financial Statements. The notes provide additional information necessary to fully understand the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* that further explains and supports the information in the financial statements.

The following graphic shows how the required parts of this *Management's Discussion and Analysis* and the City's *basic financial statements* are arranged and relate to one another.

Required Components of the City of Chesapeake Financial Statements



CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.6 billion at the close of the most recent fiscal year, an increase of \$161.5 million from the net position at June 30, 2023. By far the largest portion of the City's net position (59.2%) is net investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less accumulated depreciation and less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens and, consequently, these assets are not available for future spending. The resources needed to repay the debt related to these capital assets must be provided from other sources.

Statement of Net Position

The following table reflects the condensed net position of the City.

June 30, 2024 and 2023

(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Assets and deferred outflows of resources						
Current and other assets	\$ 1,052.3	961.3	372.3	352.7	1,424.6	1,314.0
Capital assets	1,265.9	1,241.2	882.2	881.0	2,148.1	2,122.2
Total assets	2,318.2	2,202.5	1,254.5	1,233.7	3,572.7	3,436.2
Deferred outflows of resources	77.8	81.2	7.6	7.7	85.4	88.9
Total assets and deferred outflows of resources	2,396.0	2,283.7	1,262.1	1,241.4	3,658.1	3,525.1
Liabilities and deferred inflows of resources						
Current and other liabilities	111.3	102.1	45.4	43.3	156.7	145.4
Long-term liabilities	468.1	479.4	409.2	426.4	877.3	905.8
Total liabilities	579.4	581.5	454.6	469.7	1,034.0	1,051.2
Deferred inflows of resources	53.7	64.3	16.8	17.5	70.5	81.8
Total liabilities and deferred inflows of resources	633.1	645.8	471.4	487.2	1,104.5	1,133.0
Net position						
Net investment in capital assets	988.7	952.2	522.6	503.6	1,511.3	1,455.8
Restricted	95.0	57.3	194.0	194.2	289.0	251.5
Unrestricted (deficit)	679.2	628.4	74.1	56.4	753.3	684.8
Total net position	1,762.9	1,637.9	790.7	754.2	2,553.6	2,392.1
Total liabilities, deferred inflows of resources, and net position	\$ 2,396.0	2,283.7	1,262.1	1,241.4	3,658.1	3,525.1

Approximately 11.3% of the City's net position is subject to external restrictions. The remaining balance of unrestricted net position (\$753.3 million or 29.5%) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City reported positive balances in all three categories of net position for the Primary Government as a whole. In addition, all categories of net position for its separate governmental and business-type activities are positive balances. Total unrestricted net position increased by \$68.5 million or 10.0% from the prior year. Total restricted net position increased \$37.5 million or 14.9%, primarily due to restricted funds for net OPEB asset and prepaid for Deep Creek Bridge replacement for governmental-type

CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2024

activities. Lastly, net investment in capital assets increased \$55.5 million or 3.8%. The City's total net position increased by \$161.5 million or 6.8% during the fiscal year.

Statement of Activities

The following comparative statement of activities presents the revenues, expenses, and transfers of the governmental and business-type activities:

Year Ended June 30, 2024 and 2023 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Activities	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Revenues						
Program revenues						
Charges for services	\$ 22.1	22.9	145.9	145.3	168.0	168.2
Operating grants and contributions	152.7	178.1	0.7	0.7	153.4	178.8
Capital grants and contributions	18.3	16.1	6.3	5.8	24.6	21.9
General revenues						
Property taxes	482.1	457.1	-	-	482.1	457.1
Other taxes	177.3	176.2	-	-	177.3	176.2
Grants and contributions not restricted to specific program	31.9	32.6	-	-	31.9	32.6
Unrestricted investment earnings	40.2	25.9	16.0	10.8	56.2	36.7
Gain on sale of capital assets	0.1	-	0.2	-	0.3	-
Other	12.3	10.4	-	-	12.3	10.4
Total revenues	937.0	919.3	169.1	162.6	1,106.1	1,081.9
Expenses						
General government	189.1	191.9	-	-	189.1	191.9
Public safety	134.6	130.7	-	-	134.6	130.7
Public works	68.7	56.9	-	-	68.7	56.9
Parks and recreation	14.5	12.2	-	-	14.5	12.2
Public welfare	65.0	63.2	-	-	65.0	63.2
Education	304.3	307.0	-	-	304.3	307.0
Public utilities	-	-	77.2	69.7	77.2	69.7
Chesapeake Transportation System	-	-	41.9	38.7	41.9	38.7
Stormwater management	-	-	15.8	15.2	15.8	15.2
Economic Development Authority	-	-	2.4	3.8	2.4	3.8
Interest on long-term debt	11.6	12.2	-	-	11.6	12.2
Depreciation and amortization unallocated	19.4	20.4	-	-	19.4	20.4
Total expenses	807.2	794.5	137.3	127.4	944.5	921.9
Excess (deficiency) before transfers	129.8	124.8	31.8	35.2	161.6	160.0
Transfers	(4.8)	(2.1)	4.8	2.1	-	-
Increase (decrease) in net position	125.0	122.7	36.6	37.3	161.6	160.0
Net Position - beginning	1,637.9	1,515.2	754.2	716.9	2,392.1	2,232.1
Net Position - ending	\$ 1,762.9	1,637.9	790.8	754.2	2,553.7	2,392.1

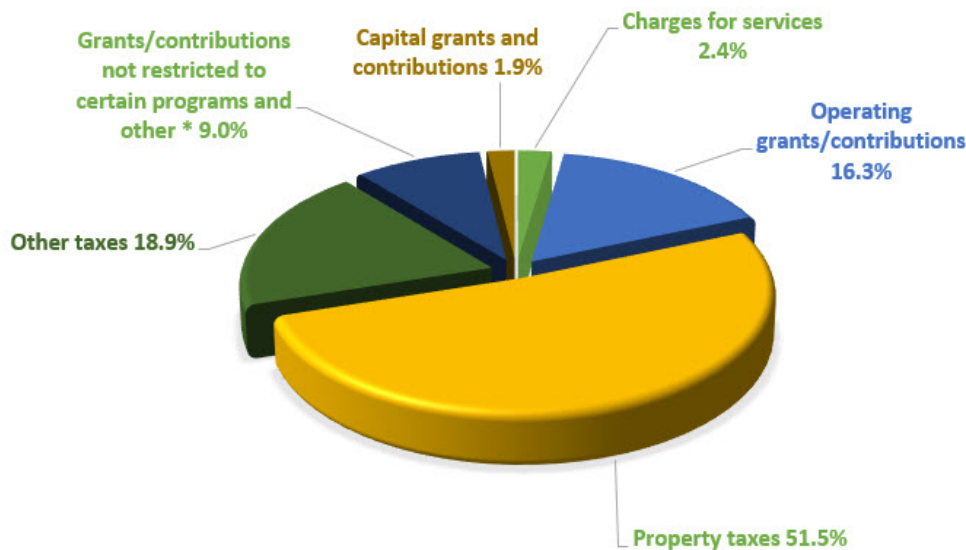
CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

Revenues

The City's total revenues from governmental activities were \$937.0 million for the fiscal year ended June 30, 2024, an increase of \$17.7 million. The largest source of revenue for the City, property taxes (composed of real estate and personal property taxes), totaled \$482.1 million and accounted for 51.4% of total revenues. Property taxes increased \$25.0 million or 5.5% from the prior year, primarily due to an increase in assessments of 9.1% in real estate. Both the personal property tax and the real estate tax rates remained unchanged in fiscal year 2024. Unrestricted investment earnings increased \$14.3 million, offset by a decrease of \$25.4 million in operating grants and contributions. Revenues from other taxes, \$177.3 million, make up 18.9% of the City's revenues and increased \$1.1 million from the prior fiscal year. This revenue increase was primarily due to consumer spending activity reflected in increased tax collections on restaurant meals, and hotel/motel rooms. Approximately 70.4% of the City's revenue from governmental activities comes from some type of tax and 2.4% comes from fees charged for services.

Revenues by Source – Governmental Activities – Year Ended June 30, 2024



* "Other" includes unrestricted investment earnings and other general revenues.

Total revenues for business-type activities totaled \$169.1 million an increase of \$6.5 million from FY2023. The increase was primarily due to an increase of \$5.2 million in unrestricted investment earnings along with an increase of \$0.5 million in capital grants and contributions and a \$0.6 million increase in charges for services. Charges for services, including water and sewer utility fees, toll revenues, and stormwater fees made up 86.3% of total revenues for business-type activities.

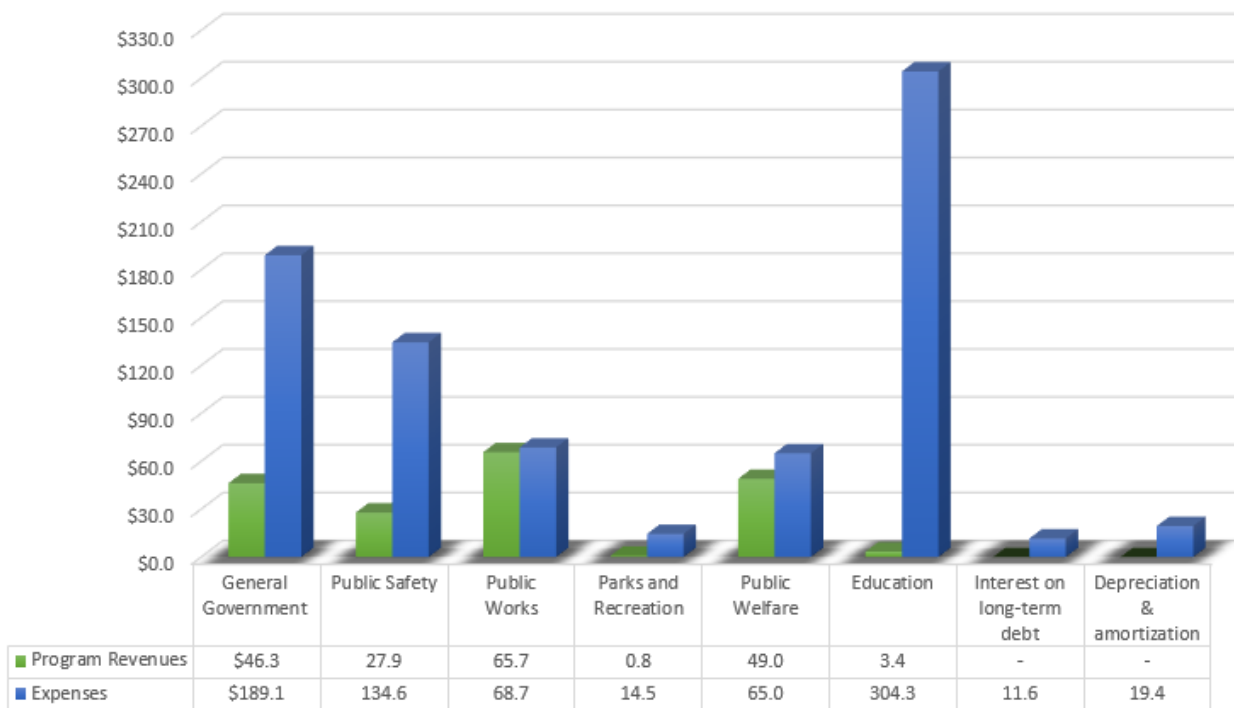
CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

Expenses

The City's expenses for governmental activities cover a wide range of services, with \$189.1 million or 23.4% related to general government, \$134.6 million or 16.7% related to public safety, \$68.7 million or 8.5% for public works, \$14.5 million or 1.8% for parks and recreation, \$65.0 million or 8.1% for public welfare, \$304.3 million or 37.7% for education, \$11.6 million on interest on long-term debt, and \$19.4 million on unallocated depreciation and amortization. Overall, expenses for governmental activities increased by \$12.7 million or 1.6% from fiscal year 2023, primarily due to public works and public safety costs. Expenses increased by \$11.8 million in public works, \$2.3 million in parks and recreation and \$3.9 million in public safety. Education continues to be the City's largest program. Education expenses totaled \$304.3 million or 37.7% (including payments to the Chesapeake Public Schools, a component unit) in fiscal year 2024 but did decrease by \$2.7 million from prior year.

Expenses and Program Revenues – Governmental Activities Year Ended June 30, 2024 (in millions)



Net position for the City's business-type activities reached \$790.8 million, an increase of \$36.6 million from the prior year. For fiscal year 2024, total expenses for business-type expenses were \$137.3 million, an increase of \$9.9 million from fiscal year 2023. The increase was primarily due to the increase in Public utilities expenses by \$7.5 million and CTS by \$3.2 million.

CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of net resources available at the end of a fiscal year. For the fiscal year ended June 30, 2024, the governmental funds reported combined ending fund balances of \$813.9 million, an increase of \$63.9 million from the prior year. Included in this increase are the following major transactions in governmental funds for the year ended June 30, 2024:

- \$292.4 million contributed from the City's General Fund to fund the Public School operations
- \$75.8 million spent in the Capital Projects Fund to fund capital items
- \$26.5 million of tax revenues generated by incremental increases in property values within the City's Greenbrier and South Norfolk Tax Increment Financing Districts

The City's OPEB Trust Fund, established in 2008, committed to fund the fiscal year 2024 City OPEB Plan for pay-go costs during the year. In lieu of the City contributing the \$3.7 million annual actuarially determined contribution to the OPEB Trust, the City funded the pay-go costs and, therefore, at June 30, 2024, the General Fund has recorded a receivable of \$1.3 million due from the OPEB Trust.

Approximately \$736.7 million of the combined total fund balances constitute unrestricted fund balances, which is comprised of funds committed at the discretion of City Council, as well as assigned and unassigned funds. The \$457.7 million unrestricted funds in the General Fund represents 69.9% of total General Fund expenditures and provide some measure of the General Fund's liquidity. Committed and assigned portions of the unrestricted governmental funds balances at June 30, 2024 were as follows:

- \$180.5 million committed for one time projects
- \$65.5 million committed for current capital projects
- \$67.1 million committed for future capital projects
- \$62.5 million committed for various programs and projects
- \$115.9 million assigned for future capital projects
- \$32.9 million assigned for debt service
- \$114.7 million assigned for various other purposes

The remainder of the unrestricted fund balance at June 30, 2024, the unassigned fund balance, includes \$97.6 million in the General Fund, the City's chief operating fund, and is in compliance with the City's fund balance policy. The restricted fund balance totals \$54.9 million at year end.

Total fund balance of the General Fund increased by \$39.4 million during fiscal year 2024, primarily due to the excess of revenues over expenditures of \$131.2 million, an increase of \$31.6 million or 31.7% from the prior year, while other financing uses totaled \$91.8 million, an increase of \$16.2 million or 21.4% from the prior year. The excess of revenues over expenditures can be attributed to revenue increases of \$30.7 million or 7.2% in property taxes, \$1.1 million or 0.7% in revenues from other local taxes, \$6.7 million in investment income, \$0.5 million in licenses, permits and fees, \$2.1 million in charges for services, and \$9.4 million or 9.2% from intergovernmental revenues, offset by decreases of \$2.8 million in recovered costs and \$0.4 million in miscellaneous local revenue. The major contributing factors to increased revenue is current and delinquent real estate tax increase of \$25.4 million due to a 9.1% increase in assessments, current and delinquent personal property tax increase in collections of \$4.0 million, State intergovernmental revenue for street and highway maintenance increase of \$7.1 million, Sheriff categorical aid increase of \$1.3 million due to salary growth and increase in investment income of \$6.7 million due

CITY OF CHESAPEAKE, VIRGINIA

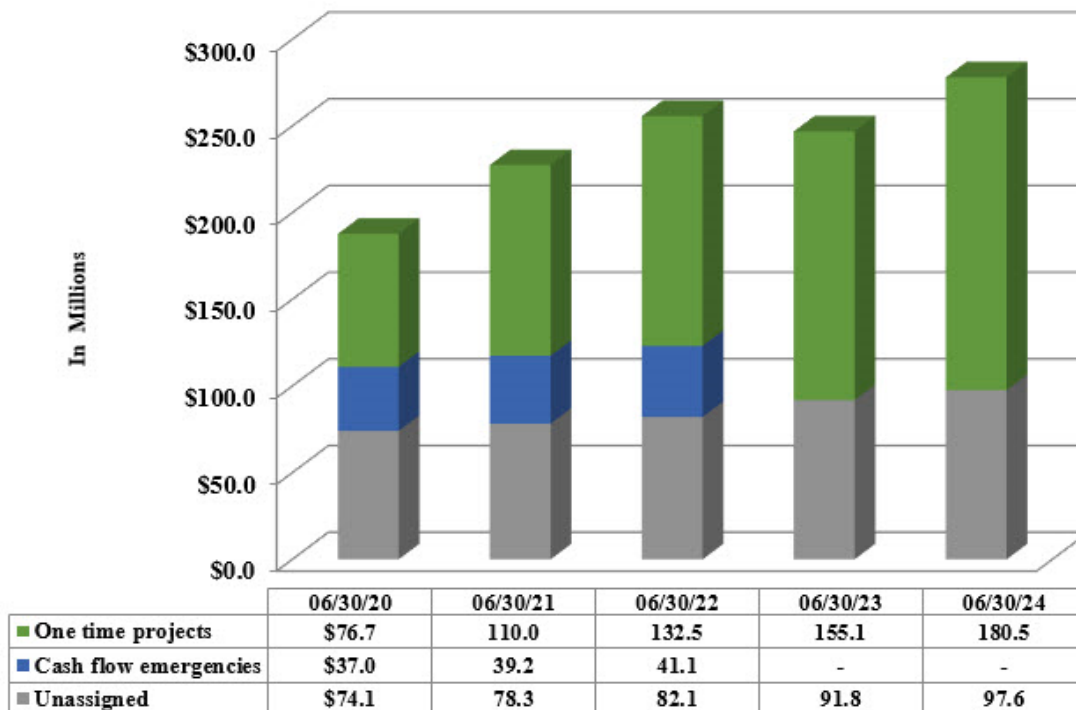
Management's Discussion and Analysis
Year Ended June 30, 2024

to interest rate growth and mix and maturity of investments. Total expenditures increased by \$15.7 million or 2.5% from the prior fiscal year. The major contributing factors to increased expenditures over the prior year (including related capital outlay) are costs related to salary and benefit increases in the current year which resulted in public safety increases of \$3.8 million or 3.1%, general government increases of \$4.0 million or 2.9%, parks and recreation increases of \$2.0 million and public works increases of \$4.2 million. Education increased by \$4.6 million or 1.6% for a budgetary increase of support for schools, offset by a decrease in capital outlay of \$2.9 million.

The City maintains a fund balance policy that was updated in fiscal year 2024. This policy requires the maintenance of an unassigned fund balance equal to at least 12.% of General Fund revenues and tax revenues committed to certain special revenue funds. City Council budgets for a 12.0% year-end unassigned fund balance to ensure compliance. On June 13, 2023, the City Council adopted the revised fund balance policy to be effective on July 1, 2023.

The fund balance policy implemented in fiscal year 2015, and updated in fiscal year 2024, also created a committed fund balance category for one time projects. In addition to \$180.5 million committed for one time projects, \$118.9 million has been committed for other purposes including \$67.1 million set aside for lockbox funds for School and City capital projects to be used for future debt service and pay-as-you go financing.

General Fund Selected components of the City's fund balance (in millions)



CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2024

The unassigned fund balance of the General Fund, which represents available current financial resources, totaled \$97.6 million at June 30, 2024. A healthy fund balance allows the City to provide adequate services for the citizens, plan for future projects, and retain its sound financial position.

Summary of Changes in General Fund Unassigned Fund Balance

Year ended June 30, 2024

(in Millions)

Unassigned fund balance at June 30, 2023		\$	91.8
Revenues	\$	785.7	
Expenditures:			
Current, Capital Outlay and Debt Service		654.5	
Other financing sources (uses)		(91.8)	
Net Change in fund balance		39.4	
Increase in reservations (Restricted, Committed, and Assigned)		(33.6)	
Increase in unassigned fund balance			5.8
Unassigned fund balance at June 30, 2024		\$	97.6

The Debt Service Fund ended the year with \$35.0 million in total fund balance, an increase of \$17.4 million from 2023. The increase is mainly due to increased interest earnings in FY2024. The assigned fund balance of \$32.9 million is for the payment of debt service as directed by City Council.

The total fund balance of the Capital Project Fund decreased by \$4.0 million as a result of \$28.6 million of revenues (primarily intergovernmental revenues and investment income) and a net of \$43.2 million in interfund transfers to fund various capital projects offset by \$75.8 million in capital outlay.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Generally, the City can only use the net position of these funds to finance continuing costs of the enterprise operations.

For fiscal year 2024, Public Utilities reported an increase in net position of \$19.9 million to \$617.4 million at June 30, 2024. Total operating revenues of \$83.6 million were \$0.2 million more than the prior year primarily due to increases in water sales offset by decreases in sewer service charges after implementation of a new rate fee structure. The new rate fee structure redistributes the revenue to reflect actual costs between the water and sewer service. Total operating expenses for fiscal year 2024 were \$74.2 million, an increase of \$6.3 million from the prior year, with \$18.0 million being from depreciation and amortization.

Chesapeake Transportation System reported a decrease in net position of \$1.6 million to \$17.0 million for the current fiscal year. Total operating revenues of \$35.8 million increased by \$1.3 million (3.7%) over the prior year due to increased traffic numbers of 3.3% for Dominion Boulevard Veterans Memorial Bridge and 1.7% for the Chesapeake Expressway. Operating expenses for the year amounted to \$29.3 million, with \$11.9 million being from depreciation and amortization.

Stormwater Management reported an ending net position of \$129.7 million, an increase of \$14.4 million. Total operating revenues of \$25.6 million exceeded the prior year by \$0.1 million (0.7%). Total operating expenses of \$15.7 million, with \$1.7 million being from depreciation and amortization, increased by 5.0% from the previous fiscal year. Any fees collected in excess of current operating needs are restricted for use on future Stormwater projects around the City.

CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

The EDA reported an ending net position of \$28.0 million, a \$3.6 million increase over the prior fiscal year. Total operating revenues of \$1.6 million decreased by \$1.0 million and operating expenses totaled \$1.4 million decreased by \$0.9 million compared to fiscal year 2023. These decreases are related to cost of land sales and costs of land sales.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Year Ended June 30, 2024 (in millions)

	Original Budget*	Amended Budget	Actual
Revenues:			
Taxes	\$ 605.1	605.1	624.4
Intergovernmental	104.5	104.8	112.1
Other	27.3	28.4	49.2
Total	736.9	738.3	785.7
Expenditures and transfers:			
Expenditures *	686.8	691.1	653.6
Transfers (net)	113.3	112.0	92.7
Total	800.1	803.1	746.3
Change in fund balance	\$ (63.2)	(64.8)	39.4

* The City's budget ordinance includes, as a part of the original budget for expenditures, the amount of \$5.6 million for encumbrances reappropriated from June 30, 2023.

Differences between the original budget and the final amended budget for the City's General Fund included additional revenues of \$1.4 million, a \$4.3 million increase in appropriations, and a net decrease of \$1.3 million in transfers resulting in a \$1.6 million increase to the change in fund balance. Major changes included the following:

- Appropriation of \$5.5 million for Crestwood Intermediate school
- Appropriation of \$0.8 million in revenue from Schools for the Sheriff School Resource Officers program
- Appropriation of \$3.1 million of Fund balance assigned for street maintenance for residential repaving

Actual total revenues were above the amended budget by \$47.4 million, primarily due to general property taxes and other local taxes exceeding the amended budget by \$14.2 million and \$5.1 million, respectively. The remaining favorable variance was comprised of \$5.0 million in other local revenues, \$6.1 million in revenues from the Commonwealth and \$17.0 million in investment income.

Expenditures and transfers to other funds were below the amended budget by \$56.8 million, prior to encumbrances. The general government category returned \$12.8 million of its budget, in part due to cost savings resulting from unused appropriations for general expenses. Departments with notable savings include Sheriff with \$3.1 million and other nondepartmental support of \$5.5 million of unused contingency. Public Works departments were \$9.8 million or 11.1% below the amended budget mainly in street maintenance with \$2.9 million, contractual services with \$2.8 million and drainage with \$0.9 million. Public Safety departments were \$5.3 million or 4.0% below the amended budget due to payroll and general supply cost savings. The Police and Fire departments generated savings of \$4.4 million and \$0.6 million, respectively. Additionally, the Parks and Recreation department was \$1.3 million or 7.6% below the amended budget.

CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to approximately \$2.1 billion (net of accumulated depreciation and amortization). This investment includes land, intangibles, municipal and school buildings, improvements, machinery and equipment, drainage and water/sewer systems, roads, bridges, intangible right-to-use assets (lease assets and subscriptions), and construction in progress. The total change in the City's capital assets for the current year was a net increase of \$25.9 million or 1.2% – an increase of \$24.7 million or 2.0% for governmental activities offset by a decrease of \$1.2 million or (0.1)% for business-type activities, primarily due an increase of construction expenditures, the completion of various projects and construction projects in progress.

Capital Assets (net of accumulated depreciation)

June 30, 2024 and 2023

(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government Activities	
	2024	2023	2024	2023	2024	2023
Land	\$ 77.9	77.8	94.2	94.2	172.1	172.0
Intangibles	370.0	368.8	19.8	19.8	389.8	388.6
Construction in progress	129.4	93.7	79.6	78.7	209.0	172.4
Buildings	323.7	328.7	5.2	5.4	328.9	334.1
Lease asset - buildings	5.4	2.8	-	-	5.4	2.8
Improvements other than buildings	43.1	41.2	3.8	4.0	46.9	45.2
Software, equipment, and vehicles	79.7	73.2	14.2	15.3	93.9	88.5
Lease assets - equipment & vehicles	0.6	0.6	0.1	-	0.7	0.6
Subscriptions	6.9	9.3	-	0.1	6.9	9.4
Infrastructure	229.2	245.1	665.3	663.5	894.5	908.6
Total	\$ 1,265.9	1,241.2	882.2	881.0	2,148.1	2,122.2

Major capital asset events during the fiscal year included the following:

- Completed capital projects totaling \$40.8 million for governmental activities.
- Completed capital projects totaling \$28.8 million for business-type activities.
- Construction in progress totaled \$129.4 million for governmental activities at the end of the fiscal year.
- Construction in progress totaled \$79.6 million for business-type activities, which includes Public Utilities, CTS, and Stormwater projects.

Additional information on the City's capital assets can be found in Note 4 of the financial statements.

The City's fiscal year 2025 capital budget provides approximately \$418.3 million for various capital projects. Some of the major categories include \$176.0 million for community facilities projects, \$5.7 million for economic development projects, \$83.1 million in school-related projects, \$10.6 million in information technology projects, \$6.0 million in parks, recreation, and tourism projects, \$9.6 million for public safety projects, \$77.2 million for transportation projects, \$14.2 million in stormwater projects, and \$35.9 million for Public Utilities projects. Some larger projects which continued to receive additional funding for fiscal year 2025 include:

- Public Safety Training Academy
- South Norfolk Municipal Building

CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

Long-term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$663.2 million. Of this amount, \$277.2 million comprises debt backed by the full faith and credit of the City and \$374.0 million is debt secured by revenues of the Water and Sewer System, CTS toll revenues, Economic Development Authority and certain revenues from the Greenbrier TIF pursuant to the terms of a Cooperation Agreement on behalf of the EDA.

City of Chesapeake Outstanding Debt June 30, 2024 and 2023 (in millions)

	Governmental Activities		Business-type Activities		Total Primary Government Activities	
	2024	2023	2024	2023	2024	2023
General obligation bonds*	\$ 105.4	116.5	33.0	39.5	138.4	156.0
Revenue bonds*	-	-	182.4	188.0	182.4	188.0
Direct placement bonds and installment purchase agreement	138.8	155.7	191.6	197.8	330.4	353.5
Leases and subscriptions	11.9	11.7	0.1	0.1	12.0	11.8
	\$ 256.1	283.9	407.1	425.4	663.2	709.3

*does not include bond premiums or arbitrage rebate liability.

Chesapeake's total debt decreased by \$46.1 million during fiscal year 2024. Long-term debt for governmental activities decreased by \$27.8 million and long-term debt for business-type activities decreased by \$18.3 million. The Virginia Transportation Infrastructure Bank (VTIB) subordinate bonds decreased \$6.3 million due to a principal payment of \$0.1 million along with a supplemental principal payment of \$6.2 million from excess revenues.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.0% of its total assessed valuation of real property. The current debt limitation for the City is \$3.89 billion, which is significantly in excess of the City's total outstanding debt subject to the legal debt limit.

Additional information on the City's long-term debt can be found in Note 5 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The average unemployment rate for fiscal year 2024 for the City was 3.0%, an increase from the 2023 rate of 2.8%, primarily due to pressures on the economy. This compares to the average unemployment rates of 3.0% for the region, 3.0% for Virginia, and 3.8% nationally for the same time period.
- The Weldon Cooper Center for Public Service, Chesapeake projects the City's total population for 2045 will be 305,957.
- The City's real estate tax base increased by \$3.2 billion or 9.0% from the prior year. Personal property taxes experienced a \$142.2 million or 4.1% decrease from fiscal year 2023 to fiscal year 2024.
- Taxable retail sales for calendar year 2023 increased by \$99.4 million or 2.2%.

The City will continue to focus on core service delivery for the next three to five years. To help address the identified City and School capital requirements, funds continue to be assigned to provide resources for future debt service and cash funding for projects.

CITY OF CHESAPEAKE, VIRGINIA

Management's Discussion and Analysis
Year Ended June 30, 2024

These factors will guide the preparation of the City's budget for fiscal year 2026. The operating budget will align programs with City Council's strategic anchors and desired outcomes, highlighting the impact of budget decisions on the community. Similarly, the Capital Improvement Program (CIP) will focus on these priorities while also aligning with the City's Comprehensive plan. These efforts aim to ensure resource alignment with strategic plans, maintaining fiscal stability, and a strong financial position.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, 306 Cedar Road, Chesapeake, Virginia 23322.

Basic Financial Statements



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Government-wide Financial Statements



Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total Primary Government	Discretely Presented Component Units	
				Public Schools	Other
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets					
Cash and temporary investments (note 2)	\$ 655,331,112	101,387,777	756,718,889	142,696,644	16,473,010
Receivables, net of allowance for uncollectible amounts (note 3)	150,745,788	34,882,399	185,628,187	51,352,766	1,453,032
Internal balances (note 7)	9,101,096	(9,101,096)	-	-	-
Inventories	2,464,430	1,499,256	3,963,686	4,308,923	539,598
Prepaid expenses	23,257,480	279,660	23,537,140	-	108,984
Restricted cash and investments (note 2)	196,352,557	225,148,230	421,500,787	68,357,268	489,398
Capital Assets (notes 4 and 5):					
Land, intangibles, and construction in progress	577,249,822	193,681,788	770,931,610	48,154,734	10,606,387
Other capital assets, net of accumulated depreciatio	688,691,389	688,508,436	1,377,199,825	378,799,193	7,352,954
Land and improvements held for sale	-	16,815,792	16,815,792	-	593,599
Net OPEB asset (note 9)	15,066,934	1,470,501	16,537,435	26,307	141,191
Total assets	2,318,260,608	1,254,572,743	3,572,833,351	693,695,835	37,758,153
Deferred Outflows of Resources					
Pension	57,933,522	5,706,272	63,639,794	106,758,803	533,809
OPEB	19,168,429	927,810	20,096,239	32,745,712	86,795
Deferred loss on refundings	682,490	949,793	1,632,283	-	-
Total deferred outflows of resources	77,784,441	7,583,875	85,368,316	139,504,515	620,604
Total assets and deferred outflows of resources	\$ 2,396,045,049	1,262,156,618	3,658,201,667	833,200,350	38,378,757
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
Liabilities					
Accounts payable, deposits and accrued expenses (notes 3 and 14)	\$ 46,510,115	23,237,400	69,747,515	76,283,539	1,680,581
Unearned revenues	5,759,826	831,905	6,591,731	-	4,420
Long-term liabilities (notes 5, 8, 9, and 14):					
Due within one year	59,077,688	21,319,658	80,397,346	6,482,792	236,260
Due in more than one year	468,074,166	409,211,169	877,285,335	593,573,925	5,059,527
Total liabilities	579,421,795	454,600,132	1,034,021,927	676,340,256	6,980,788
Deferred Inflows of Resources					
Pension	19,858,454	1,955,997	21,814,451	34,344,025	182,979
OPEB	33,269,452	2,056,442	35,325,894	57,091,706	192,376
Leases	606,469	-	606,469	440,478	-
Deferred gain on refundings	9,008	-	9,008	-	-
Stormwater management fees	-	12,787,476	12,787,476	-	-
Total deferred inflows of resources	53,743,383	16,799,915	70,543,298	91,876,209	375,355
Net position					
Net investment in capital assets	988,727,562	522,615,370	1,511,342,932	399,331,680	12,585,578
Restricted for:					
Capital projects	6,349,530	141,285,368	147,634,898	-	-
Debt service	2,105,798	51,314,059	53,419,857	-	-
OPEB	15,066,934	1,470,501	16,537,435	26,307	141,191
Other purposes:					
Expendable:					
General Fund - state and federal restrictions	4,482,154	-	4,482,154	-	-
Special projects	46,182,821	-	46,182,821	-	-
Educational purposes	206,929	-	206,929	154,656,700	-
Chesapeake Airport Authority	-	-	-	-	489,398
Nonexpendable - Special projects	534,990	-	534,990	-	-
Nonexpendable - Capital projects	20,000,000	-	20,000,000	-	-
Nonexpendable - Permanent Funds	12,795	-	12,795	-	-
Unrestricted (deficit)	679,210,358	74,071,273	753,281,631	(489,030,802)	17,806,447
Total net position	1,762,879,871	790,756,571	2,553,636,442	64,983,885	31,022,614
Total liabilities, deferred inflows of resources, and net position	\$ 2,396,045,049	1,262,156,618	3,658,201,667	833,200,350	38,378,757

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

CITY OF CHESAPEAKE, VIRGINIA

Schedule B

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Discretely Presented Component Units
					Total	Public Schools	Others
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 189,131,856	4,774,409	41,458,738	35,494	(142,863,215)	-	-
Public safety	134,551,216	8,769,291	19,094,313	24,296	(106,663,316)	-	-
Public works	68,666,750	244,107	47,430,743	18,019,223	(2,972,677)	-	-
Parks and recreation	14,519,086	728,978	63,696	-	(13,726,412)	-	-
Public welfare	65,021,620	7,568,343	41,430,772	-	(16,022,505)	-	-
Education	304,283,821	-	3,212,018	181,760	(300,890,043)	-	-
Interest on long-term debt	11,542,836	-	-	-	(11,542,836)	-	-
Depreciation and amortization - net unallocated portion (note 4)	19,442,644	-	-	-	(19,442,644)	-	-
Total governmental activities	807,159,829	22,085,128	152,690,280	18,260,773	(614,123,648)	-	-
Business-type activities:							
Public Utilities	77,208,353	83,578,254	(10,329)	6,248,423	-	12,607,995	-
Chesapeake Transportation System	41,914,254	35,745,804	17,083	-	(6,151,367)	-	-
Stormwater Management	15,780,247	25,400,789	233,832	-	9,854,374	-	-
Economic Development Authority	2,460,902	1,174,320	427,405	-	(859,177)	-	-
Total business-type activities	137,363,756	145,895,167	667,991	6,248,423	15,451,825	-	-
Total Primary Government	\$ 944,523,585	167,984,295	153,358,271	24,509,196	(614,123,648)	(598,671,823)	-
COMPONENT UNITS							
Public Schools	\$ 701,380,834	26,447,286	186,137,110	-	-	(488,796,438)	-
Chesapeake Mosquito Control Commission	4,248,959	-	6,544,953	-	-	-	2,295,994
Chesapeake Airport Authority	1,457,835	542,891	3,521,822	-	-	-	2,606,878
Elizabeth River Properties of Chesapeake, Inc.	2,092,377	170,415	19	-	-	-	(1,921,943)
Chesapeake Land Bank Authority	330,429	-	-	-	-	-	(330,429)
Total component units	\$ 709,510,434	27,160,592	196,203,904	-	-	(488,796,438)	2,650,500
General revenues:							
Taxes:							
Property taxes, levied for general purposes				\$	482,060,882	-	-
Local sales and use taxes					58,052,510	-	-
Consumer utility taxes					10,978,385	-	-
Communication sales tax					7,754,876	-	-
Business license taxes					36,729,527	-	-
Local utility consumption tax					843,127	-	-
Bank stock taxes					1,883,958	-	-
Taxes on recordation and wills					3,373,551	-	-
Tobacco taxes					3,509,212	-	-
Hotel and motel room taxes					8,980,022	-	-
Restaurant food taxes					42,840,870	-	-
Admission taxes					910,434	-	-
Short-term rental taxes					1,561,104	-	-
Part-mutuel wagering pool tax					24,182	-	-
Payment from City					-	-	297,815,305
Grants and contributions not restricted to specific programs					31,885,169	-	-
Unrestricted investment earnings					40,197,897	16,027,598	252,959,038
Gain on sale of capital assets					53,413	233,291	4,463,673
Miscellaneous					12,286,195	-	59,990
Transfers					(4,832,385)	4,832,385	13,552,229
Total general revenues and transfers					739,092,929	21,093,274	568,790,245
Change in net position					161,514,380	79,993,807	3,562,437
Net position - beginning					1,637,910,590	754,211,472	(15,009,922)
Net position - ending					\$ 1,762,879,871	790,756,571	64,983,885
					2,553,636,442	31,022,614	

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

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Fund Financial Statements



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Governmental Funds Financial Statements

Major Governmental Funds – Include General, Debt Service, and Capital Projects Funds.

Other Governmental Funds – Include Special Revenue and Permanent Funds.



CITY OF CHESAPEAKE, VIRGINIA

Schedule C

Balance Sheet
Governmental Funds
June 30, 2024

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and temporary investments (note 2)	\$ 418,813,666	34,834,606	-	106,227,261	559,875,533
Receivables, net of allowance for uncollectible amounts (note 3)	98,336,254	137,362	-	3,154,775	101,628,391
Intergovernmental receivable (note 3)	37,485,056	-	5,245,726	5,549,781	48,280,563
Inventory	1,705,416	-	-	11,712	1,717,128
Due from other funds (note 7)	528,904	-	-	-	528,904
Prepaid expenditures	-	-	20,000,000	523,278	20,523,278
Restricted cash and investments (note 2)	-	325	195,348,429	1,003,803	196,352,557
Advances to other funds, net of allowance (note 7):	7,742,466	-	-	-	7,742,466
Total assets	\$ 564,611,762	34,972,293	220,594,155	116,470,610	936,648,820
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable (note 3)	\$ 8,766,876	2,996	-	3,160,125	11,929,997
Deposits (note 3)	2,906,017	-	-	-	2,906,017
Accrued expenditures (note 3)	8,880,103	-	-	1,039,780	9,919,883
Unearned revenues	469,875	-	983,580	39,625	1,493,080
Other liabilities (note 3)	2,100,150	-	4,075	40,606	2,144,831
Payables from restricted assets:					
Construction projects payable (note 3)	-	-	11,820,400	-	11,820,400
Due to Commonwealth of Virginia	62,130	-	17,218	8,312	87,660
Due to other funds (note 7)	-	-	-	528,904	528,904
Total liabilities	23,185,151	2,996	12,825,273	4,817,352	40,830,772
Deferred Inflows of Resources					
Taxes receivable	70,221,747	-	-	-	70,221,747
Personal Property Tax Relief Act	3,209,133	-	-	-	3,209,133
EMS fees receivable	789,222	-	-	-	789,222
Solid waste fees receivable	1,601	-	-	-	1,601
Advance to CTS (note 7)	7,742,466	-	-	-	7,742,466
Total deferred inflows of resources	81,964,169	-	-	-	81,964,169
Fund Balances (note 10)					
Nonspendable	1,705,416	-	20,000,000	547,785	22,253,201
Restricted	47,000	2,105,798	6,349,530	46,389,750	54,892,078
Committed for one time projects	180,516,820	-	-	-	180,516,820
Committed other	118,910,035	-	65,476,651	10,703,192	195,089,878
Assigned	60,693,544	32,863,499	115,942,701	54,012,531	263,512,275
Unassigned	97,589,627	-	-	-	97,589,627
Total fund balances	459,462,442	34,969,297	207,768,882	111,653,258	813,853,879
Total liabilities, deferred inflows of resources, and fund balances	\$ 564,611,762	34,972,293	220,594,155	116,470,610	936,648,820

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

(Continued)

Balance Sheet
Governmental Funds
June 30, 2024

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

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

Ending fund balance - governmental funds \$ 813,853,879

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total capital assets used in governmental activities as reported in note 4 to the financial statements also include assets of \$52,302,892 associated with the internal service funds as indicated below.

Capital assets (net of ISF) 1,213,638,319

The City's single employer OPEB Plan has a net fiduciary position greater than the net liability, or funding which exceeds actuarial projected liabilities. This is a long-term asset not related to the current period and, therefore, not reported in the funds.

Net OPEB asset (net of ISF) 14,313,044

Some of the City's expenses have been incurred but are not yet due until after year-end and, therefore, are deferred in the funds.

Pension and OPEB deferred outflows of resources (net of ISF)	\$ 73,642,790	
Deferred loss on refundings	682,490	74,325,280

Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Governmental funds' deferred inflows for taxes and fees	81,964,169	
Pension and OPEB deferred inflows of resources (net of ISF)	(51,035,729)	
Deferred gain on refundings	(9,008)	30,919,432

Internal service funds (ISF) are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position as detailed below. The total amount included in governmental activities does not include the portion allocable to business-type activities of \$1,358,630 as noted on Schedule E.

Current assets	99,773,917	
Capital assets	52,302,892	
Net OPEB asset	753,890	
Pension and OPEB deferred outflows of resources	3,459,161	
Current liabilities	(19,634,113)	
Noncurrent liabilities	(31,858,695)	
Pension and OPEB deferred inflows of resources	(2,698,646)	
Net cumulative profit(loss) allocation	1,358,630	103,457,036

Unmatured interest payable reported in governmental activities will not be paid with current financial resources and, therefore, is not reported in the funds. (4,608,228)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Total long-term obligations for governmental activities as reported in footnote 5 to the financial statements also include long-term obligations of \$44,132,963 associated with the internal service funds as indicated above.

General obligation bonds	(274,022,897)	
Net pension liability (net of ISF)	(137,379,713)	
Net OPEB liability (net of ISF)	(34,034,398)	
Compensated absences (net of ISF)	(26,288,124)	
Arbitrage rebate and yield restriction	(2,000,629)	
Installment Purchase Agreement	(1,342,284)	
Leases and subscriptions	(7,950,846)	(483,018,891)

Net position of governmental activities \$ 1,762,879,871

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

CITY OF CHESAPEAKE, VIRGINIA

Schedule D

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

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	\$ 457,488,170	-	-	27,017,269	484,505,439
Other local taxes	166,922,961	-	-	10,518,797	177,441,758
Licenses, permits, and fees	12,296,487	-	-	261,813	12,558,300
Fines and forfeitures	692,641	-	-	6,152,185	6,844,826
Investment income	18,517,461	3,076,123	11,020,106	3,090,601	35,704,291
Revenues from use of property	1,228,510	54,889	-	236,328	1,519,727
Charges for services	14,409,520	-	-	9,396,310	23,805,830
Miscellaneous local revenues	725,466	699,512	3,135,011	4,848,792	9,408,781
Recovered costs	1,409,930	-	-	258,166	1,668,096
Program income	-	-	-	295,585	295,585
Revenues from local developers	-	-	427,853	100,000	527,853
Intergovernmental revenues:					
Commonwealth of Virginia	110,875,160	-	13,368,243	30,871,028	155,114,431
Federal government	340,826	-	694,208	19,251,195	20,286,229
Federal government - American Reinvestment and Recovery Act	-	274,624	-	-	274,624
Chesapeake Public Schools	836,511	2,375,507	-	-	3,212,018
Total revenues	785,743,643	6,480,655	28,645,421	112,298,069	933,167,788
EXPENDITURES					
Current:					
General government	139,711,814	-	-	11,899,176	151,610,990
Public safety	126,326,293	-	-	12,013,386	138,339,679
Public works	77,920,281	-	-	-	77,920,281
Parks and recreation	15,579,225	-	-	144,868	15,724,093
Public welfare	-	-	-	67,507,227	67,507,227
Education	292,429,105	-	-	5,386,200	297,815,305
Capital outlay	2,594,790	-	75,805,650	4,292,801	82,693,241
Debt service	-	39,705,277	-	-	39,705,277
Total expenditures	654,561,508	39,705,277	75,805,650	101,243,658	871,316,093
Excess (deficiency) of revenues over (under) expenditures	131,182,135	(33,224,622)	(47,160,229)	11,054,411	61,851,695
OTHER FINANCING SOURCES (USES)					
Transfers from other funds (note 8)	15,479,637	50,618,273	58,019,230	31,163,954	155,281,094
Transfers to other funds (note 8)	(108,235,859)	-	(14,862,134)	(34,184,592)	(157,282,585)
Issuance of leases (as lessee) (note 5)	637,421	-	-	3,019,547	3,656,968
Issuance of subscriptions	312,251	-	-	31,704	343,955
Total other financing sources (uses), net	(91,806,550)	50,618,273	43,157,096	30,613	1,999,432
Net change in fund balance	39,375,585	17,393,651	(4,003,133)	11,085,024	63,851,127
Fund balance - beginning	420,086,857	17,575,646	211,772,015	100,568,234	750,002,752
Fund balance - ending	\$ 459,462,442	34,969,297	207,768,882	111,653,258	813,853,879

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

(Continued)

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

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

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

Net change in fund balances - total governmental funds		\$	63,851,127
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The Statement of Activities also includes expenses which relate to current-year closed projects that included assets that are no longer capitalizable at the time of project closure. In addition, donated assets and gains and losses on disposal of assets are not reported in governmental funds, but are reported as revenues (expenses) in the Statement of Activities. This represents the net effect of the donated assets plus the difference between depreciation expense and capital outlay expenditures. The details of this difference (net of ISF) are as follows:</p>			
	Depreciation expense	\$	(45,923,014)
	Capital outlay expenditures		82,693,241
	Donated assets		3,365,442
	Noncapitalizable expenses related to closed projects		(8,195,830)
	Disposal of assets		<u>(135,732)</u>
			31,804,107
<p>Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Unearned revenues changed by this amount this year.</p>			
			(4,159,959)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts. The details of this difference (net of ISF) are as follows:</p>			
	Debt issued (and related costs)		(4,000,923)
	Arbitrage rebate and yield restrictions		(1,424,212)
	Amortization of bond premiums and refunding		3,239,202
	Principal repayments		<u>29,899,231</u>
			27,713,298
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details (net of ISF) are as follows:</p>			
	Accrued interest		431,150
	Compensated absences		(64,104)
	Pension and OPEB expenses		<u>1,660,108</u>
			2,027,154
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expenses), excluding capital contributions of \$3,535,799 from the Primary Government, of certain activities of the internal service funds are reported with governmental activities.</p>			
			3,506,404
<p>Interfund loan activity that does not contribute to current financial resources and, therefore, is not reported in the funds.</p>			
			227,150
Change in net position of governmental activities		\$	124,969,281

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

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Proprietary Funds Financial Statements

Major Enterprise Funds:

Public Utilities – To account for the City’s water and sewer operations.

Chesapeake Transportation System – To account for the operations of the Chesapeake Expressway and Dominion Boulevard toll roads.

Stormwater Management – To account for the operation of the City’s stormwater utility and to fund the required improvements to stormwater quality.

Blended Component Unit - Economic Development Authority (EDA) - To account for the operation of the EDA, which is responsible for promoting industry and developing trade.

Internal Service Funds – Include Information Technology, City Garage, Self-Insurance, and Self-Funded Health Funds.



Statement of Net Position
Proprietary Funds
June 30, 2024

	Enterprise Funds					Internal Service Funds
	Public Utilities	Chesapeake Transportation System	Stormwater Management	Economic Development Authority	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets						
Current assets:						
Cash and temporary investments (note 2)	\$ 74,507,432	1,394,585	21,729,465	3,756,295	101,387,777	95,455,579
Receivables, net of allowance for uncollectible amounts (note 3)	15,057,537	1,185,083	16,457,693	2,182,086	34,882,399	205,073
Lease receivable	-	-	-	-	-	631,761
Inventory of materials and supplies	1,499,256	-	-	-	1,499,256	747,302
Prepaid expenses	168,098	7,383	-	104,179	279,660	2,734,202
Total current assets	91,232,323	2,587,051	38,187,158	6,042,560	138,049,092	99,773,917
Noncurrent assets:						
Restricted cash and investments (note 2)	78,836,081	90,906,532	55,405,617	-	225,148,230	-
Capital assets (note 4):						
Land, intangibles, and construction in progress	78,747,624	83,702,981	14,397,428	16,833,755	193,681,788	1,794,046
Other capital assets, net of accumulated depreciation	443,983,278	206,624,108	37,901,050	-	688,508,436	50,508,846
Total capital assets, net of accumulated depreciation	522,730,902	290,327,089	52,298,478	16,833,755	882,190,224	52,302,892
Land and improvements held for sale	-	-	-	16,815,792	16,815,792	-
Net OPEB asset (note 9)	960,147	123,285	387,069	-	1,470,501	753,890
Total noncurrent assets	602,527,130	381,356,906	108,091,164	33,649,547	1,125,624,747	53,056,782
Total assets	693,759,453	383,943,957	146,278,322	39,692,107	1,263,673,839	152,830,699
Deferred Outflows of Resources						
Pension	3,734,304	475,470	1,496,498	-	5,706,272	2,975,382
OPEB	607,177	77,310	243,323	-	927,810	483,779
Deferred loss on refundings	949,793	-	-	-	949,793	-
Total deferred outflows of resources	5,291,274	552,780	1,739,821	-	7,583,875	3,459,161
Total assets and deferred outflows of resources	\$ 699,050,727	384,496,737	148,018,143	39,692,107	1,271,257,714	156,289,860
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
Liabilities						
Current liabilities:						
Accounts payable (note 3)	\$ 4,881,445	693,628	87,436	54,164	5,716,673	2,730,693
Accrued expenses and other liabilities (notes 3, 5, and 14)	1,663,348	7,033,485	133,431	11,675	8,841,939	362,406
Deposits (note 3)	1,046,952	-	-	-	1,046,952	-
Unearned revenues	705,021	-	-	-	705,021	4,266,746
Construction projects payable (note 3)	4,460,947	2,658,013	512,876	-	7,631,836	-
Current portion of long-term debt (note 5)	7,992,758	11,466,977	-	852,000	20,311,735	-
Current portion of leases and subscriptions payable (note 5)	26,454	3,798	4,772	-	35,024	1,591,818
Current portion of accrued vacation, sick pay, and overtime leave (note 5)	641,762	103,759	227,378	-	972,899	517,238
Current portion of liability for self-insurance losses (notes 5 and 14)	-	-	-	-	-	10,165,212
Total current liabilities	21,418,687	21,959,660	965,893	917,839	45,262,079	19,634,113
Noncurrent liabilities:						
Unearned revenues	126,884	-	-	-	126,884	-
General obligation bonds (note 5)	26,542,207	-	-	-	26,542,207	-
Revenue bonds (note 5)	21,746,902	262,317,728	-	2,759,000	286,823,630	-
Due to Commonwealth of Virginia (note 5)	-	73,823,033	-	-	73,823,033	-
Leases and subscriptions payable (note 5)	7,965	15,454	7,488	-	30,907	2,337,065
Loans payable (note 5)	-	-	-	1,319,095	1,319,095	-
Notes payable (note 5)	-	-	-	6,665,600	6,665,600	-
Advances from other funds (note 7)	-	7,742,466	-	-	7,742,466	-
Accrued vacation, sick pay, and overtime leave (note 5)	795,469	121,774	277,929	-	1,195,172	661,736
Liability for self-insurance losses (notes 5 and 14)	-	-	-	-	-	22,546,131
Net pension liability (note 8)	7,854,774	1,076,055	3,053,535	-	11,984,364	5,953,101
Net OPEB liability (note 9)	546,198	73,028	207,935	-	827,161	360,662
Total noncurrent liabilities	57,620,399	345,169,538	3,546,887	10,743,695	417,080,519	31,858,695
Total liabilities	79,039,086	367,129,198	4,512,780	11,661,534	462,342,598	51,492,808
Deferred Inflows of Resources						
Pension	1,280,045	162,982	512,970	-	1,955,997	1,019,901
OPEB	1,345,779	171,351	539,312	-	2,056,442	1,072,276
Leases	-	-	-	-	-	606,469
Stormwater management fees	-	-	12,787,476	-	12,787,476	-
Total deferred inflows of resources	2,625,824	334,333	13,839,758	-	16,799,915	2,698,646
Net Position						
Net investment in capital assets	462,903,463	(5,284,189)	51,773,341	13,222,755	522,615,370	48,374,010
Restricted for:						
Capital projects	64,879,024	18,408,604	57,997,740	-	141,285,368	-
Debt service	9,555,613	41,758,446	-	-	51,314,059	-
OPEB	960,147	123,285	387,069	-	1,470,501	753,890
Unrestricted (deficit)	79,087,570	(37,972,940)	19,507,455	14,807,818	75,429,903	52,970,506
Total net position	617,385,817	17,033,206	129,665,605	28,030,573	792,115,201	102,098,406
Total liabilities, deferred inflows of resources, and net position	\$ 699,050,727	384,496,737	148,018,143	39,692,107	1,271,257,714	156,289,860
Net position of enterprise funds, Schedule E						
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(1,052,301)	60,881	(367,210)	-	(1,358,630)	-
Net position of business-type activities, Schedule A	616,333,516	17,094,087	129,298,395	28,030,573	790,756,571	-

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

CITY OF CHESAPEAKE, VIRGINIA

Schedule F

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

	Enterprise Funds					Internal Service Funds
	Public Utilities	Chesapeake Transportation System	Stormwater Management	Economic Development Authority	Total	
OPERATING REVENUES						
Licenses, permits, and fees	\$ -	-	233,832	-	233,832	-
Charges for services:						
Sale of water	54,038,163	-	-	-	54,038,163	-
Billings to departments	-	-	-	-	-	98,621,255
Billings to outside agencies and component units	-	-	-	-	-	376,060
Sewer service charges	26,158,894	-	-	-	26,158,894	-
Stormwater management fees	-	-	25,400,789	-	25,400,789	-
Tolls and tickets	-	35,745,804	-	-	35,745,804	-
Rental fees	1,203,400	-	-	-	1,203,400	237,051
Connection fees	2,007,905	-	-	-	2,007,905	-
Miscellaneous	169,892	-	-	1,174,320	1,344,212	5,216
Recovered costs	268,877	17,083	-	-	285,960	6,557,481
Other	(279,206)	-	-	427,405	148,199	15,722
Total operating revenues	83,567,925	35,762,887	25,634,621	1,601,725	146,567,158	105,812,785
OPERATING EXPENSES						
Cost of materials billed	-	-	-	-	-	2,990,048
Purchases for resale	15,411,263	-	-	777,280	16,188,543	3,772,291
General and administrative	8,367,919	1,053,924	3,155,684	259,528	12,837,055	1,464,383
Other salaries and wages	14,842,081	1,920,858	5,567,393	-	22,330,332	10,799,669
Other fringe benefits	5,970,657	844,790	2,365,721	-	9,181,168	4,343,902
Self-insurance reserve adjustments	-	-	-	-	-	265,037
Indemnity and medical claims	-	-	-	-	-	48,608,377
Other repairs and supplies	7,202,772	6,469,048	283,296	-	13,955,116	8,543,177
Equipment rental	67,778	912	11,262	-	79,952	-
Other contractual services	4,390,958	7,071,565	2,614,932	371,957	14,449,412	4,316,101
Depreciation and amortization	17,968,104	11,941,673	1,695,459	-	31,605,236	14,950,816
Insurance premiums	-	-	-	496	496	5,334,395
Other	2,950	33,563	-	2,318	38,831	-
Total operating expenses	74,224,482	29,336,333	15,693,747	1,411,579	120,666,141	105,388,196
Operating income (loss)	9,343,443	6,426,554	9,940,874	190,146	25,901,017	424,589
NONOPERATING REVENUES (EXPENSES)						
Investment income	7,421,945	4,803,356	3,536,803	265,494	16,027,598	4,493,606
Interest expense	(1,675,157)	(12,673,383)	(406)	(169,323)	(14,518,269)	(110,296)
Gain on sale of equipment	60,685	-	172,606	-	233,291	528,029
Loss on sale of equipment	(1,453,190)	(152,481)	(152,805)	-	(1,758,476)	(173,433)
Grants to businesses	-	-	-	(880,000)	(880,000)	-
Total nonoperating revenues (expenses), net	4,354,283	(8,022,508)	3,556,198	(783,829)	(895,856)	4,737,906
Income (loss) before transfers and contributions	13,697,726	(1,595,954)	13,497,072	(593,683)	25,005,161	5,162,495
Transfers in (note 8)	-	-	868,000	4,191,535	5,059,535	573,159
Transfers out (note 8)	-	-	-	-	-	(3,631,203)
Capital contributions	6,248,423	-	-	-	6,248,423	5,169,732
Increase (decrease) in net position	19,946,149	(1,595,954)	14,365,072	3,597,852	36,313,119	7,274,183
Total net position - beginning	597,439,668	18,629,160	115,300,533	24,432,721	755,802,082	94,824,223
Total net position - ending	\$ 617,385,817	17,033,206	129,665,605	28,030,573	792,115,201	102,098,406
Change in net position of enterprise funds, Schedule F	\$ 19,946,149	(1,595,954)	14,365,072	3,597,852	36,313,119	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	144,476	20,793	66,711	-	231,980	
Change in net position of business-type activities, Schedule B	\$ 20,090,625	(1,575,161)	14,431,783	3,597,852	36,545,099	

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

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

	Enterprise Funds					Internal Service Funds
	Public Utilities	Chesapeake Transportation System	Stormwater Management	Economic Development Authority	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 81,753,737	35,887,215	25,275,455	(529,496)	142,386,911	7,246,566
Cash received from interfund services provided	-	-	-	-	-	98,621,255
Payments to suppliers	(31,325,504)	(14,364,079)	(4,630,469)	(1,529,255)	(51,849,307)	(73,807,064)
Payments to employees	(21,151,719)	(2,781,467)	(8,053,420)	-	(31,986,606)	(15,251,333)
Payments for interfund services	(4,195,729)	(509,782)	(2,359,197)	-	(7,064,708)	-
Net cash provided by (used in) operating activities	25,080,785	18,231,887	10,232,369	(2,058,751)	51,486,290	16,809,424
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	1,051,102	1,051,102	573,159
Transfers out	-	-	-	-	-	(1,481,203)
Noncapital financing activity - outflow	-	-	-	(880,000)	(880,000)	-
Net cash provided by (used in) noncapital financing activities	-	-	-	171,102	171,102	(908,044)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Transfers in	-	-	868,000	3,140,433	4,008,433	-
Transfers out	-	-	-	-	-	(2,150,000)
Acquisition of capital assets	(21,934,925)	(1,326,010)	(2,829,305)	(2,148,936)	(28,239,176)	(8,338,661)
Proceeds from sale of capital assets	60,685	-	172,606	-	233,291	528,029
Increase (decrease) in construction project payable	(612,451)	2,635,836	(112,267)	-	1,911,118	-
Principal payment of long-term debt	(7,260,000)	(11,749,530)	-	(820,000)	(19,829,530)	-
Interest paid	(1,702,629)	(9,991,021)	(406)	(171,497)	(11,865,553)	(146,229)
Net cash provided by (used in) capital and related financing activities	(31,449,320)	(20,430,725)	(1,901,372)	-	(53,781,417)	(10,106,861)
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income	7,255,616	4,774,297	3,471,296	265,494	15,766,703	4,414,760
Investment expense	-	-	-	-	-	(267)
Net cash provided by investing activities	7,255,616	4,774,297	3,471,296	265,494	15,766,703	4,414,493
Net increase (decrease) in cash and temporary investments	887,081	2,575,459	11,802,293	(1,622,155)	13,642,678	10,209,012
Cash and temporary investments beginning of year	152,456,432	89,725,658	65,332,789	5,378,450	312,893,329	85,246,567
Cash and temporary investments end of year	\$ 153,343,513	92,301,117	77,135,082	3,756,295	326,536,007	95,455,579
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 9,343,443	6,426,554	9,940,874	190,146	25,901,017	424,589
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	17,968,104	11,941,673	1,695,459	-	31,605,236	14,950,816
Pension expense	(270,062)	(23,871)	(127,319)	-	(421,252)	(202,809)
OPEB expense	(103,921)	(12,725)	(42,562)	-	(159,208)	(82,205)
Change in assets and liabilities increasing (decreasing) cash and temporary investments:						
Receivables	(1,762,437)	124,328	(470,337)	(2,131,221)	(4,239,667)	(20,706)
Prepaid expenses and other assets	(50,774)	691	-	(104,179)	(154,262)	1,594,700
Inventory of materials and supplies	(5,129)	-	-	-	(5,129)	(50,149)
Land and improvements held for sale	-	-	-	127,767	127,767	-
Accounts payable	(21,690)	(250,647)	(941,369)	(141,264)	(1,354,970)	(351,156)
Deposits	(1,290)	-	-	-	(1,290)	-
Unearned revenues	(50,461)	-	-	-	(50,461)	75,168
Deferred inflows	-	-	111,171	-	111,171	-
Accrued expenses and other liabilities	-	5,107	16,877	-	21,984	29,307
Liability for self-insurance losses	-	-	-	-	-	265,037
Accrued vacation, sick pay, and overtime leave	35,002	20,777	49,575	-	105,354	176,832
Total adjustments	15,737,342	11,805,333	291,495	(2,248,897)	25,585,273	16,384,835
Net cash provided by (used in) operating activities	\$ 25,080,785	18,231,887	10,232,369	(2,058,751)	51,486,290	16,809,424
Supplemental information on significant noncash transactions:						
Contributions of capital assets	\$ 6,248,423	-	-	-	6,248,423	5,169,732

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

Fiduciary Funds Financial Statements

Custodial Fund – Includes Special Welfare Fund.

Trust Fund – Includes Other Postemployment Benefits Fund.



CITY OF CHESAPEAKE, VIRGINIA

Schedule H

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2024

	Custodial Special Welfare	Other Postemployment Benefits Trust
ASSETS		
Cash and temporary investments (note 2)	\$ 182,628	-
Investments with trustee, at fair value (note 2)		
Stocks	-	69,621,516
Taxable bonds	-	45,083,451
Money market	-	277,765
Total assets	\$ 182,628	114,982,732
NET POSITION		
Restricted for:		
Other postemployment benefits	-	114,982,732
Individuals	182,628	-
Total net position	\$ 182,628	114,982,732

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

CITY OF CHESAPEAKE, VIRGINIA

Schedule I

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2024

	Custodial Special Welfare	Other Postemployment Benefits Trust
ADDITIONS		
Deposits received on behalf of others	\$ 38,678	-
Contributions from employer (note 11)	-	3,391,556
Contributions from plan members (note 11)	-	1,077,986
Investment income:		
Interest and dividend income	4,173	5,552,555
Net appreciation (depreciation) in fair value of investments	-	7,581,217
Less investment expenses	-	204,909
Net investment income	4,173	12,928,863
Total additions	42,851	17,398,405
DEDUCTIONS		
Administrative expenses	576	49,177
Benefits and refunds paid on behalf of plan members and beneficiaries (note 11)	-	6,091,623
Total deductions	576	6,140,800
Change in net position	42,275	11,257,605
Net position - beginning	140,353	103,725,127
Net position - ending	\$ 182,628	114,982,732

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

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Other Discretely Presented Component Units

Chesapeake Mosquito Control Commission – To account for the operation of the City's Mosquito Control Commission.

Chesapeake Airport Authority – To account for the operation of the Chesapeake Airport and its ancillary activities.

Elizabeth River Properties of Chesapeake, Inc. (ERPC) – To account for the operation of ERPC which assists the City's Community Services Department with residential services.

Chesapeake Land Bank Authority – To account for the operation of the Chesapeake Land Bank Authority.



CITY OF CHESAPEAKE, VIRGINIA

Schedule J-1

Combining Statement of Net Position
Other Discretely Presented Component Units
June 30, 2024

	Governmental Activities				
	Chesapeake Mosquito Control Commission	Chesapeake Airport Authority	Elizabeth River Properties of Chesapeake, Inc.	Chesapeake Land Bank Authority	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets					
Cash and temporary investments (note 2)	\$ 13,822,710	285,355	61,535	2,303,410	16,473,010
Receivables, net of allowance for uncollectible amounts (note 3)	-	1,453,032	-	-	1,453,032
Inventories	539,598	-	-	-	539,598
Prepaid expenses	108,984	-	-	-	108,984
Restricted assets (note 2)	-	489,398	-	-	489,398
Capital assets:					
Land, intangibles, and construction in progress	530,778	10,075,609	-	-	10,606,387
Other capital assets, net of accumulated depreciation	1,655,314	5,697,640	-	-	7,352,954
Land and improvements held for sale	-	-	-	593,599	593,599
Net OPEB asset	141,191	-	-	-	141,191
Total assets	16,798,575	18,001,034	61,535	2,897,009	37,758,153
Deferred Outflows of Resources					
Pension	533,809	-	-	-	533,809
OPEB	86,795	-	-	-	86,795
Total deferred outflows of resources	620,604	-	-	-	620,604
Total assets and deferred outflows of resources	\$ 17,419,179	18,001,034	61,535	2,897,009	38,378,757
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
Liabilities					
Current liabilities:					
Accounts payable, deposits and accrued expenses (notes 3 and 14)	\$ 104,853	1,575,728	-	-	1,680,581
Unearned revenues	-	4,420	-	-	4,420
Long-term liabilities (notes 5, 8 and 9):					
Due within one year	126,260	110,000	-	-	236,260
Due in more than one year	1,204,027	3,855,500	-	-	5,059,527
Total liabilities	1,435,140	5,545,648	-	-	6,980,788
Deferred Inflows of Resources					
Pension	182,979	-	-	-	182,979
OPEB	192,376	-	-	-	192,376
Total deferred inflows of resources	375,355	-	-	-	375,355
Net Position					
Net investment in capital assets	2,184,715	10,400,863	-	-	12,585,578
Restricted					
OPEB	141,191	-	-	-	141,191
Other	-	489,398	-	-	489,398
Unrestricted	13,282,778	1,565,125	61,535	2,897,009	17,806,447
Total net position	15,608,684	12,455,386	61,535	2,897,009	31,022,614
Total liabilities, deferred inflows of resources, and net position	\$ 17,419,179	18,001,034	61,535	2,897,009	38,378,757

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

CITY OF CHESAPEAKE, VIRGINIA

Schedule J-2

Combining Statement of Activities
Other Discretely Presented Component Units
Year Ended June 30, 2024

		Program Revenues		Net Revenue (Expense) and Changes in Net Position				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Chesapeake Mosquito Control Commission	Chesapeake Airport Authority	Elizabeth River Properties of Chesapeake, Inc.	Chesapeake Land Bank Authority	Total
Governmental Type Activities								
Chesapeake Mosquito Control Commission	\$ 4,248,958	-	6,544,952	2,295,994	-	-	-	2,295,994
Business-type Activities								
Chesapeake Airport Authority	1,457,835	542,891	3,521,822	-	2,606,878	-	-	2,606,878
Elizabeth River Properties of Chesapeake, Inc.	2,092,377	170,415	19	-	-	(1,921,943)	-	(1,921,943)
Chesapeake Land Bank Authority	330,429	-	-	-	-	-	(330,429)	(330,429)
Total component units	\$ 8,129,599	713,306	10,066,793	2,295,994	2,606,878	(1,921,943)	(330,429)	2,650,500
General revenues:								
Unrestricted investment earnings			\$	529,464	-	-	322,483	851,947
Gain on sale of capital assets				59,990	-	-	-	59,990
Total general revenues				589,454	-	-	322,483	911,937
Change in net position				2,885,448	2,606,878	(1,921,943)	(7,946)	3,562,437
Net position - beginning				12,723,236	9,848,508	1,983,478	2,904,955	27,460,177
Net position - ending				\$ 15,608,684	12,455,386	61,535	2,897,009	31,022,614

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

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Notes to Basic Financial Statements



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(1) Summary of Significant Accounting Policies

The financial statements of the City of Chesapeake, Virginia (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units, hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

The Reporting Entity

The City was formed under the provision of Chapter 211 of the Acts of Assembly of 1962 by the merger of the former City of South Norfolk and the County of Norfolk.

The accompanying financial statements present the City (the Primary Government) and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in separate columns in the government-wide financial statements to emphasize that they are both legally and substantively separate from the City.

The following component units are discretely presented in the City's financial statements:

- The Chesapeake Public Schools (the Schools) is responsible for elementary and secondary education within the City. All nine members of the School Board are elected. The Schools is fiscally dependent on the City because City Council approves the Schools' total annual budget appropriation, levies the necessary taxes to finance the Schools' operations, and approves the borrowing of money and the issuance of bonds. In addition, a financial burden relationship exists between the City and Schools because the City maintains a legal liability for the general obligation debt issued for the Schools' capital assets. Separate audited financial statements are available from the Chesapeake Public Schools at 312 Cedar Road, Chesapeake, Virginia 23322.
- The Chesapeake Airport Authority (the Airport Authority) was established by action of the General Assembly to operate the Chesapeake Airport and its ancillary operations. The City Council appoints the members of the Airport Authority's governing board. In addition, a financial burden relationship exists between the City and the Airport Authority because the City funds operating deficits as necessary. Separate audited financial statements are available from the Chesapeake Airport Authority at 1777 West Road, Chesapeake, Virginia 23323.
- The Chesapeake Mosquito Control Commission (CMCC) manages the City's insecticide program. CMCC has seven commissioners appointed by the City Council. CMCC is fiscally dependent on the City because the City finances the operations of CMCC through incremental property taxes of \$.01 per \$100 of assessed value for real estate properties and \$.08 per \$100 of assessed value for personal property. CMCC does not issue separate audited financial statements.
- Elizabeth River Properties of Chesapeake, Inc. (ERPC) is a not-for-profit corporation organized under Section 501 (c)(3) of the Internal Revenue Code. ERPC provides housing for individuals served by Chesapeake Integrated Behavioral Healthcare (CIBH). The Board of Directors of CSBC, Inc., whose members are appointed by City Council, appoints the members of the Board of ERPC and appropriates funds annually to provide rental assistance to individuals served by CIBH. The City dissolved its relationship with ERPC effective November 1, 2023. Unaudited financial statements are incorporated to represent the four-month relationship in FY2024.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(1) Continued

- The Chesapeake Land Bank Authority (CLBA) is a legally separate entity created by the City Council for the purpose of assisting the City in addressing vacant, tax delinquent, and abandoned properties to productive use and administering the South Norfolk Residential Rehabilitation Grant Program (SNRRGP). The City Council appoints the board members of the CLBA. A financial burden relationship exists between CLBA and the City as the City appropriates funds annually as needed to pay administrative expenses of the CLBA and funds operating deficits as necessary. The City Council also appropriates funding to the CLBA for the SNRRGP. CLBA does not issue separate audited financial statements.

The following are blended component units in the City's financial statements:

- CSBC, Inc. was organized for the purpose of owning and financing a building to be used by the City for community services. CSBC, Inc. is financed by City-issued general obligation bonds. The City Council appoints the members of CSBC's governing board and appropriates funds annually to pay rent on the building, which CSBC, Inc. then uses to pay debt service on the bonds. No distinction is made between the activities of CSBC, Inc. and the City. As a result, CSBC, Inc. is reported as a special revenue fund in the City's financial statements. On December 18, 2023, the board voted to dissolve the corporation as it had accomplished its purpose. It does not issue separate audited financial statements.
- The Economic Development Authority (EDA) is a legally separate entity established under the Industrial Development and Revenue Bond Act, Code of Virginia. The EDA is responsible for promoting industry and developing trade by inducing manufacturing, industrial, and commercial enterprises to locate or remain in the City. The City Council appoints the members of the EDA's governing board. A financial burden relationship exists between the City and the EDA because the EDA's outstanding debt is expected to be repaid entirely or almost entirely with the resources of the City. Separate audited financial statements for the EDA are available through the City's Department of Economic Development at 555 Belaire Avenue, Suite 310, Chesapeake, Virginia 23320.

The City directed other postemployment benefit (OPEB) plan is a legally separate entity established for the purpose of accumulating assets to fund other postemployment benefits obligations. The City Council appoints the members of the OPEB plan's governing board and has a financial burden relationship with the City because the City funds the OPEB plan's benefits obligations. The OPEB plan is a fiduciary component unit reported as an OPEB trust fiduciary fund.

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the City and its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's public utility function and various other functions of the City. Eliminating these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for services. Likewise, the City is reported separately from discretely presented component units for which the City is financially accountable. Separate columns are provided for the Schools and other discretely presented component units, which are aggregated in the government-wide financial statements.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(1) Continued

The Statement of Activities demonstrates the degree to which program revenues offset the direct expenses of a given function or activity. Direct expenses are those that are clearly identifiable with a specific function. Included in direct expenses are certain indirect costs that have been allocated to the various programs. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary fund and fiduciary fund 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when liability is incurred, with the exception of debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims, judgments, and postemployment benefits, which are recorded when due. General capital asset acquisitions, including contracts giving the City the right-to-use lease or subscription assets, are reported as expenditures in the governmental funds. The issuance of long-term debt is reported as an other financing source.

In the governmental fund financial statements, real and personal property taxes are recorded as receivables when levied, net of allowances for uncollectible amounts. Sales and utility taxes, collected by the Commonwealth of Virginia or utility companies by fiscal year-end and subsequently remitted to the City, are recognized as revenues and receivables upon collection by the Commonwealth of Virginia or utility company, generally in the month preceding receipt by the City. 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 received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. The Public Utilities Enterprise Fund also recognizes certain rental fees as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(1) Continued

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the accumulation of resources for the payment of principal, interest, and related costs on long-term debt of governmental funds.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of most major capital facilities other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The *Public Utilities Fund* accounts for the operation of the City's water and sewer departments and related construction projects.

The *Chesapeake Transportation System Fund* accounts for the operation of the Chesapeake Expressway and Dominion Boulevard Veterans Bridge toll roads and related construction projects.

The *Stormwater Management Fund* accounts for the City's stormwater utility operations, including related construction projects to improve stormwater quality.

The *Economic Development Authority Fund* accounts for the operation of the EDA, which is responsible for promoting industry and developing trade.

Additionally, the City reports the following fund types:

Internal Service Funds account for information technology services, central fleet management services for City-owned vehicles, and the services of the City's self-insurance programs provided to other departments, agencies, or component units on a cost-reimbursement basis.

The *Custodial Fund* accounts for the transfer of funds provided by the Virginia Public Assistance Fund for aid to dependent children. The City acts in a fiduciary capacity for these individual dependent children.

The *Other Postemployment Benefits (OPEB) Trust Fund* accounts for the City's OPEB Plan activities, which accumulates resources held in trust for benefit payments to qualified beneficiaries.

Cash and Temporary Investments

The City maintains a cash and investment pool available for all funds. Each fund's portion of this pool is displayed on the Statement of Net Position or Balance Sheet as "Cash and temporary investments." In addition, the City has restricted deposits held by trustees for future retirements of bonds at the appropriate call date and for construction projects.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(1) Continued

For U.S. Government securities with maturity dates of less than one year, the investments are valued at amortized cost. Because the City uses the pooled cash investment method, individual fund overdrafts are reclassified as due to/due from other funds or internal balances for financial statement purposes. Income from the investment of pooled cash is allocated to the various funds based on the percentage of cash and temporary investments of each fund to the total pooled cash and temporary investments.

For purposes of the Statement of Cash Flows, all highly liquid debt instruments and certificates of deposit, with original maturities of three months or less from the date of purchase, are grouped into cash and temporary investments. The cash and investment pool discussed above is considered cash since it has the same characteristics as a demand deposit account.

Property Taxes

The two major sources of property taxes are described below as reported in the fund financial statements:

Real Estate

Each year, as of July 1, the City levies real estate taxes on all real estate within its boundaries, except those exempted by statute. Real estate taxes are levied on the estimated property value and become a lien on real property on the first day of the levy year. The City follows the practice of reassessing all property annually.

Real estate taxes are collected in quarterly payments due September 30, December 30, March 30, and June 5. During the fiscal year, the current year's real estate taxes reported as revenue are the levies on the assessed valuation on July 1, 2024, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The 2024 tax rate was \$1.01 per \$100 of assessed value and an additional \$.01 per \$100 of assessed value for mosquito control services.

Personal Property

The City levies personal property taxes on motor vehicles and tangible personal business property. These levies are made each year as of January 1, with payment due the following June 5. The current year's personal property taxes reported as revenue are the levies on the assessed valuation on January 1, 2024, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The 2024 tax rate was \$4.00 per \$100 of assessed value with an additional \$.08 per \$100 of assessed value for mosquito control services.

Inventories and Prepaids

Inventory consists of expendable materials and supplies held for future consumption and are valued using the weighted average cost method. All governmental and proprietary fund inventories are recorded under the consumption method as expenditures or expenses when consumed rather than purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(1) Continued

Land and Improvements Held for Sale

The EDA recognizes revenues from the sale of land upon settlement. Land held for sale is stated at acquisition cost plus improvements. Other than acquisition costs, all costs are allocated to all parcels held during the year on a per-acre basis. As a parcel of land is sold, all costs associated with that parcel are charged to the cost of the land sold.

Capital Assets

Capital assets, which include land, intangible assets, buildings, improvements, equipment, vehicles, right-to-use lease assets, right-to-use subscription assets, and infrastructure assets (i.e., roads, bridges, drainage, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements.

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are measured at acquisition value at the date of donation. The costs of routine maintenance and repairs that do not add to the asset's value or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Right-to-use assets are initially measured as the sum of the present value of payments expected to be made during the term of the arrangement, payments made by the City at or before the commencement of the arrangement, and initial direct costs to place the underlying asset into service.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Capital Assets	Useful Lives
Buildings and lease assets - buildings	10-50 years
Improvements other than buildings	10-45 years
Software, equipment, vehicles, lease assets - equipment, and subscription assets	3-50 years
Infrastructure	10-50 years
Right-to-use	Contract term

Leases

Lessee:

The City records lease liabilities and intangible right-to-use assets for noncancellable leases of buildings, vehicles, and equipment in its government-wide financial statements.

Lease liabilities are recognized for leases with an initial value of \$5,000 or more and are measured at the present value of expected lease payments during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. Lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, ancillary charges to place the lease assets into service, and less lease incentives. The lease assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(1) Continued

Lessor:

The City is a lessor for noncancellable leases of land and telecommunication towers. The City recognizes lease receivables and deferred inflows of resources in the government-wide, governmental fund, and proprietary fund financial statements for each lease.

Lease receivables are measured at the present value of lease payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. Deferred inflows of resources is initially measured as the initial amount of the lease receivable and adjusted for lease payments received at or before the lease commencement date. Subsequently, deferred inflows of resources is recognized as revenues using the straight-line method.

Subscription-Based Information Technology Arrangements

The City records subscription liabilities and intangible right-to-use assets for noncancellable subscription-based information technology arrangements (subscriptions) in its government-wide financial statements.

Subscription liabilities are recognized for subscriptions with an initial value of \$5,000 or more and are measured at the present value of expected subscription payments during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. Subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term, capitalizable implementation costs, and less subscription incentives. The subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying asset.

Vacation, Sick Pay, Paid Time Off, and Accrued Overtime Leave

City employees are granted vacation, sick pay, paid time off, and accrued overtime leave in varying amounts as services are provided. Employees may accumulate, subject to certain limitations, unused vacation, sick pay, paid time off, and accrued overtime leave earned and, upon retirement, termination, or death, may be compensated for certain amounts at their most current rate of pay. The costs of accumulated vacation, paid time off, and overtime leave are accrued as a liability as the benefits are earned by employees if attributable to services already rendered and compensation through paid time off or some other means is probable. Sick leave liability is accrued as the benefits are earned by employees if it is probable the City will compensate the employees for the benefits through cash payments conditioned upon the employee's termination or retirement. These liabilities are accounted for in the government-wide and proprietary fund financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources representing a consumption of net assets that applies to future periods and will not be recognized as an expense or expenditure until that time. In this category, the City reports deferred charges on refundings and deferred amounts related to pension and OPEB.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources representing an acquisition of net assets that applies to future periods and will not be recognized as revenue until that time. The City reports deferred amounts related to leases, certain revenues, pension, and OPEB in this category.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(1) **Continued**

Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts, as well as gains or losses on refunding, are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond refunding costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year incurred.

Encumbrances

Encumbrances outstanding at year-end represent the estimated expenditures required to complete contracts, purchase orders, and other commitments in the process of completion at fiscal year-end. Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Fund balances in the fund financial statements at year-end reflect the encumbrances as commitments.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets - Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, and is reduced by outstanding balances of bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets. Deferred outflows and inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted - Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted - Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the two preceding categories.

Sometimes, the City will fund outlays for a particular purpose from both restricted and unrestricted resources. To calculate the amounts to report as restricted and unrestricted net positions in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to be depleted before unrestricted net position is applied.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(1) Continued

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.

Restricted - Fund balance is reported as restricted when amounts can only be spent for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource provider.

Committed - The committed fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose of the City Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the City Council adopts another ordinance to remove or revise the limitation.

Assigned - Amounts in the assigned fund balance are intended for specific purposes that are not restricted or committed. These amounts may be assigned or unassigned by the City Council or its authorized designees. Per City policy, the City Manager or their designee is authorized to assign fund balances to support sound financial operations or meet future obligations.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. Any deficit fund balance within the other governmental fund types is also reported as unassigned.

The City first applies restricted resources when expenditures are incurred for purposes for which restricted, committed, assigned, and unassigned amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy

The fund balance policy adopted by City Council requires a minimum of twelve percent (12%) of specified revenues of the General Fund and Special Revenue funds to be maintained as Unassigned Fund Balance in the General Fund.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(2) Deposits and Investments

The City's cash, cash equivalents, and investments are managed separately from the Other Postemployment Benefits Trust funds discussed below.

A. City's Cash and Cash Equivalents

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All deposits of the City are maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-400 et. seq. of the *Code of Virginia* or covered by the FDIC. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and, depending upon that choice, will pledge collateral that ranges from 50.0% to 130.0% of excess deposits. Accordingly, all deposits are considered fully collateralized.

The carrying amount of the City's pooled cash as of June 30, 2024 is \$87,977,852, including petty cash of \$43,613 and cash in the Special Welfare Fiduciary Fund of \$182,628. The City's component units had a combined bank balance of \$22,262,686 as of June 30, 2024. All City and component unit bank balances were covered by federal depository insurance or collateral held by the entity's agent in the entity's name.

The tables below reconcile the City's cash and investments to the Government-wide Statement of Net Position and Statement of Fiduciary Net Position:

	Cash	Investments	Total
Government-wide			
Governmental activities	\$ 85,294,924	766,388,745	851,683,669
Business-type activities	2,682,928	323,853,079	326,536,007
Component Units			
Public Schools	5,300,278	205,753,634	211,053,912
Other	16,962,408	-	16,962,408
Fiduciary Funds			
Custodial - Special Welfare	182,628	-	182,628
Other Postemployment Benefits Trust	-	114,982,732	114,982,732
Total cash and investments	\$ 110,423,166	1,410,978,190	1,521,401,356

	Cash and Temporary Investments	Restricted Assets	Total
Government-wide Statement of Net Position			
Governmental activities	\$ 655,331,112	196,352,557	851,683,669
Business-type activities	101,387,777	225,148,230	326,536,007
Component Unit Statement of Net Position			
Public Schools	142,696,644	68,357,268	211,053,912
Other	16,473,010	489,398	16,962,408
Statement of Fiduciary Net Position			
Custodial - Special Welfare	182,628	-	182,628
Other Postemployment Benefits Trust	-	114,982,732	114,982,732
Total cash and investments	\$ 916,071,171	605,330,185	1,521,401,356

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(2) Continued

B. City Investments

Statutes, as well as the City's investment policy, authorize the City to invest in obligations of the United States or agencies thereof, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, certain certificates of deposit and time deposits, and the State Treasurer's Local Government Investment Pool (LGIP). Money market accounts, mutual funds with compliant underlying securities, and the investment of funds in deposits are also permissible investments. Though not authorized by the City's investment policy, statutes do allow the following investments: obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, obligations of any state of the United States, obligations of any city, county, town, or district situated in any one of the states of the United States, and certificates representing ownership of either treasury bond principal at maturity or its coupons for accrued periods.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits corporate notes to maturities of less than five years and commercial paper to maturities of less than 270 days.

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements. These debt agreements limit U.S. Agency securities to maturities of less than five years and guaranteed investment contracts to maturities of less than 30 years.

The City assumes all investments will be held until maturity or until called at their par value. However, an investment may be sold at an earlier date to meet certain obligations or if the investment's credit quality drops, making the City's investments sensitive to market rate fluctuations. To mitigate the impact of market rate fluctuations, the City maintains enough liquidity to meet its short-term needs with a smaller portion invested in long-term government-sponsored agencies.

The weighted average effective duration of the VIP 1-3 Year High Quality Bond Fund at June 30, 2024 is 1.78 years. The VIP 1-3 Year High Quality Bond Fund is a fluctuating NAV fund measured at fair value for financial reporting purposes. LGIP and the Virginia State Non-Arbitrage Program (SNAP) value portfolio securities at amortized cost, and the value of the City's position in the pools, is the same as the value of the pool shares. Redemptions can be made on any banking day.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(2) Continued

As of June 30, 2024, the City had the following investments:

Investment Type	Fair Value	Investment Maturities	
		Less than 1 year	1-5 years
Virginia Investment Pool	\$ 11,188,005	-	11,188,005
U.S. Treasury Obligations	7,196,088	2,113,126	5,082,962
U.S. Agency Obligations	7,488,158	4,297,716	3,190,442
	\$ 25,872,251	6,410,842	19,461,409
Investments Measured at Amortized Cost:			
Certificates of Deposit		65,217,372	
Investments Measured at Net Asset Value:			
Local Government Investment Pools		1,184,874,812	
Money Market Fund		20,031,023	
		\$ 1,295,995,458	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by assigning a rating by nationally recognized statistical rating organizations. The City's Investment Policy requires the following minimum ratings: A on municipal securities, AA on corporate notes, and A-1, P-1, or F-1 on commercial paper. The debt proceeds held by U.S. Bank, Global Corporate Trust are invested in First American Government Obligations Fund Class D Shares, which are rated AAAm by Moody's, Fitch, and S&P. Debt proceeds not held by bond trustees are invested in the SNAP Fund. The SNAP Fund is not registered with the Securities Exchange Commission (SEC). The Treasury Board of the Commonwealth of Virginia establishes the investment policy and oversees the portfolio manager. The Fund is rated AAAm by S&P. LGIP is not registered with the SEC but reports to the Treasury Board of the Commonwealth of Virginia and is rated AAAm by S&P. The Virginia Investment Pool (VIP) is a Section 115 governmental trust fund, governed by a Board of Trustees and rated AA+f/S1 by S&P.

Custodial Credit Risk – Investments

Investment custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments. The City's investment policy requires securities to be purchased only from brokerage firms/institutions with offices under the Commonwealth of Virginia's supervision and located in the Commonwealth of Virginia. Additionally, to limit its exposure, the City's investment policy requires all investment securities purchased by the City to be held in third-party safekeeping by an institution designated as the primary agent, in the City's name. The City holds no investments that are at risk.

Concentration of Credit Risk

The City's investment policy requires that its portfolio be diversified with not more than 5.0% of the portfolio's value invested in securities of any corporate debt or commercial paper issuer. No more than 10.0% of the value of securities may be with any one U.S. Government or agency thereof, government-sponsored corporation securities, municipal securities or fully insured and/or collateralized certificates of deposit. The City's investment policy specifically prohibits investment in mortgage-backed securities, futures, options, options on futures, margin buying, leveraging, commodities, or cryptocurrencies.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(2) Continued

The City held no investments by any one issuer which represented over 5.0% of the City's total investments other than external investment pools.

Fair Value Measurements:

The City categorizes its investments (non-restricted) by fair value measurements within the fair value hierarchy established by the accounting principles generally accepted in the United States of America (GAAP). These principles recognize a three-tiered fair value hierarchy as follows:

Level 1: Investments reflect prices quoted in active markets for identical assets.

Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs that are not considered to be active; and,

Level 3: Investments reflect prices based upon unobservable sources.

The City had the following investments by fair value measurement and amortized cost at year-end:

Investments by Fair Value	6/30/2024	Level 1	Level 2	Level 3
U.S. Treasury Obligations	\$ 7,196,088	7,196,088	-	-
U.S Agency Obligations	7,488,158	-	7,488,158	-
	\$ 14,684,246	7,196,088	7,488,158	-

C. Other Postemployment Benefits Trust Investments

The investment policy of the OPEB Plan in regard to the allocation of invested assets is established and may be amended by the Chesapeake OPEB Finance Board of Trustees by a majority vote of its members. It is the policy of the Chesapeake OPEB Finance Board of the Trust to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes and aims to refrain from dramatically shifting asset class allocations over short time spans. The Plan employs U.S. Bank as trustee for the assets.

The Plan's investment policy includes an asset allocation plan for investments:

Asset Class	Minimum Allocation	Target	Maximum Allocation
Domestic Equity	19.00%	39.00%	59.00%
International Equity	1.00%	21.00%	41.00%
Fixed Income	20.00%	40.00%	60.00%

The OPEB Trust Investment Policy does not authorize the purchase of the following investments or transactions: letter stock and other unregistered securities, commodities or commodity contracts, short sales, margin transactions, private placements (with the exception of Rule 144A securities), venture capital funds, private equity, private real estate, hedge funds; derivatives, options or futures for the purpose of portfolio leveraging are also prohibited. Neither direct real estate equity nor natural resource properties such as oil, gas, or timber may be held except by purchase of publicly traded securities or within Pooled Vehicles, except for existing real estate holdings. The purchase of collectibles is also prohibited.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(2) Continued

Investments at fiscal year-end:

Asset Class	Fair Value/NAV	Allocation
Domestic Equity	\$ 45,514,419	39.58%
International Equity	24,107,098	20.97%
Fixed Income	45,083,451	39.21%
Money Market Fund	277,764	0.24%
	<u>\$ 114,982,732</u>	

The City had the following investments by fair value measurement at year-end:

Investments by Fair Value	06/30/2024	Level 1	Level 2	Level 3
Equity Exchange-traded Funds	\$ 62,881,010	62,881,010.00	-	-
Equity Mutual Funds	6,740,507	6,740,507.00	-	-
Bond Exchange-traded Funds	10,972,477	10,972,477.00	-	-
Bond Mutual Funds	34,110,974	-	34,110,974.00	-
	<u>\$ 114,704,968</u>	<u>80,593,994</u>	<u>34,110,974</u>	<u>-</u>

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(3) Accounts Receivable and Payable

Accounts receivable, net of allowance for uncollectibles, for the Primary Government in the Statement of Net Position as of June 30, 2024 are as follows:

	Governmental Activities	Business-type Activities
Due from Commonwealth of Virginia	\$ 44,956,745	-
Due from Federal government	3,323,818	-
Due from customers	-	34,111,153
Property taxes receivable	76,742,757	-
Interest receivable	1,876,399	771,246
Lease receivable	631,761	-
Other	23,214,308	-
Total accounts receivable	\$ 150,745,788	34,882,399

Accounts receivable, net of allowance for uncollectibles, for the discretely presented component units in the Statement of Net Position as of June 30, 2024 are as follows:

	Public Schools	Other
Due from Commonwealth of Virginia	\$ 13,337,258	-
Due from Federal government	35,762,007	-
Lease receivable	450,781	-
Other	1,802,720	1,453,032
Total accounts receivable	\$ 51,352,766	1,453,032

Accounts receivable, net of allowance for uncollectibles, in the governmental funds as of June 30, 2024 are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds
Due from Commonwealth of Virginia	\$ 37,485,056	-	4,801,505	2,670,184
Due from Federal government	-	-	444,221	2,879,597
Property taxes receivable	76,742,757	-	-	-
Interest receivable	1,618,763	137,362	-	2,910
Other	19,974,734	-	-	3,151,865
Total accounts receivable	\$ 135,821,310	137,362	5,245,726	8,704,556

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(3) Continued

Property taxes receivable in the General Fund as of June 30, 2024 are as follows:

	Taxes Receivable	Allowance for Uncollectible Amounts	Net Taxes Receivable
Real property	\$ 12,398,784	212,490	12,186,294
Personal property	67,765,445	3,223,850	64,541,595
Public service corporations	14,868	-	14,868
Total property taxes receivable	\$ 80,179,097	3,436,340	76,742,757

The total allowance for uncollectible receivables in the General Fund is \$12,555,935, which includes a \$3,436,340 allowance for uncollectible taxes, a \$1,993,205 allowance for uncollectible emergency medical service fees, a \$918,258 allowance for uncollectible vehicle license fees, a \$3,257,480 allowance for uncollectible miscellaneous City invoices, a \$1,202,715 allowance for red light admin fees, a \$913,937 allowance for delinquent school zone admin fees, and a \$834,000 allowance for the Gateway at SoNo receivable. The allowance for uncollectible accounts in the other governmental funds of \$9,268,423 consists of \$3,154,959 in uncollectible client fees from CIBH, \$5,973,679 in the Fee Supported Fund for red light cameras, school zone cameras, and other charges, and \$139,785 in miscellaneous uncollectible invoices for various other Special Revenue funds.

Accounts receivable, net of allowance for uncollectibles, in the proprietary funds as of June 30, 2024 are as follows:

	Public Utilities Fund	Chesapeake Transportation System	Stormwater Management Fund	Economic Development Authority	Internal Service Funds
Due from customers and others	\$ 14,788,743	768,086	16,372,238	2,182,086	719,470
Interest receivable	268,794	416,997	85,455	-	117,364
Total accounts receivable	\$ 15,057,537	1,185,083	16,457,693	2,182,086	836,834

Accounts payable, deposits, and accrued expenses for the Primary Government in the Statement of Net Position as of June 30, 2024 are as follows:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 14,660,690	5,716,673
Deposits	2,906,017	1,046,952
Accrued expenses, excluding interest	10,205,884	564,326
Accrued interest payable	4,684,009	7,573,371
Other liabilities	2,145,455	704,242
Construction projects payable	11,820,400	7,631,836
Due to Commonwealth of Virginia	87,660	-
Total accounts payable, deposits, and accrued expenses	\$ 46,510,115	23,237,400

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(3) Continued

Accounts payable, deposits, and accrued expenses for the discretely presented component units in the Statement of Net Position as of June 30, 2024 are as follows:

	Public Schools	Other
Accounts payable	\$ 14,138,127	1,493,769
Deposits	-	26,439
Accrued expenses, excluding interest	54,596,282	87,516
Accrued interest payable	15,494	72,857
Claims payable	7,533,636	-
Total accounts payable, deposits, and accrued expenses	\$ 76,283,539	1,680,581

Accounts payable, deposits, and accrued expenditures in the governmental funds as of June 30, 2024 are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds
Accounts payable and deposits	\$ 11,672,893	2,996	-	3,160,125
Accrued expenditures, excluding interest	8,880,103	-	-	1,039,780
Other liabilities	2,100,150	-	4,075	40,606
Construction projects payable	-	-	11,820,400	-
Due to Commonwealth of Virginia	62,130	-	17,218	8,312
Total accounts payable, deposits, and accrued expenditures	\$ 22,715,276	2,996	11,841,693	4,248,823

Accounts payable, deposits, and accrued expenses in the proprietary funds as of June 30, 2024 are as follows:

	Public Utilities Fund	Chesapeake Transportation System	Stormwater Management Fund	Economic Development Authority	Internal Service Funds
Accounts payable and deposits	\$ 5,928,397	693,628	87,436	54,164	2,730,693
Accrued expenses, excluding interest	383,359	47,602	133,365	-	286,001
Accrued interest payable	576,544	6,985,130	22	11,675	75,781
Other liabilities	703,445	753	44	-	624
Construction projects payable	4,460,947	2,658,013	512,876	-	-
Total accounts payable, deposits, and accrued expenses	\$ 12,052,692	10,385,126	733,743	65,839	3,093,099

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(4) Capital Assets

Capital asset activities for the year ended June 30, 2024 are as follows:

**Primary Government
Governmental activities:**

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 74,817,330	21,679	-	74,839,009
Land - School	3,016,081	-	-	3,016,081
Intangibles	368,752,424	1,282,332	-	370,034,756
Construction in progress	91,989,008	76,426,150	(40,849,228)	127,565,930
Construction in progress - ISF	1,734,459	173,435	(113,848)	1,794,046
Total capital assets, not being depreciated	540,309,302	77,903,596	(40,963,076)	577,249,822
Capital assets, being depreciated:				
Buildings	293,331,909	9,484,227	-	302,816,136
Buildings - ISF	648,167	-	-	648,167
Buildings - School	397,913,611	-	-	397,913,611
Lease asset - buildings	3,424,960	3,272,782	(23,908)	6,673,834
Improvements other than buildings	78,928,541	6,432,537	-	85,361,078
Improvements other than buildings - ISF	4,994,223	-	-	4,994,223
Software, equipment, and vehicles	86,250,146	17,048,381	(6,769,489)	96,529,038
Software, equipment, and vehicles - ISF	157,900,090	9,556,905	(6,678,630)	160,778,365
Lease asset - equipment & vehicles	953,347	559,243	(246,687)	1,265,903
Lease asset - equipment & vehicles - ISF	13,783	6,505	-	20,288
Subscriptions	3,449,512	800,952	(1,022,646)	3,227,818
Subscriptions - ISF	9,780,095	2,151,441	(817,650)	11,113,886
Infrastructure	1,307,799,538	3,613,730	(20,444)	1,311,392,824
Infrastructure - ISF	63,309	17,923	-	81,232
Total capital assets being depreciated	2,345,451,231	52,944,626	(15,579,454)	2,382,816,403
Less accumulated depreciation for:				
Buildings	(141,578,001)	(7,092,448)	-	(148,670,449)
Buildings - ISF	(359,375)	(15,169)	-	(374,544)
Buildings - School	(221,301,685)	(7,370,055)	-	(228,671,740)
Lease asset - buildings	(596,340)	(693,463)	23,909	(1,265,894)
Improvements other than buildings	(38,211,148)	(4,334,346)	-	(42,545,494)
Improvements other than buildings - ISF	(4,455,342)	(216,259)	-	(4,671,601)
Software, equipment, and vehicles	(59,563,066)	(5,658,112)	3,515,861	(61,705,317)
Software, equipment, and vehicles - ISF	(111,291,431)	(10,872,127)	6,332,312	(115,831,246)
Lease asset - equipment & vehicles	(372,118)	(333,822)	71,630	(634,310)
Lease asset - equipment & vehicles - ISF	(5,691)	(5,385)	-	(11,076)
Subscriptions	(846,461)	(1,004,269)	563,490	(1,287,240)
Subscriptions - ISF	(3,119,221)	(3,840,858)	763,197	(6,196,882)
Infrastructure	(1,062,782,278)	(19,442,643)	7,666	(1,082,217,255)
Infrastructure - ISF	(40,948)	(1,018)	-	(41,966)
Total accumulated depreciation	(1,644,523,105)	(60,879,974)	11,278,065	(1,694,125,014)
Total capital assets being depreciated, net	700,928,126	(7,935,348)	(4,301,389)	688,691,389
Capital assets, net	\$ 1,241,237,428	69,968,248	(45,264,465)	1,265,941,211

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(4) Continued

The increases and decreases in assets include depreciable assets which were purchased and immediately transferred to other funds prior to any depreciation expenses for reporting in accordance with the City's capital asset policy. The decreases in construction in progress include expenses that were deemed non-capital in nature upon closure of the capital project.

Governmental Activities capital assets, net of accumulated depreciation, at June 30, 2024 are comprised of the following:

General Government Capital Assets, net	\$ 1,213,638,319
Internal Service Funds Capital Assets, net	52,302,892
Total	\$ 1,265,941,211

Depreciation and amortization expenses of assets for governmental activities were allocated to functions of the Primary Government for the year ended June 30, 2024 as follows:

General government	\$ 15,295,545
Public safety	986,215
Public works	1,872,002
Parks and recreation	600,396
Public welfare	356,157
Education	7,370,055
Net unallocated portion (depreciation of general infrastructure assets)	19,442,644
Capital assets held by the City's internal service funds are allocated to the various functions based on their usage of the assets	14,950,816
Total depreciation expense, governmental activities	\$ 60,873,830

Construction in progress for governmental activities is composed of the following:

Function	Project Authorization	Expended to June 30, 2024	Committed
General government	\$ 182,078,611	66,699,722	24,737,174
Public safety	45,577,013	18,566,687	10,875,833
Public works	229,672,569	32,426,425	25,317,943
Parks and recreation	52,387,025	8,439,082	4,121,277
Public welfare	9,971,751	3,228,060	424,424
Total	\$ 519,686,969	129,359,976	65,476,651

The construction in progress consists of \$126,794,916 from capital projects, \$100,692 from grants, \$670,322 from operating funds, and \$1,794,046 from internal service funds.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(4) Continued

Business-type activities:

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 94,204,524	455	-	94,204,979
Intangibles	19,840,936	-	-	19,840,936
Construction in progress	78,707,781	32,200,488	(31,272,396)	79,635,873
Total capital assets, not being depreciated	192,753,241	32,200,943	(31,272,396)	193,681,788
Capital assets, being depreciated:				
Buildings	9,595,158	-	-	9,595,158
Improvements other than buildings	6,027,076	19,500	-	6,046,576
Software, equipment, and vehicles	47,472,938	3,901,457	(2,028,015)	49,346,380
Lease asset - equipment	68,366	35,913	-	104,279
Subscriptions	94,882	19,438	-	114,320
Infrastructure	1,144,424,655	30,013,126	(1,302,195)	1,173,135,586
Total capital assets, being depreciated	1,207,683,075	33,989,434	(3,330,210)	1,238,342,299
Less accumulated depreciation for:				
Buildings	(4,160,137)	(274,739)	-	(4,434,876)
Improvements other than buildings	(2,075,088)	(194,995)	-	(2,270,083)
Software, equipment, and vehicles	(32,207,992)	(3,258,833)	269,539	(35,197,286)
Lease asset - equipment	(24,299)	(22,923)	-	(47,222)
Subscriptions	(31,047)	(55,223)	-	(86,270)
Infrastructure	(480,931,550)	(28,168,771)	1,302,195	(507,798,126)
Total accumulated depreciation	(519,430,113)	(31,975,484)	1,571,734	(549,833,863)
Total capital assets being depreciated, net	688,252,962	2,013,950	(1,758,476)	688,508,436
Capital assets, net	\$ 881,006,203	34,214,893	(33,030,872)	882,190,224

The increases and decreases in assets include depreciable assets which were purchased and immediately transferred to other funds prior to any depreciation expenses for reporting in accordance with the City's capital asset policy. The decreases in construction in progress include expenses that were deemed non-capital in nature upon closure of the capital project.

Depreciation and amortization expenses of assets for business-type activities was allocated to functions of the Primary Government as follows:

Public Utilities Fund	\$ 18,112,670
Chesapeake Transportation System	12,167,355
Stormwater Management Fund	1,695,459
Total depreciation expense, business-type activities	\$ 31,975,484

Depreciation and amortization expenses for business-type activities of \$31,605,236 includes the unallocated portion of depreciation and amortized expenses of assets noted above of \$31,975,484 in addition to amortization of deferred bond premiums and refunding costs of \$(370,248). With the implementation of debt management software in FY2023, the premium amortization method for all outstanding bond issues was changed to straight-line for consistency, resulting in an increase in the current year in unamortized premium of \$486,577 for Public Utilities and \$720,276 for Chesapeake Transportation System.

The estimated cost to complete the construction in progress of the business-type activities amounted to approximately \$557.7 million at June 30, 2024.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(4) Continued**Public Utilities Fund:**

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 11,485,047	455	-	11,485,502
Intangibles	3,022,482	-	-	3,022,482
Construction in progress	67,982,989	21,249,532	(24,992,881)	64,239,640
Total capital assets, not being depreciated	82,490,518	21,249,987	(24,992,881)	78,747,624
Capital assets, being depreciated:				
Buildings	1,254,600	-	-	1,254,600
Improvements other than buildings	5,255,836	19,500	-	5,275,336
Software, equipment, and vehicles	33,884,924	3,596,171	(1,716,763)	35,764,332
Lease asset - equipment	68,366	-	-	68,366
Subscriptions	94,882	19,438	-	114,320
Infrastructure	729,581,279	28,238,639	(1,302,195)	756,517,723
Total capital assets, being depreciated	770,139,887	31,873,748	(3,018,958)	798,994,677
Less accumulated depreciation for:				
Buildings	(336,142)	(66,121)	-	(402,263)
Improvements other than buildings	(1,889,703)	(140,305)	-	(2,030,008)
Software, equipment, and vehicles	(20,664,960)	(2,681,830)	263,573	(23,083,217)
Lease asset - equipment	(24,299)	(17,720)	-	(42,019)
Subscriptions	(31,047)	(55,223)	-	(86,270)
Infrastructure	(315,518,346)	(15,151,471)	1,302,195	(329,367,622)
Total accumulated depreciation	(338,464,497)	(18,112,670)	1,565,768	(355,011,399)
Total capital assets being depreciated, net	431,675,390	13,761,078	(1,453,190)	443,983,278
Capital assets, net	\$ 514,165,908	35,011,065	(26,446,071)	522,730,902

The increases and decreases in assets include depreciable assets which were purchased and immediately transferred to other funds prior to any depreciation expenses for reporting in accordance with the City's capital asset policy. The decreases in construction in progress include expenses that were deemed non-capital in nature upon closure of the capital project.

The construction in progress consists of \$57,919,493 from capital projects, \$4,533,894 from capitalized interest (prior to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 89), and \$1,786,253 from operating funds.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(4) Continued**Chesapeake Transportation System Fund:**

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 82,079,020	-	-	82,079,020
Construction in progress	-	5,975,269	(4,351,308)	1,623,961
Total capital assets, not being depreciated	82,079,020	5,975,269	(4,351,308)	83,702,981
Capital assets, being depreciated:				
Buildings	7,978,068	-	-	7,978,068
Improvements other than buildings	439,273	-	-	439,273
Software, equipment, and vehicles	13,285,316	152,481	(152,481)	13,285,316
Lease asset - equipment	-	20,184	-	20,184
Infrastructure	361,587,165	-	-	361,587,165
Total capital assets, being depreciated	383,289,822	172,665	(152,481)	383,310,006
Less accumulated depreciation for:				
Buildings	(3,563,608)	(199,451)	-	(3,763,059)
Improvements other than buildings	(99,280)	(24,493)	-	(123,773)
Software, equipment, and vehicles	(11,288,854)	(560,750)	-	(11,849,604)
Lease asset - equipment	-	(1,009)	-	(1,009)
Infrastructure	(149,566,801)	(11,381,652)	-	(160,948,453)
Total accumulated depreciation	(164,518,543)	(12,167,355)	-	(176,685,898)
Total capital assets being depreciated, net	218,771,279	(11,994,690)	(152,481)	206,624,108
Capital assets, net	\$ 300,850,299	(6,019,421)	(4,503,789)	290,327,089

The increases and decreases in assets include depreciable assets which were purchased and immediately transferred to other funds prior to any depreciation expenses for reporting in accordance with the City's capital asset policy. The decreases in construction in progress include expenses that were deemed non-capital in nature upon closure of the capital project.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(4) Continued**Stormwater Management Fund:**

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 640,457	-	-	640,457
Intangibles	2,133,635	-	-	2,133,635
Construction in progress	10,724,792	2,826,751	(1,928,207)	11,623,336
Total capital assets, not being depreciated	13,498,884	2,826,751	(1,928,207)	14,397,428
Capital assets, being depreciated:				
Buildings	362,490	-	-	362,490
Improvements other than buildings	331,967	-	-	331,967
Software, equipment, and vehicles	302,698	152,805	(158,771)	296,732
Lease asset - equipment	-	15,729	-	15,729
Infrastructure	53,256,211	1,774,487	-	55,030,698
Total capital assets, being depreciated	54,253,366	1,943,021	(158,771)	56,037,616
Less accumulated depreciation for:				
Buildings	(260,387)	(9,167)	-	(269,554)
Improvements other than buildings	(86,105)	(30,197)	-	(116,302)
Software, equipment, and vehicles	(254,178)	(16,253)	5,966	(264,465)
Lease asset - equipment	-	(4,194)	-	(4,194)
Infrastructure	(15,846,403)	(1,635,648)	-	(17,482,051)
Total accumulated depreciation	(16,447,073)	(1,695,459)	5,966	(18,136,566)
Total capital assets being depreciated, net	37,806,293	247,562	(152,805)	37,901,050
Capital assets, net	\$ 51,305,177	3,074,313	(2,081,012)	52,298,478

The increases and decreases in assets include depreciable assets which were purchased and immediately transferred to other funds prior to any depreciation expenses for reporting in accordance with the City's capital asset policy. The decreases in construction in progress include expenses that were deemed non-capital in nature upon closure of the capital project.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(4) Continued

Blended component unit - Economic Development Authority

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
Capital assets, not being depreciated:				
Intangibles	\$ 14,684,819	-	-	14,684,819
Construction in progress	-	2,148,936	-	2,148,936
Total capital assets, not being depreciated	14,684,819	2,148,936	-	16,833,755
Capital assets	\$ 14,684,819	2,148,936	-	16,833,755

In July 2018, the EDA acquired, by restrictive covenant, a possessory interest in 1,000 public parking spaces in the parking garage adjacent to the Dollar Tree Headquarters.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(4) Continued

Discretely presented component unit - Public Schools:

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
Capital assets, not being depreciated:				
Land and land improvements	\$ 21,796,660	-	-	21,796,660
Construction in progress	8,245,767	37,195,128	(19,082,821)	26,358,074
Total capital assets, not being depreciated	30,042,427	37,195,128	(19,082,821)	48,154,734
Capital assets, being depreciated:				
Buildings	359,870,885	19,082,821	-	378,953,706
Improvements other than buildings	6,848,285	-	-	6,848,285
Furniture and equipment	99,082,986	10,722,022	(12,938,487)	96,866,521
Lease asset - equipment	16,218,429	-	-	16,218,429
Subscriptions	138,352	664,195	-	802,547
Textbooks	11,443,246	221,082	(806,225)	10,858,103
Total capital assets, being depreciated	493,602,183	30,690,120	(13,744,712)	510,547,591
Less accumulated depreciation for:				
Buildings	(59,543,515)	(7,136,248)	-	(66,679,763)
Building improvements	(5,264,998)	(220,730)	-	(5,485,728)
Furniture and equipment	(54,994,516)	(6,205,326)	12,884,946	(48,314,896)
Lease asset - equipment	(3,002,076)	(2,069,253)	-	(5,071,329)
Subscriptions	(50,310)	(183,149)	-	(233,459)
Textbooks	(4,480,799)	(2,288,649)	806,225	(5,963,223)
Total accumulated depreciation	(127,336,214)	(18,103,355)	13,691,171	(131,748,398)
Total capital assets being depreciated, net	366,265,969	12,586,765	(53,541)	378,799,193
Capital assets, net	\$ 396,308,396	49,781,893	(19,136,362)	426,953,927

Depreciation and amortization expenses of assets was allocated to governmental functions for the year ended June 30, 2024 as follows:

Instruction	\$ 12,755,203
Administration	718
Attendance and health services	17,980
Pupil transportation	4,674,572
Operations and maintenance	530,706
School technology services	34,655
School nutrition services	89,521
Total depreciation expense, governmental activities	\$ 18,103,355

At June 30, 2024, the Schools had contractual commitments of approximately \$68.7 million for work remaining to be performed under capital projects.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Long-Term Liabilities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024 follows:

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Due Within One Year
General obligation bonds	\$ 116,490,000	-	(11,130,000)	105,360,000	11,420,000
Direct placement bonds	154,345,000	-	(16,860,000)	137,485,000	16,760,000
Installment purchase agreement	1,342,284	-	-	1,342,284	-
Plus bond premiums	34,673,280	-	(3,495,383)	31,177,897	3,421,522
Total Bonds Payable	306,850,564	-	(31,485,383)	275,365,181	31,601,522
Arbitrage rebate and yield restriction	576,417	1,424,212	-	2,000,629	2,000,629
Liability for self-insurance losses	32,446,306	48,873,414	(48,608,377)	32,711,343	10,165,212
Net pension liability	121,320,355	92,482,153	(70,469,694)	143,332,814	-
Net OPEB liability - City directed	1,720,859	20,842,391	(22,563,250)	-	-
Net OPEB liability - VRS directed	34,272,423	28,828,152	(28,705,515)	34,395,060	665,548
Compensated absences	27,226,166	20,352,779	(20,111,847)	27,467,098	11,430,193
Leases Liability	3,490,043	3,663,474	(940,544)	6,212,973	1,056,467
Subscription Liability	8,246,664	2,431,653	(5,011,561)	5,666,756	2,158,117
Total Long-term Liabilities	\$ 536,149,797	218,898,228	(227,896,171)	527,151,854	59,077,688

The future payments by year of net pension and net OPEB liabilities are not determinable. The portion of net OPEB liability - VRS Directed reported as due within one year represents the City's proportionate share of the OPEB Line of Duty Act Program fiduciary net position at June 30, 2024 that is less than the projected fiscal year 2024 benefit expense. The accumulated compensated absences liability generally paid by the department for which the employee works for. The arbitrage liability for governmental activities is paid by the Debt Service Fund. The net pension liability and net OPEB liability are allocated and paid by departments based on the respective percentage of payroll reported to VRS. The liability for self-insurance losses is paid by the Self-Insurance Fund and the Self-Funded Health Fund.

The City has no outstanding variable rate debt, lines of credit or other short-term borrowings as of June 30, 2024.

A summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2024 follows:

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Due Within One Year
General obligation bonds	\$ 39,515,000	-	(6,480,000)	33,035,000	6,645,000
Revenue bonds	188,014,634	140,366	(5,755,000)	182,400,000	3,000,000
Direct Placement - Revenue Bonds	116,989,410	-	(7,143,166)	109,846,244	9,908,295
Direct Placement - Notes Payable	80,758,455	1,049,273	-	81,807,728	-
Plus bond premiums	9,154,768	-	(758,440)	8,396,328	758,440
Total bonds payable	434,432,267	1,189,639	(20,136,606)	415,485,300	20,311,735
Net pension liability	9,901,274	8,925,150	(6,842,060)	11,984,364	-
Net OPEB liability - City	169,626	1,991,787	(2,161,413)	-	-
Net OPEB liability - VRS	788,001	392,812	(353,652)	827,161	-
Compensated absences	2,062,718	1,719,721	(1,614,367)	2,168,072	972,899
Leases	44,239	35,911	(22,388)	57,762	26,856
Subscriptions	42,674	19,438	(53,944)	8,168	8,168
Total Long-term Liabilities	\$ 447,440,799	14,274,458	(31,184,430)	430,530,827	21,319,658

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Continued

A summary of changes in long-term liabilities for the discretely presented component unit - Public Schools for the year ended June 30, 2024 follows:

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Due Within One Year
Net pension liability	\$ 292,654,097	112,411,397	(82,205,468)	322,860,026	-
Net OPEB liability - Schools directed plans	146,521,574	20,598,503	(27,335,077)	139,785,000	-
Net OPEB liability - VRS directed plans	54,996,906	12,147,209	(12,952,512)	54,191,603	-
Compensated absences	49,367,669	26,715,791	(23,508,707)	52,574,753	1,603,166
Liability for self-insurance losses	2,785,658	1,349,358	(1,111,928)	3,023,088	-
Leases	12,818,487	-	(1,816,047)	11,002,440	1,851,961
Subscriptions	49,437	508,995	(166,921)	391,511	-
Notes payable	19,316,050	-	(3,087,754)	16,228,296	3,027,665
Total long-term liabilities	\$ 578,509,878	173,731,253	(152,184,414)	600,056,717	6,482,792

A summary of changes in long-term liabilities for the other discretely presented component units for the year ended June 30, 2024 follows:

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Due Within One Year
Governmental Activities					
Chesapeake Mosquito Control Commission					
Net pension liability	\$ 714,018	844,216	(645,055)	913,179	-
Net OPEB liability - City directed	12,732	189,412	(202,144)	-	-
Net OPEB liability - VRS directed	112,992	43,125	(39,241)	116,876	-
Compensated absences	281,186	161,315	(143,645)	298,856	124,884
Leases Liability	3,178	-	(1,802)	1,376	1,376
Total Chesapeake Mosquito Control Commission	1,124,106	1,238,068	(1,031,887)	1,330,287	126,260
Business-type Activities					
Chesapeake Airport Authority					
Direct Placement Revenue bonds	480,462	3,595,038	(110,000)	3,965,500	110,000
Total Chesapeake Airport Authority	480,462	3,595,038	(110,000)	3,965,500	110,000
Total long-term liabilities	\$ 1,604,568	4,833,106	(1,141,887)	5,295,787	236,260

On June 1, 2022, the Chesapeake Airport Authority (Airport), a discretely presented component unit of the City, sold \$4,500,000 in revenue bonds to the Virginia Resources Authority (VRA) as administrator of the Virginia Airports Revolving Fund. The purpose of the 2021 bonds was to construct two new pre-manufactured aircraft hangars with connected office space and the replacement of a 7,500 square foot Fixed Base Operators (FBO) facility. The Airport will make interest only debt service payments on the amount of bond funds drawn as of January 1, 2024 and 2025.

As part of this transaction, the City Council approved a new support agreement for the 2021 bonds, which pledges the City's moral obligation with respect to replenishing a debt service reserve fund (DSRF) in the event of a default. As part of the Support Agreement, the Airport pledged to deposit \$100,000 into the 2022 DSRF by July 1, 2024 and fully fund the DSRF in an amount equal to the maximum annual debt service of \$324,851 on the 2022 Bonds no later than July 1, 2025. The balance of the DSRF on the Airport's 2011 bonds, currently \$116,000, is expected to be transferred to the 2022 DSRF upon maturity on August 1, 2024.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Continued

Outstanding bond issues and installment purchase agreements for governmental activities at June 30, 2024 include the following:

	Remaining Interest Rates	Amount Outstanding	Callable	Noncallable	Call Premium
Governmental activities - General Obligation Bonds					
2010C-2 Tax Increment Financing Bonds (Taxable BABs)	3.41 - 5.36%	\$ 2,640,000	2,640,000	-	-
2012A Public Improvement Refunding Bonds	3.00 - 4.00%	1,000,000	1,000,000	-	-
2012D Public Improvement Refunding Bonds	3.00 - 5.00%	2,295,000	2,295,000	-	-
2014A Public Improvement Refunding Bonds	2.50 - 3.38%	1,565,000	1,565,000	-	-
2017A Public Improvement Refunding Bonds	3.00 - 5.00%	2,880,000	635,000	2,245,000	-
2017A Public Improvement Bonds (20 Year)	4.00 - 5.00%	43,470,000	30,090,000	13,380,000	-
2017B Tax Increment Financing Bonds	3.00 - 5.00%	4,215,000	3,120,000	1,095,000	-
2020A Public Improvement Bonds (20 Year)	5.00%	24,000,000	13,500,000	10,500,000	-
2020A BABs Refunding Bonds	5.00%	16,985,000	-	16,985,000	-
2020B Tax Increment Refunding Bonds	5.00%	3,840,000	-	3,840,000	-
2020B BABs Refunding Bonds	5.00%	2,470,000	-	2,470,000	-
Direct Placements					
2005A VPSA School Bonds	4.35 - 5.10%	2,895,000	2,895,000	-	-
2005B VPSA School Bonds	4.60 - 5.10%	1,425,000	1,425,000	-	-
2006A VPSA School Bonds	4.60 - 5.10%	3,805,000	3,805,000	-	-
2006B VPSA School Bonds	4.40 - 4.60%	3,770,000	3,770,000	-	-
2007A VPSA School Bonds	4.10 - 5.10%	2,985,000	2,985,000	-	-
2007B VPSA School Bonds	4.35 - 5.10%	2,730,000	2,730,000	-	-
2009A VPSA School Bonds	4.05 - 5.05%	13,875,000	13,875,000	-	-
2010A Tax Increment RZED Bonds	5.51 - 6.07%	915,000	915,000	-	-
2010A VPSA School Bonds	3.30 - 5.05%	5,580,000	5,580,000	-	-
2011A VPSA School Bonds	3.30 - 4.05%	4,725,000	4,725,000	-	.00% - .50%
2011B VPSA School Bonds (QSCB)	2.00 - 4.00%	1,855,000	-	1,855,000	-
2013A VPSA School Bonds	3.55 - 5.05%	11,235,000	11,235,000	-	.00% - 1.00%
2016A VPSA School Bonds	2.05 - 5.05%	2,970,000	2,280,000	690,000	.00% - 1.00%
2016B VPSA School Bonds	5.05%	2,270,000	-	2,270,000	-
2019B VPSA School Bonds (10 Year)	3.05 - 5.05%	2,805,000	-	2,805,000	-
2019A VPSA Schools Bonds (20 Year)	2.80 - 5.05%	15,855,000	-	15,855,000	.00% - 1.00%
2021A VPSA School Bonds (20 Year)	1.93 - 5.05%	39,370,000	21,855,000	17,515,000	.00% - 1.00%
2021B VPSA School Bonds (10 Year)	5.05%	8,520,000	-	8,520,000	-
2023 VPSA School Bonds	5.05%	9,900,000	4,140,000	5,760,000	.00% - 1.00%
Installment purchase agreement	4.80%	1,342,284	-	1,342,284	-
Total Governmental activities		\$ 244,187,284	137,060,000	107,127,284	

Debt service requirements to maturity for governmental activities:

Governmental Activities						
General Obligation Bonds				Notes for Direct Borrowing and Direct Placement		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service
Year ending June 30:						
2025	\$ 11,420,000	4,756,453	16,176,453	16,760,000	5,743,899	22,503,899
2026	10,675,000	4,227,297	14,902,297	17,235,000	4,936,406	22,171,406
2027	9,715,000	3,727,261	13,442,261	15,440,000	4,158,183	19,598,183
2028	9,945,000	3,242,494	13,187,494	12,325,000	3,488,926	15,813,926
2029	10,190,000	2,744,332	12,934,332	11,020,000	2,937,789	13,957,789
2030-2034	33,250,000	7,838,275	41,088,275	38,447,284	7,652,204	46,099,488
2035-2039	18,665,000	1,974,456	20,639,456	18,305,000	2,529,764	20,834,764
2040-2044	1,500,000	37,500	1,537,500	9,295,000	461,564	9,756,564
Total	\$ 105,360,000	28,548,068	133,908,068	138,827,284	31,908,735	170,736,019

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Continued

Outstanding bond issues for business-type activities at June 30, 2024 include the following:

	Remaining Interest Rates	Amount Outstanding	Callable	Noncallable	Call Premium
Business-type activities		-	-		
Public Utilities - General Obligation bonds					
2017C Water and Sewer Refunding bonds	5.00%	\$ 8,575,000	-	8,575,000	-
2020C Water and Sewer Refunding bonds	1.65 - 2.12%	24,460,000	11,590,000	12,870,000	-
Public Utilities - Revenue bonds					
2021 Water and Sewer Revenue Refunding bonds	2.00 - 5.00%	20,050,000	13,390,000	6,660,000	-
Total Public Utilities bonds		53,085,000	24,980,000	28,105,000	-
Chesapeake Transportation System (CTS) -					
Revenue bonds:					
2012A - New Money Toll Road Revenue bonds	4.00 - 5.00%	91,030,000	91,030,000	-	-
2012B - Convertible Capital Appreciation Toll Road Revenue bonds	4.75 - 4.88%	71,320,000	71,320,000	-	-
Direct Placement bonds:					
2012C - Virginia Transportation Infrastructure Board (VTIB) Toll Road Revenue bonds	3.33%	106,235,244	106,235,244	-	-
Total CTS Toll Road Revenue bonds		268,585,244	268,585,244	-	-
Economic Development Authority (EDA)					
Direct Placement bonds:					
2018 Public Facility Revenue bond	3.88%	3,611,000	3,611,000	-	-
Total EDA Public Facility bond		3,611,000	3,611,000	-	-
Total Business-type activities		\$ 325,281,244	297,176,244	28,105,000	-

Debt service requirements to maturity for business-type activities:

Business-type Activities						
	Publicly Sold			Notes for Direct Borrowings and Direct Placements		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service
Year ending June 30:						
2025	\$ 9,645,000	9,241,721	18,886,721	9,908,295	3,677,740	13,586,035
2026	10,155,000	8,852,210	19,007,210	7,668,396	3,343,108	11,011,504
2027	5,950,000	8,556,160	14,506,160	1,040,719	3,304,848	4,345,567
2028	6,130,000	8,348,357	14,478,357	1,080,772	3,265,137	4,345,909
2029	7,345,000	8,099,951	15,444,951	129,961	3,223,895	3,353,856
2030-2034	40,345,000	35,888,752	76,233,752	4,320,971	15,951,134	20,272,105
2035-2039	37,050,000	27,919,047	64,969,047	13,137,839	14,646,471	27,784,310
2040-2044	42,000,000	19,111,006	61,111,006	27,539,320	11,635,846	39,175,166
2045-2049	56,815,000	6,808,625	63,623,625	47,183,317	5,627,839	52,811,156
2050-2054	-	-	-	79,644,382	149,925	79,794,307
Total	\$ 215,435,000	132,825,829	348,260,829	191,653,972	64,825,943	256,479,915

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Continued

Legal Debt Margin (per Constitution of Virginia):

Assessed valuation - real estate	\$	38,913,919,002
Legal debt limit - 10.0% of assessed valuation		3,891,391,900

Amount of debt applicable to legal debt limit:

General bonded debt	\$	565,857,528	
Add: Long-Term Payables		11,595,695	
Less:			
Self-supporting revenue bonds		(288,635,244)	
Subordinate double barrel bonds		(33,035,000)	
Amounts available for repayment		(34,969,297)	220,813,682
Legal debt margin available	\$		3,670,578,218

Percent of:

Legal debt margin outstanding	5.67%
Legal debt margin available	94.33%
	100.00%

Summary of assessed valuation:

Public service real estate	\$	1,231,451,002
Other city real estate		37,682,468,000
	\$	38,913,919,002

Bonds Authorized but Unissued

Under a City charter amendment approved by the General Assembly of Virginia during 1994, City Council may authorize issuance of bonds or notes in any calendar year in an amount not to exceed \$4,500,000 plus the amount of all bonds and notes retired in the prior calendar year, provided that the amount of such bonds or notes together with existing indebtedness of the City does not exceed 10% of the assessed valuation of real estate in the City subject to taxation, as shown by the last preceding assessment for taxes. The charter bond authorization for the calendar year ended December 31, 2023 was \$ 39,225,000. Any bonds or notes in excess of this amount must either be intended to refund other debt or be supported by a referendum, except as noted in Chapter 6, Section .05 of the City Code. Contractual obligations, other than bonds and notes, are excluded from the City's annual borrowing limit. The total charter bonds authorized but unissued are \$ 730,234,299 as of June 30, 2024.

The City Council adopted a debt management policy in 2007 that further restricted the amount that can be borrowed to a maximum \$3,000 overall net debt per capita and a threshold of 3.5% ratio of overall net debt to assessed value of taxable real property. Effective July 1, 2015, City Council limited the City's tax-supported debt service to 10.0% of budgeted general governmental revenues.

Direct Placement and Direct Borrowing Disclosures

The bonds directly placed with the Virginia Public School Authority (VPSA) are subject to additional finance-related consequences. In the event of default, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of the default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Continued

The bonds directly placed with the Virginia Transportation Infrastructure Board (VTIB) are subject to an acceleration clause. Beginning in February 2019, operating revenues remaining after the requirements are met for operations, debt service, all associated reserves, and renewal and replacement at the end of each fiscal year must be used to prepay the outstanding principal amount of the VTIB bond on the next July 15 payment date.

Debt Supported by Pledged Revenues

- (a) In July 2018, the Economic Development Authority (EDA) issued an \$8.1 million taxable public facility revenue bond, Series 2018 (Garage Project) that was privately-placed with a local banking institution. The bond had a true interest cost of 4.15% and matures on June 1, 2028. The net bond proceeds after closing costs were used to acquire by restrictive covenant a possessory interest in 1,000 public parking spaces in the Parking Garage adjacent to the Dollar Tree Headquarters. The City has pledged, subject to appropriation by City Council, to fund the required annual debt service payments from incremental tax revenues of the Greenbrier Area Commercial District.

The incremental tax revenues of Greenbrier Area Commercial District are also pledged to pay debt service on the General Obligation Refunding Bonds (Greenbrier Tax Increment Financing) Series 2020B. In the current fiscal year, \$15,156,472 in revenues were received to pay debt service of \$1,289,250. As of June 30, 2024, an additional \$6,310,000 in debt service was outstanding through August 1, 2030.

- (b) The City has pledged the incremental tax revenues derived from the South Norfolk Revitalization District to pay the debt service on the General Obligation Bonds (South Norfolk Tax Increment Financing) Series 2017B, the General Obligation Bonds (South Norfolk Tax Increment Financing) Series 2010C-2 (Federally Taxable Build America Bonds), and the General Obligation Tax Increment Bonds (South Norfolk Revitalization District) Series 2010A. In the current fiscal year, \$12,243,565 in revenues were collected to pay debt service of \$1,073,684. As of June 30, 2024, an additional \$7,770,000 in debt service was outstanding through August 1, 2036.
- (c) The City has pledged the net revenues derived from the City's water and sewer system to pay the debt service on the Water and Sewer System Revenue Refunding Bonds Series 2021, the General Obligation Water and Sewer Refunding Bonds Series 2020C (Federally Taxable) and the General Obligation Water and Sewer Bonds Series 2017C. In the current fiscal year, \$90,989,870 in revenues were collected to pay debt service of \$8,986,257. As of June 30, 2024, an additional \$53,085,000 in debt service was outstanding through July 1, 2040.
- (d) In November 2012, the City issued \$150,722,520 of Chesapeake Transportation System Senior Toll Road Revenue Bonds. The bonds were issued in part to finance a portion of the construction costs of the Dominion Boulevard project improvements. Chesapeake Transportation System (CTS) Toll Road Revenue bonds and other obligations of CTS are payable solely from net toll revenues as defined in the Master Indenture of Trust. The issuance included \$42,832,520 of Convertible Capital Appreciation Bonds (CABS) that accreted interest of \$28,487,480 comprised of \$8,378,891 on the 2032 maturity at 4.750% and \$20,108,589 on the 2040 maturity at 4.875%, for a total value at maturity of \$71,320,000. Interest on the CABS was compounded semi-annually and added to the value of the bonds until the conversion date of July 15, 2023. Interest is payable semi-annually.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Continued

In November 2012, a Bond Purchase and Loan Agreement was made between the Virginia Transportation Infrastructure Bank (VTIB), acting through its Manager, Virginia Resources Authority and the City. VTIB agreed to lend the City an amount not to exceed \$151,893,495 as evidenced by the purchase of the Chesapeake Transportation System Subordinate Toll Road Revenue Bond, Series 2012C. The VTIB Bond is subordinate to the 2012A and 2012B senior bonds and repayment began on July 15, 2019. Final completion of the Dominion Boulevard Project was certified complete as defined in the Master Indenture on June 1, 2018 and the total loan amount including accrued interest was \$134,454,435. The minimum principal and interest payments schedule that was established at the time of issuance was revised to reflect the actual aggregate amount of advances, accrued interest through the first payment date to be added to the advances and any prepayments. Beginning in February 2019, which was the second anniversary of the substantial completion date, revenues remaining after the requirements are met for operations, debt service, all associated reserves, and renewal and replacement must be used to prepay the outstanding principal amount of the VTIB bond on the next payment date. As of June 30, 2024, a total of \$23,368,944 in principal has been prepaid.

- (e) In November 2012, an amended and restated "City-State Agreement" between the City and the Commonwealth of Virginia, Department of Transportation (VDOT) was executed. No repayments with respect to the 1999 Toll Facilities Revolving Account (TFRA) Payments, the Urban Allocation Payments or the City contribution shall be made until the VTIB loan has been paid in full. The 1999 TFRA payment and the City contribution shall accrue interest at a rate of 3% per year, compounded semi-annually on each interest payment date. The Urban Allocation payments to be replenished as provided in the 2012 Indenture shall not accrue interest. State contributions to be repaid as of June 30, 2024 are \$ 73,823,033 which is comprised of \$35,764,686 due to TFRA and \$38,058,346 in Urban Allocation payments.

Leases - City

The City is a lessee for noncancellable leases of buildings for office and storage spaces, vehicles, and equipment. As of June 30, 2024, the City had 47 active leases. The leases have interest rates that range from 0.2000% to 4.1200%. The leases had \$0 of variable payments and \$0 of other payments, not included in the lease liability, within the current fiscal year. Future principal and interest requirements to maturity for leases payable for the Primary Government as of June 30, 2024 are as follows:

	Governmental Activities		Business-Type Activities		Total Payments
	Principal	Interest	Principal	Interest	
Year ending June 30:					
2025	\$ 1,056,467	152,525	26,856	1,200	1,237,048
2026	853,234	127,450	16,841	699	998,224
2027	865,577	104,408	6,607	370	976,962
2028	848,211	80,901	4,207	202	933,521
2029	606,326	59,905	3,251	56	669,538
2030-2034	1,952,310	81,318	-	-	2,033,628
2035-2039	11,096	2,104	-	-	13,200
2040-2044	12,042	1,158	-	-	13,200
2045-2047	7,710	207	-	-	7,917
Total	\$ 6,212,973	609,976	57,762	2,527	6,883,238

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Continued

Leases - Schools

As of June 30, 2024, Schools is the lessee of vehicles and office equipment leases with interest rates ranging from 0.76% to 2.28% and total annual payments ranging from \$436,000 to \$1.2 million extending out to 2032. Future principal and interest requirements to maturity for leases payable for the Schools as of June 30, 2024 are as follows:

		Principal	Interest	Total Payments
Year ending June 30:				
2025	\$	1,851,961	203,138	2,055,099
2026		1,888,611	166,488	2,055,099
2027		1,926,012	129,087	2,055,099
2028		1,523,584	95,505	1,619,089
2029		1,552,383	66,707	1,619,090
2030-2032		2,259,889	56,166	2,316,055
Total	\$	11,002,440	717,091	11,719,531

Subscription-Based Information Technology Arrangements - City

The City is party to subscription-based information technology arrangements (subscriptions) for intangible right-to-use subscription software. As of June 30, 2024, City had 68 active subscriptions with interest rates that range from 2.1600% to 3.9900%. The subscriptions had \$0 of variable payments and \$0 of other payments, not included in the subscription liability, within the current fiscal year. The City had no termination penalties not previously included in the measurement of the subscription liability nor any losses associated with an impairment. The City had one subscription commitment of \$9,182,375.96 before the commencement of the subscription term for the Tax System Modernization project. Requirements to maturity for subscriptions payable for the Primary Government as of June 30, 2024 are as follows:

		Governmental Activities		Business-Type Activities		
		Principal	Interest	Principal	Interest	Total Payments
Year ending June 30:						
2025	\$	2,158,117	159,695	8,168	82	2,326,062
2026		2,009,641	95,804	-	-	2,105,445
2027		1,132,197	39,630	-	-	1,171,827
2028		280,123	8,782	-	-	288,905
2029		42,844	2,002	-	-	44,846
2030		43,834	1,013	-	-	44,847
Total	\$	5,666,756	306,926	8,168	82	5,981,932

Subscription-Based Information Technology Arrangements - Schools

Schools is party to subscription arrangements for finance, reporting, and learning software programs. The subscriptions have been recorded at the present value of the future contract payments as of the date of their inception. The Schools' interest rate was based on an incremental borrowing rate of 2.24 to 2.65%.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(5) Continued

For the year ended June 30, 2024, the Schools had no other payments, such as termination penalties not previously included in the measurement of the subscription liability. The schools had no commitments before the subscription term or any losses associated with an impairment. The Schools had subscriptions with variable payments that were based on user seats which were expensed as incurred in the amount of \$1,073,367.

Requirements to maturity for subscriptions payable for the Schools as of June 30, 2024 are as follows:

		Principal	Interest	Total Payments
Year ending June 30:				
2025	\$	-	-	-
2026		122,496	11,390	133,886
2027		130,686	7,216	137,902
2028		138,329	3,711	142,040
Total	\$	391,511	22,317	413,828

Contingent Liabilities

In November 2011, the Airport Authority (Airport), a discretely presented component unit of the City, sold its \$1,220,000 revenue refunding bonds to the Virginia Resources Authority (VRA) as administrator of the Virginia Airports Revolving Fund. The purpose of the 2011 bonds was to refund the outstanding 1999 bonds to achieve debt service savings and restructure the payments by extending final maturity by five years. The principal of and interest on the bonds is not subject to acceleration upon the occurrence or continuation of an Event of Default as defined in the Master Indenture of Trust. As part of this transaction, the City Council approved a new support agreement for the 2011 bonds, which pledges the City's moral obligation with respect to replenishing the debt service reserve. At June 30, 2024, \$110,000 of the bonds remain outstanding, all of which are callable.

The Authority issued a Series 2022 Airport Revenue Bond in June 2022 in the amount of \$4,500,000. The purpose of the bond is to finance the construction and equipping of airplane hangars and related facilities for administrative and flight school purposes at the Chesapeake Municipal Airport. Interest payments only, of 3.66% per annum, are due annually in January 2024 and 2025 and semiannual principal and interest payments are due beginning July 2025. The City Council approved a support agreement for the Series 2022 bonds as well. The bond is collateralized by the net operating revenues of the Authority and the bond escrow and matures July 2044. As of June 30, 2024, the Authority had drawn down bond proceeds totaling \$3,855,500.

Conduit Debt

From time to time, the EDA has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are collateralized by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the EDA, the City, the Commonwealth nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(6) Advances and On Behalf Of Payments

Advances from the Primary Government to its component units are reported on the Statement of Net Position.

The General Fund also budgeted and made payments of \$401,635 on behalf of the Airport Authority during fiscal year 2024. The City does not intend to collect these payments from the Airport Authority, as they were not part of a note or loan.

(7) Interfund Balances and Transfers

Interfund balances and transfers between governmental funds and interfund balances and transfers between enterprise funds are not included in the government-wide Statement of Net Position or the government-wide Statement of Activities.

Interfund Balances

Individual fund interfund receivable and payable balances for the Primary Government at June 30, 2024 consist of the interfund balance due to the General Fund from the Special Revenue funds of \$528,904, which is due from Chesapeake Interagency Consortium and Community Development. The total interfund balance is due within one year.

Chesapeake Transportation System

A contribution in the amount of \$7,800,000 was made by the City to the Chesapeake Transportation System, formerly known as the Chesapeake Expressway Toll Road, by acquiring and constructing the Hanbury Road Interchange. This interchange project was recorded in the Capital Projects Fund. According to the previous indenture and City/State agreement, the Expressway was to repay the City's contribution semi-annually. Since the funding contributed by the City was for the interchange, the partial repayment of the City contribution made prior to the current indenture from the Expressway was made directly to the Capital Project fund instead of to the General Fund.

According to Section 4.2 (b) of the new 2012 Indenture, there shall be no repayment of the City contribution until the Virginia Transportation Infrastructure Bank (VTIB) loan has been repaid in full. The City contribution accrues interest at a rate of 3.0% per year, compounded semi-annually on each interest payment date. As of June 30, 2024, the amount currently outstanding on this loan is reported in the General Fund as Advances to other funds and totals \$7,742,466, which includes principal of \$6,779,850 and accrued interest of \$962,616.

Internal Service Funds Allocation

Internal service funds (ISF) are used by management to charge the costs of certain activities to individual funds and provide services to both governmental and business-type activities. The assets and liabilities of the internal service funds are included in governmental activities with a portion allocated to the business-type activities and reflected as part of the internal balances. As of June 30, 2024, this amount is \$1,358,630.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(7) Continued

Blended Component Unit – Economic Development Authority of the City of Chesapeake

The City budgeted and made payments of \$4,191,535 on behalf of the EDA during fiscal year 2024. The City is not anticipating the collection of these payments from the EDA.

In connection with the addition of a new Cinemark 12 screen, state of the art, stadium seating theater in the Western Branch section of the City, the EDA committed to acquire the old theater in the event it did not sell within a reasonable time of the opening of the new theater. The City acquired the property in August 2013. In 2016, the former theater building was demolished after the EDA determined that the specialized use for the building reduced the value of the property. In August 2022, the EDA signed a contract for the sale of the property. Closing occurred on April 17, 2023 for \$1,758,000.

Interfund Transfers

Individual fund interfund transfers for the Primary Government were made for budgeted operating, debt service, and capital purposes. In the year ended June 30, 2024, City Council approved transfers totaling \$39,286,191 to the Capital Projects Fund from the General Fund which came from prior years' resources. Major projects included \$5,000,000 for Tax System Modernization, \$3,852,000 for Fire Portable Radio Replacement, \$2,043,065 for Residential Street Repaving, \$2,000,000 for Route 17 Infrastructure, \$2,000,000 for Solid Waste Truck Replacement, \$1,550,000 for Citywide Sidewalk Installation, \$1,500,000 for Data Center Equipment Replacement, \$1,256,000 for Oaklette Bridge (Indian River Road), \$1,100,000 for Mt. Pleasant Rd. Widening, and \$1,020,000 for Repair & Replacement of Roads and Bridges. In addition to the transfers below, the interfund loan activity between CTS and the governmental activities was recorded as a transfer in the amount of \$227,150.

Interfund transfers for the year ended June 30, 2024 are as follows:

Transfers To Other Funds	Transfers From Other Funds				Total
	General Fund	Capital Projects Fund	Other Governmental Funds	Internal Service Funds	
General Fund	\$ -	67,764	14,150,670	1,261,203	15,479,637
Debt Service Fund	37,011,138	10,962,532	2,644,603	-	50,618,273
Capital Projects Fund	39,286,191	-	16,363,039	2,370,000	58,019,230
Other Governmental Funds	30,715,392	413,779	34,783	-	31,163,954
Stormwater Fund	-	868,000	-	-	868,000
Economic Development Authority	870,938	2,329,100	991,497	-	4,191,535
Internal Service Funds	352,200	220,959	-	-	573,159
Total	\$ 108,235,859	14,862,134	34,184,592	3,631,203	160,913,788

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Retirement Plans

Plan Description

The City, which includes the component unit Chesapeake Mosquito Control Commission, and Schools contribute to the Virginia Retirement System Plan (VRS), which provides agent, multiple-employer and cost-sharing, multiple-employer defined benefit pension plans administered by the Virginia Retirement System (System). The City employees and Schools Nonprofessional employees are covered by the agent, multiple-employer defined benefit plan and Schools Professional employees are covered by the cost-sharing, multiple-employer defined benefit plan.

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

Within the VRS Plan, the System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and eligibility for covered groups within each plan are set out below:

VRS PLAN 1

About VRS Plan 1

VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.

Eligible Members

Employees are in VRS Plan 1 if their membership date is before July 1, 2010 and they were vested as of January 1, 2013, and they have not taken a refund.

Hybrid Opt-In Election

VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.

Retirement Contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Service Credit

Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Vesting

Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.

Calculating the Benefit

The basic benefit is determined using the average final compensation, service credit, and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.

Average Final Compensation

A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

Service Retirement Multiplier

The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.

The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.

The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.

Retirement Age

Normal retirement: Age 65. Political subdivision hazardous duty employees: Age 60.

Earliest Unreduced Retirement Eligibility

Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years (60 months) of service credit or age 50 with at least 25 years of service credit.

Earliest Reduced Retirement Eligibility

Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.

Political subdivision hazardous duty employees may retire with a reduced benefit as early as age 50 with at least five years of service credit.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Cost-of-Living Adjustment (COLA) in Retirement

The COLA matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.

For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

Exceptions to COLA Effective Dates:

The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- The member retires on disability.
- The member retires directly from short-term or long-term disability.
- The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
- The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.
- The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

Disability Coverage

Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased, or granted.

VLDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Purchase of Prior Service

Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave, or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement, and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.

VRS PLAN 2

About VRS Plan 2

VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.

Eligible Members

Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010 and they were not vested as of January 1, 2013.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Hybrid Opt-In Election

Eligible VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an ORP and have prior service under VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 2 or ORP.

Retirement Contributions

Same as VRS Plan 1.

Service Credit

Same as VRS Plan 1.

Vesting

Same as VRS Plan 1.

Calculating the Benefit

See definition under VRS Plan 1.

Average Final Compensation

A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

Service Retirement Multiplier

Same as VRS Plan 1 for service earned, purchased, or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.

Sheriffs, regional jail superintendents, and political subdivision hazardous duty employees: Same as Plan 1.

Normal Retirement Age

Normal Social Security retirement age. Political subdivision hazardous duty employees: Same as VRS Plan 1.

Earliest Unreduced Retirement Eligibility

Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.

Political subdivision hazardous duty employees: Same as VRS Plan 1.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Earliest Reduced Retirement Eligibility

Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit.

Political subdivision hazardous duty employees: Same as VRS Plan 1.

COLA in Retirement

The COLA matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.

Eligibility:

Same as VRS Plan 1.

Exceptions to COLA Effective Dates:

Same as VRS Plan 1.

Disability Coverage

Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.

Purchase of Prior Service

Same as VRS Plan 1.

VRS HYBRID RETIREMENT PLAN

About VRS Hybrid Retirement Plan

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See “Eligible Members”)

The defined benefit is based on a member’s age, service credit, and average final compensation at retirement using a formula. The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Eligible Members

Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- Political subdivision employees*
- School division employees
- Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014

*Non-Eligible Members – Some employees are not eligible to participate in the Hybrid Retirement Plan. They include political subdivision employees who are covered by enhanced benefits for hazardous duty employees.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Those employees eligible for an ORP must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS Plan 2 (as applicable) or ORP.

Retirement Contributions

A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan and the employer is required to match those voluntary contributions according to specified percentages.

Service Credit

Defined Benefit Component:

Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Defined Contributions Component:

Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

Vesting

Defined Benefit Component:

Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contributions Component:

Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.

Members are always 100% vested in the contributions that they make.

Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

- After two years, a member is 50% vested and may withdraw 50% of employer contributions.
- After three years, a member is 75% vested and may withdraw 75% of employer contributions.
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

Distributions not required, except as governed by law until age 73.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Calculating the Benefit

Defined Benefit Component:

See definition under VRS Plan 1.

Defined Contribution Component:

The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

Average Final Compensation

Same as VRS Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

Service Retirement Multiplier

Defined Benefit Component:

The retirement multiplier for the defined benefit component is 1.0%.

For members who opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Defined Contribution Component:

Not applicable.

Normal Retirement Age

Defined Benefit Component:

Same as VRS Plan 2.

Defined Contribution Component:

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Unreduced Retirement Eligibility

Defined Benefit Component:

Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equal 90.

Defined Contribution Component:

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Reduced Retirement Eligibility

Defined Benefit Component:

Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit.

Defined Contribution Component:

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

COLA in Retirement

Defined Benefit Component:

Same as VRS Plan 2.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Defined Contribution Component:

Not applicable.

Eligibility:

Same as VRS Plan 1 and VRS Plan 2.

Exceptions to COLA Effective Dates:

Same as VRS Plan 1 and VRS Plan 2.

Disability Coverage

Eligible employees of political subdivisions and school division (including VRS Plan 1 and VRS Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.

Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Purchase of Prior Service

Defined Benefit Component:

Same as VRS Plan 1, with the following exceptions:

- Hybrid Retirement Plan members are ineligible for ported service.

Defined Contribution Component:

Not applicable.

Employees Covered by Benefit Terms

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

	City	Schools' Nonprofessional Employees
Inactive members or their beneficiaries currently receiving benefits	2,737	840
Inactive members not currently receiving benefits:		
Vested inactive members	534	171
Non-vested inactive members	1,107	412
LTD	6	11
Active elsewhere in VRS	968	175
Total inactive members not currently receiving benefits	2,615	1,609
Active members	3,205	890
Total covered employees	8,557	2,499

Contributions

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

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

The City's contractually required contribution rate for the year ended June 30, 2024 was 17.17% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. This rate, when combined with employees contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$35,674,571 for the year ended June 30, 2024.

Each school division's contractually required contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan by Schools were \$50,969,009 for the year ended June 30, 2024.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

In addition, for the Nonprofessional (non-teacher) employees, Schools' contractually required contribution rate for the year ended June 30, 2024 was 10.73% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan by Schools were \$2,460,436 for the year ended June 30, 2024.

Net Pension Liability

At June 30, 2024, the City reported a net pension liability of \$156,230,357. The City's net pension liability was calculated separately and represents the City's total pension liability less the City's fiduciary net position. For the City, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

At June 30, 2024, Schools reported a net pension liability of \$306,689,990 for its proportionate share of the net pension liability of the Teacher Retirement Plan (Professional). The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. Schools' proportion of the net pension liability was based on the Schools' actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, Schools' proportion was 3.03437% compared to 2.92579% at June 30, 2022.

At June 30, 2024, Schools reported a liability of \$16,170,036 for the Nonprofessional (non-teacher) Retirement Plan. Schools' net pension liability for the Nonprofessional (non-teacher) Retirement Plan was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Actuarial Assumptions – General Employees

The total pension liabilities were based on an actuarial valuations as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2023.

Inflation	2.5%
Salary increases (general), including inflation	3.5% – 5.35%
Salary increases (hazardous), including inflation	3.5% – 4.75%
Salary increases (teacher), including inflation	3.5% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates -15% and 45% of non-hazardous and hazardous, respectively, 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 for hazardous); 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 for hazardous); 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 for hazardous); 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally (with a modified MP-2020 Improvement Scale for hazardous); 110% of rates for males and females set forward 2 years

Mortality Improvement:

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

Mortality rates - Teachers:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except for 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:

Retirement Rates - Nonhazardous	Adjust rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
Retirement Rates - Hazardous	Adjusted rates to better fit experience and change final retirement age from 65 to 70
Retirement Rates - Teachers	Adjusted to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates - Nonhazardous	Adjust rates to better fit experience at each year age and service through 9 years of service
Withdrawal Rates - Hazardous	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return

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

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

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with the opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in fiscal year 2012 or 100% of the actuarially determined contribution rate from the June 30, 2022 actuarial valuation, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

City	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2022	\$ 1,170,668,972	1,038,733,325	131,935,647
Changes for the year:			
Service cost	29,120,955	-	29,120,955
Interest	78,901,129	-	78,901,129
Differences between expected and actual experience	26,094,375	-	26,094,375
Contributions - employer	-	33,933,407	(33,933,407)
Contributions - employee	-	9,701,330	(9,701,330)
Net investment income	-	66,827,368	(66,827,368)
Benefit payments, including refunds of employee contributions	(61,768,617)	(61,768,617)	-
Administrative expense	-	(664,550)	664,550
Other changes	-	24,194	(24,194)
Net changes	72,347,842	48,053,132	24,294,710
Balances at June 30, 2023	\$ 1,243,016,814	1,086,786,457	156,230,357

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Schools - Nonprofessional	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2022	\$ 123,279,662	109,178,289	14,101,373
Changes for the year:			
Service cost	2,040,728	-	2,040,728
Interest	8,232,674	-	8,232,674
Differences between expected and actual experience	2,458,559	-	2,458,559
Contributions - employer	-	2,569,577	(2,569,577)
Contributions - employee	-	1,177,308	(1,177,308)
Net investment income	-	6,988,152	(6,988,152)
Benefit payments, including refunds of employee contributions	(6,709,704)	(6,709,704)	-
Administrative expense	-	(70,364)	70,364
Other changes	-	(1,375)	1,375
Net Changes	6,022,257	3,953,594	2,068,663
Balances at June 30, 2023	\$ 129,301,919	113,131,883	16,170,036

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability - City	\$ 311,362,158	156,230,357	27,075,668
Net Pension Liability - Schools Nonprofessional Teacher Employee Retirement Plan Net Pension Liability	31,282,268 543,651,964	16,170,036 306,689,990	3,489,899 111,887,756

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

For the year ended June 30, 2024, the City recognized pension expense of \$32,797,262. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,022,729	5,516,686
Change in assumptions	9,476,303	-
Net difference between projected and actual earnings on pension plan investments	-	16,480,744
Employer contributions subsequent to the measurement date	35,674,571	-
Total	\$ 64,173,603	21,997,430

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Deferred outflows of resources resulting from the City's contributions subsequent to the measurement date of \$35,674,571 will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2025	\$ 57,778
2026	(13,880,774)
2027	19,793,897
2028	530,701
	<u>\$ 6,501,602</u>

For the year ended June 30, 2024, Schools recognized a total pension expense of \$37,482,787.

For the year ended June 30, 2024, Schools recognized pension expense of \$34,881,494 for the Teacher Retirement Plan (Professional). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with June 30, 2023 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

In addition, for the year ended June 30, 2024, Schools recognized pension expense of \$2,601,293 for the Nonprofessional (non-teacher) Retirement Plan.

At June 30, 2024, for the Teacher Retirement Plan (Professional), Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,344,931	11,968,354
Net difference between projected and actual earnings on pension plan investments	-	19,941,036
Changes in proportion and differences between employer contributions and proportionate share contributions	11,616,744	640,642
Changes in assumptions	13,903,332	-
Employer contributions subsequent to the measurement date	50,969,009	-
Total	\$ 102,834,016	32,550,032

\$50,969,009 reported as deferred outflows of resources related to pensions resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(8) Continued

Year ended June 30,	
2025	\$ (1,760,511)
2026	(14,333,860)
2027	27,626,774
2028	7,782,572
	<u>\$ 19,314,975</u>

At June 30, 2024, for the Nonprofessional (non-teacher) Retirement Plan, Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,464,351	-
Net difference between projected and actual earnings on pension plan investments	-	1,793,993
Employer contributions subsequent to the measurement date	2,460,436	-
Total	\$ 3,924,787	1,793,993

\$2,460,436 reported as deferred outflows of resources related to pensions resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2025	\$ (132,310)
2026	(1,823,241)
2027	1,570,114
2028	55,795
	<u>\$ (329,642)</u>

Payables to the Pension Plan

The City and Schools reported payables of \$3,018,688 and \$5,220,746 respectively, due to the VRS at June 30, 2024 which represent the June 2024 employer contributions for all plans not contractually required to be remitted until July 2024.

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

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Notes to Basic Financial Statements
June 30, 2024

(9) Other Postemployment Benefits

Plans Offered by the City and Schools

The City, which includes the component unit Chesapeake Mosquito Control Commission, and Schools each administer single-employer defined benefit plans that provide access to medical and dental insurance benefits to eligible Pre-Medicare retirees and their dependents. Additionally, the City and Schools provide postemployment benefits through VRS based programs associated with participation in the VRS retirement plans or which are administered by VRS as directed by the Commonwealth of Virginia. The following VRS programs are applicable to the City and Schools –

The Group Life Insurance Plan (GLIP)	Both City and Schools
Virginia Local Disability Plan (VLDP)	Both City and Schools
Line of Duty Act (LODA)	City only
Health Insurance Credit (HIC)	Schools only

SINGLE-EMPLOYER CITY ADMINISTERED OPEB PLAN

PLAN DESCRIPTIONS AND GENERAL INFORMATION

The City directed Other Postemployment Benefit Plan (OPEB Plan) is a single-employer defined benefit plan that provides access to medical and dental insurance benefits to eligible Pre-Medicare retirees and their dependents. The City also provides a fully insured long-term disability plan to active City employees enrolled in VRS Plans 1 and 2. Contributions and payments for this benefit plan occur on a current basis, therefore, the net position of this fully insured plan is not reported.

The City's administrative regulations outline the benefits provided and criteria for eligibility. City Ordinance established the City of Chesapeake Other Postemployment Benefits Trust (OPEB Trust) for the purpose of accumulating and investing assets to fund other postemployment benefits obligations. Management of the OPEB Trust is vested in the Chesapeake OPEB Finance Board of Trustees, which consists of five members appointed by City Council. Amounts contributed to the OPEB Trust by the City are irrevocable and must be used solely to discharge the City's obligations for other postemployment benefits and pay for reasonable expenses of the OPEB Trust. The OPEB Trust is included as a fiduciary fund in the City's financial statements.

Membership

OPEB Plan membership as of June 30, 2024 consisted of 2,896 active service participants and 376 retirees and beneficiaries currently receiving benefits. In order to be eligible for coverage, retirees must enroll at the time of retirement. Therefore, there are no retirees entitled to benefits that are not already receiving the benefits. However, former qualifying employees, who have maintained continuous health care coverage, may defer enrollment.

CONTRIBUTIONS

The contribution requirements of plan members and the City are established and may be amended by the City's administrative regulations. The required contribution is based on projected actuarial determined contributions (ADC) financing requirements, with an additional amount to prefund benefits as determined annually by the City Council-approved Operating Budget. For fiscal year 2024, the City contributed \$3,391,556 to the OPEB Trust. For convenience, the City pays all the OPEB Trust's bills on behalf of the Finance Board of the OPEB Trust, but is only responsible for paying the ADC. The ADC for fiscal year 2024 was \$3,702,000. For fiscal year 2024, the City paid \$5,013,798 for current premiums (82.3% of total premiums) on behalf of the OPEB Trust. The OPEB Trust will record \$3,702,000 of the City's payments for

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

the current premiums in lieu of receiving the ADC and will reimburse the City for the excess amount between the current premiums paid and the required ADC in the amount of \$1,311,798.

Plan members with greater than 19 years of service at retirement contribute based on the active employee contribution rate and plan members with 15 to 19 years of service contribute the entire premium. Plan members receiving benefits contributed \$1,077,986, or 17.7% of the total premiums, through their required monthly contributions. Member contributions are 0.50 % of covered payroll. Costs to administer current benefits are paid from the general fund.

For the year ended June 30, 2024, the City's contribution was 1.56% of covered employee payroll.

ACTUARIAL ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, based on the measurement date of June 30, 2024, unless otherwise specified:

Inflation	2.50%
Investment rate of return	6.75%
Health care trend rates	7.5% The ultimate trend is 3.94%
Mortality Table	Society of Actuaries study for general and public safety employees and mortality improvement (MP2021) scale

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2023 through June 30, 2024.

The OPEB Plan valuation uses Entry Age Normal. An initial unfunded liability base was established on July 1, 2018. This base is amortized over a closed level dollar 13-year period. Each subsequent year a new base is established for experience losses and gains and will be amortized over 15 years as a level dollar amount.

LONG-TERM EXPECTED RATE OF RETURN

Investments

The investment policy of the OPEB Plan in regard to the allocation of invested assets is established and may be amended by the Chesapeake OPEB Finance Board of Trustees by a majority vote of its members. It is the policy of the Chesapeake OPEB Finance Board of the Trust to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes and aims to refrain from dramatically shifting asset class allocations over short time spans.

The adopted asset allocation policy as of June 30, 2024 was as follows:

Asset Class (Strategy)	Target Allocation
Domestic Equity	39.00%
International Equity	21.00%
Fixed Income	40.00%
Total	100.00%

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 12.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for amounts actually invested.

DISCOUNT RATE

The discount rate used to measure the OPEB liability was 6.75%.

The healthcare cost trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The following assumptions were used as input variables into this model:

Rate of Inflation	2.60%
Rate of Growth in Real Income / GNP per capita	1.40%
Extra Trend due to Technology and other factors	0.90%
Expected Health Share of GDP in 2031	19.00%
Health Share of GDP Resistance Point	17.00%
Year for Limiting Cost Growth to GNP Growth	2075

The SOA Long-Run Medical Cost Trend Model and its baseline projections are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

Sensitivity of the net OPEB liability to changes in the discount rate

The following table presents the total and net OPEB liability of the City, as well as what the City's total and net OPEB liability (asset) would be if calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate of 6.75%:

		Current Discount	
		1% Decrease	1% Increase
		(5.75)%	(7.75)%
Net OPEB liability (asset) - City directed plan	\$	(9,048,976)	(16,521,078) (23,329,852)

Sensitivity of the net OPEB liability to Health Care Trend Rate

The following table presents the net OPEB liability of the City, as well as what the City's net OPEB liability (asset) would be if calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current health care cost trend rate of 3.94%:

		Current Medical	
		1% Decrease	1% Increase
		(2.94)%	(4.94)%
Net OPEB liability (asset) - City directed plan	\$	(24,838,667)	(16,521,078) (6,891,370)

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

OPEB Liabilities(Assets)

Changes in City Net OPEB Liability (Asset)

City	Total OPEB Liability	Plan OPEB Net Position	Net OPEB Liability(Asset)
Balances at June 30, 2023	\$ 105,628,344	103,725,127	1,903,217
Changes for the year:			
Service cost	4,257,870	-	4,257,870
Interest	6,886,026	-	6,886,026
Differences between expected and actual experience	(5,418,314)	-	(5,418,314)
Contributions - employer	-	3,391,556	(3,391,556)
Net investment income	-	12,879,686	(12,879,686)
Changes in assumptions	(7,878,635)	-	(7,878,635)
Benefit payments, net of retiree contributions	(5,013,637)	(5,013,637)	-
Net changes	(7,166,690)	11,257,605	(18,424,295)
Balances at June 30, 2024	\$ 98,461,654	114,982,732	(16,521,078)

Fiduciary net position as a percentage
of total OPEB liability

116.78%

SCHOOLS DIRECTED OPEB PLAN**PLAN DESCRIPTIONS AND GENERAL INFORMATION**

The Schools' Pre-Medicare and Post-Medicare Medical Plans are single-employer defined benefit plans that provide medical and dental insurance benefits to eligible retirees and their dependents. The Schools' administrative policies and regulations outline the benefits provided and criteria for eligibility. City Ordinance established the Schools' OPEB Trust for the purpose of accumulating and investing assets to fund other postemployment benefits obligations. The School Board, in accordance with this election, has agreed to become part of the Virginia Pooled OPEB Trust Fund (the Trust). Amounts contributed to the Trust by the Schools are irrevocable and must be used solely to discharge the Schools' obligations for other postemployment benefits and pay for reasonable expenses of the Trust. The OPEB Trust is included as a fiduciary fund in the Schools' financial statements.

Membership and Eligibility

Plan membership as of July 1, 2023 consisted of 5,594 active service participants and 1,418 retirees and beneficiaries currently receiving benefits.

Any full-time eligible employee of the Schools is eligible to participate in the plan. Access to the plan is allowed if the employee or former employee:

- Is/was eligible to retire under the VRS pension plan.
- Is/was covered under the Schools' active medical plan for a period of at least 2 years prior to retirement.
- Elects to receive retiree medical coverage under this plan upon retiring prior to Medicare.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

The Schools also requires participants hired prior to July 1, 2012 to have at least 10 years of service with the Schools as of their date of retirement and participants hired on or after July 1, 2012 to have at least 20 years of service with the Schools as of their date of retirement to receive a benefit from the plan.

Benefits Provided

The Schools provides a flat dollar subsidy to eligible employees. The full subsidy for Pre-Medicare retirees is \$11,400 per year and the subsidy for Medicare eligible retirees is \$2,400 per year. Eligible participants receive a portion of this dollar subsidy based on their date of hire and years of service with VRS and the Schools.

Non-professional employees are also eligible to receive \$2.50 per year of VRS service when certain conditions are met. VRS will provide a benefit of \$1.50 per year of service capped at 30 years. The Schools will pay the remaining \$2.50 per month per year of service, plus \$4 per year of service exceeding 30 years. Surviving spouses are not eligible to receive a flat dollar subsidy from the Schools but are allowed to continue coverage under the Medicare Advantage plan if they are over 65. Deferred retirements are not allowed to elect coverage at the time of retirement.

CONTRIBUTIONS

The contribution requirements of plan members and the Schools are established and may be amended by the Schools. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the School Board. For fiscal year 2024, the Schools contributed \$5,105,441 to the plan to pay for current premiums (70% of total premiums). Plan members receiving benefits contributed \$2,267,647 or 30% of the total premiums through their required monthly contributions. Costs to administer current benefits are paid from the General Fund.

ACTUARIAL ASSUMPTIONS – SCHOOLS DIRECTED PLAN

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial funding method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50%
Discount Rate:	3.86%
Mortality Rates:	
Healthy	Teachers: Pub-2010 General Employees Headcount-Weighted Mortality, Projected with Fully Generational MP2021 Mortality Improvement Scale
Pre-Retirement:	Non-Teachers: Pub-2010 Teacher Employees Headcount-Weighted Mortality, Projected with Fully Generational MP2021 Mortality Improvement Scale
Healthy	Teachers: Pub-2010 General Retirees Headcount-Weighted Mortality, Projected with Fully Generational MP2021 Mortality Improvement Scale
Post-Retirement:	Non-Teachers: Pub-2010 Teacher Retirees Headcount-Weighted Mortality, Projected with Fully Generational MP2021 Mortality Improvement Scale
Disabled:	Teachers: Pub-2010 General Disabled Retirees Headcount-Weighted Mortality, Projected with Fully Generational MP2021 Mortality Improvement Scale
	Non-Teachers: Pub-2010 Teacher Disabled Retirees Headcount-Weighted Mortality, Projected with Fully Generational MP2021 Mortality Improvement Scale

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

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

There were not additional postemployment increases assumed. The amortization period is closed and equal to 29 years as of June 30, 2017.

LONG-TERM EXPECTED RATE OF RETURN

Investments

The OPEB Trust's Board of Trustees has the responsibility for managing the investment process. In fulfilling this responsibility, the Board established and maintains investment policies and objectives. Within this framework, the Board monitors and evaluates investment managers, bank custodian, and other parties to monitor whether operations conform to the guidelines and actual results meet objectives. If necessary, the Board is responsible for making changes to achieve this. The investment objective of the OPEB Trust is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection.

The adopted asset policy as of June 30, 2024 was as follows:

Asset Class (Strategy)	Target Allocation
Domestic Equity	31.00%
International Equity	13.00%
Emerging Markets Equity	5.00%
Long/Short Equity	6.00%
Private Equity	10.00%
Fixed Income	20.00%
Real Estate	15.00%
Total	100.00%

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense was 9.36%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

DISCOUNT RATE

The discount rate used to measure the total OPEB liability was 3.86% as of the measurement date of June 30, 2023. The projection of cash flows used to determine the discount rate assumed the Schools' contribution will be made on a pay-as-you-go basis. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the discount rate used to determine the liabilities is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

Sensitivity of the net OPEB Liability to changes in the discount rate

The following presents the net OPEB liability of the Schools, as well as what the Schools' net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate at June 30, 2024.

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB liability - Schools Administered Plan	\$ 156,966,544	139,785,000	125,243,692

The Schools OPEB policy is to incorporate flat dollar employer contributions and those amounts will not be increased in the future. Therefore, no annual healthcare cost trend rates were used in the actuarial valuation.

OPEB Liabilities

Changes in the Schools Net OPEB Liability

Schools	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at July 1, 2022	\$ 150,875,876	4,354,302	146,521,574
Changes for the year:			
Service cost	3,908,729	-	3,908,729
Interest	5,439,879	-	5,439,879
Changes of assumptions	(6,765,465)	-	(6,765,465)
Differences between expected and actual experience	(4,099,761)	-	(4,099,761)
Contributions - employer	-	5,027,600	(5,027,600)
Net investment income	-	192,356	(192,356)
Benefit payments, including refunds of employee contributions	(5,027,600)	(5,027,600)	-
Net changes	(6,544,218)	192,356	(6,736,574)
Balances at June 30, 2023	\$ 144,331,658	4,546,658	139,785,000

Plan fiduciary net position as a percentage of the total OPEB liability 3.15%

VRS DIRECTED OPEB PLANS FOR CITY AND SCHOOLS

VRS directs other employee and postemployment benefit plans for City and Schools active, deferred, and retired members of VRS. These plans include the GLIP, the VLDP, the LODA Program, and the HIC. Contributions and payments for other employee benefit plans for active VRS members occur on a current basis; therefore, the net position of these plans is not reported.

PLAN DESCRIPTIONS AND GENERAL INFORMATION

Group Life Insurance Programs

The GLIP is a cost-sharing, multiple-employer plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLIP was established pursuant to §51.1-1400 et seq.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) **Continued**

of the *Code of Virginia*, as amended, and provides the authority under which benefit terms are established or may be amended. The GLIP is a defined benefit plan that provides a basic group life insurance benefit.

Plan Description:

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered upon employment. In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLIP.

Specific information about the plan is as follows:

Eligibility:

The GLIP was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment.

Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit Amounts:

The benefits payable under the GLIP have several components.

Natural Death Benefit - Equal to the employee's covered compensation rounded to the next highest thousand and then doubled

Accidental Death Benefit - Double the natural death benefit

Other Benefit Provisions - In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances, including; accidental dismemberment, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit options.

Reduction in Benefit Amounts:

The benefit amounts provided to members covered under the GLIP 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.

Minimum Benefit Amount and Cost-of-Living Adjustment:

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the GLIP. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$9,254 effective June 30, 2024.

Virginia Local Disability Programs

The Political Subdivision and Teacher Employee VLDPs are each cost-sharing, multiple-employer plans.

Plan Description:

All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; and all full-time, salaried permanent (professional) employees of public school divisions and who

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

are in the VRS Hybrid Retirement Plan and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered. These programs are directed by the VRS, along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. Political subdivisions and School divisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the VLDPs.

Specific information about the plans is as follows:

Eligibility:

The VLDPs were implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid retirement benefits. Eligible full-time general employees of public political subdivisions including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; and teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS, are automatically enrolled upon employment, unless their employer has elected to provide comparable coverage.

Benefit Amounts:

The benefits provided under the VLDPs include the following:

Short-Term Disability - The VLDP Programs provide short-term disability benefits beginning after a seven-calendar-day waiting period from the first day of disability.

- Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.
- During the first five years of continuous participation in VLDP Programs with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability.

Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.

Long-Term Disability - The VLDP Programs provide long-term disability benefits beginning after 125 workdays of short-term disability.

- Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.
- Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

Other Plan Information:

Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.

Line of Duty Act Program

The LODA Program is a cost-sharing, multiple-employer plan. The LODA Program was established pursuant to §9.1-400 et seq. of the *Code of Virginia*, as amended, and provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

Plan Description:

All paid employees and volunteers in hazardous duty positions in Virginia who are covered under VRS are automatically covered. VRS is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in fiscal year 2012. The employer contributions are determined by the VRS engaged actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

Eligibility:

The eligible employees of the LODA Program are paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under VRS.

Benefit Amounts:

The LODA program provides death and health insurance benefits for eligible individuals.

Death- Benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:

- \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after.
- \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.
- An additional \$20,000 benefit is payable when certain members of the National Guard and U.S. Military reserves are killed in action in any armed conflict on or after October 7, 2001.

Health Insurance -

- The health insurance benefits are managed through the Virginia Department of Human Resources Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors, and family members.

Health Insurance Credit Program

The Virginia Retirement System Teacher Employee Health Insurance Credit Program is a cost-sharing, multiple-employer plan. The Teacher Employee Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and provides the authority under which benefit terms are established or may be amended. The HIC is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers.

The Political Subdivision Health Insurance Credit Program is 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 employers. The Political Subdivision Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the *Code of Virginia*, as amended, and provides the authority under which benefit terms are established or may be amended.

Specific information about the plans is as follows:

Plan Description:

All full-time, salaried permanent employees of public school divisions are automatically covered by the HIC (professional employees) or VRS Political Subdivision HIC (nonprofessional employees). This plan is directed by 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 HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

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.

Eligibility:

The HIC was established July 1, 1993 for retired employees covered under VRS who retire with at least 15 years of service credit. Full-time permanent salaried employees of public school divisions covered under VRS are enrolled automatically upon employment.

Benefit Amounts - Professional Employees:

The HIC provides the following benefits for eligible employees:

At Retirement - For teachers and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.

Disability Retirement - For teachers and other professional school employees who retire on disability or go on long-term disability under the VLDP Program, the monthly benefit is either:

- \$4.00 per month, multiplied by twice the amount of service credit, or
- \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Benefit Amounts - Nonprofessional Employees:

The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

At Retirement - For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.

Disability Retirement - For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

Other Plan Information:

The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree. No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans.

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

	Number
Inactive members or their beneficiaries currently receiving benefits	317
Vested inactive members	21
Active members	882
Total covered employees	1,220

CONTRIBUTIONS

Group Life Insurance Programs

The contribution requirements for the GLIPs are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLIPs was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions for the year ended June 30, 2024 to the GLIPs from the City and Schools follow in a summary of contributions for the OPEB Plans.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution.

Virginia Local Disability Programs

The contribution requirements for active hybrid employees of the City and Schools are governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to political subdivisions and school divisions by the Virginia General Assembly. The contractually required employer contribution rates as a percentage of covered employee compensation for the year ended June 30, 2024 was 0.85% for City and Schools Nonprofessional employees and 0.47% for Schools Teacher employees in the VLDPs. These rates were based on actuarially determined rates from an actuarial valuation as of June 30, 2021. The actuarially determined rates were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance unfunded accrued liabilities. Contributions for the year ended June 30, 2024 to the VLDPs from the City and Schools follow in a summary of contributions for the OPEB Plans.

Line of Duty Act Program

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2024 was \$830.00 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions for the year ended June 30, 2024 from the City to the LODA Program follow in a summary of contributions for the OPEB Plans.

Health Insurance Credit Program

Nonprofessional - The contribution requirement for active employees is governed by Section 51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.06% of covered employee compensation for employees in HICP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions for the year ended June 30, 2024 from Schools to the HIC follow in a summary of contributions for the OPEB Plans.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

Professional - The contribution requirement for active employees is governed by §51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 1.21% of covered employee compensation for employees in the HIC.

This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions for the year ended June 30, 2024 from Schools to the HIC follow in a summary of contributions for the OPEB Plans.

Contributions for the year ended June 30, 2024	City	Schools
City directed plan	\$ 3,391,556	N/A
Schools directed plan	N/A	5,105,441
GLIPs - City and Nonprofessional Schools	1,178,237	135,991
GLIP - Professional Schools	N/A	1,739,648
VLDPs - City and Nonprofessional Schools	595,481	91,570
VLDP - Professional Schools	N/A	547,179
LODA Program	995,793	N/A
HIC - Nonprofessional Schools	N/A	261,767
HIC - Professional Schools	N/A	3,888,135
Total OPEB Contributions	\$ 6,161,067	11,769,731

ACTUARIAL ASSUMPTIONS

The OPEB liabilities of the VRS directed plans of the City and Schools were based on actuarial valuations as of June 30, 2022 using the Entry Age Normal actuarial cost method. The following assumptions and methods were used for the VRS directed OPEB Plans of the City and Schools and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions and Methods	GLIPs	VLDPs	LODA Program	HIC
Investment rate of return, including inflation*	6.75%	6.75%	3.86%	6.75%
Inflation	2.50%	2.50%	2.50%	2.50%
Salary increases, including inflation				
City - Non-Hazardous Duty	3.50% to 5.35%	3.50% to 5.35%	N/A	N/A
City - Hazardous Duty	3.50% to 4.75%	N/A	N/A	N/A
Schools - Non-professional	3.50% to 5.35%	3.50% to 5.35%	N/A	N/A
Schools - Professional	3.50% to 5.95%	3.50% to 5.95%	N/A	N/A

*Since LODA is funded on a current-disbursement basis, the assumed rate of return of 3.86% was used since it approximates the risk-free rate of return.

Additional information about actuarial assumptions and methods is available from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

LONG-TERM EXPECTED RATE OF RETURN

For the GLIP, VDLPS, and HIC, the long-term expected rate of return was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real

rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

The long-term expected rate of return on LODA Program OPEB investments was set at 3.86% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments' 6.75% assumption. Instead, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return. The Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2023.

DISCOUNT RATE

The discount rate used to measure the GLIP, the VLDPs, and HIC portions of the VRS administered OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed City and Schools contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the City and Schools will be subject to the portion of the VRS

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

Board-certified rates that are funded by the Virginia Assembly, which was 100.0% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100.0% of the actuarially determined contribution rates. Based on those assumptions, the City's and Schools' GLIP, VLDP, and HIC OPEB plans' fiduciary net positions were projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total City's and Schools' GLIP, VLDP, and HIC OPEB liabilities.

The discount rate used to measure the LODA Program portion of the VRS administered OPEB liability was 3.86%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of the proportionate share of net OPEB liability to changes in the discount rate

The following tables present the proportionate share of net OPEB liability of the City and Schools, as well as what the City's and Schools' proportionate share of net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

Net OPEB Liability (Asset)	Employer	Current Discount		
	Proportionate Share	1% Decrease (5.75%)	Rate (6.75%)	1% Increase (7.75%)
City GLIP	0.87445%	\$ 15,545,598	10,487,396	6,397,807
City VLDP	9.79169%	(82,547)	(157,548)	(223,270)
Schools GLIP Nonprofessional	0.10772%	1,915,000	1,291,900	788,120
Schools GLIP Professional	1.27462%	22,659,650	15,286,689	9,325,602
Schools VLDP Nonprofessional	1.63499%	(13,784)	(26,307)	(37,281)
Schools VLDP Professional	10.65817%	199,457	70,762	(41,148)
Schools HIC Nonprofessional	N/A	1,317,916	1,123,411	958,618
Schools HIC Professional	3.00630%	41,193,777	36,418,841	32,372,498

Net OPEB Liability	Current Discount			
	City Proportionate Share	1% Decrease (2.86%)	Rate (3.86%)	1% Increase (4.86%)
City LODA Program	6.19899%	\$ 27,864,670	24,851,701	22,302,778

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

Sensitivity of the net OPEB liability to Health Care Trend Rate

Because the LODA Program contains a provisions for the payment of health insurances premiums, the liabilities are also impacted by the health care trend rate. The following presents the covered employer's proportionate share of the net LODA Program OPEB liability using a health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

	City Proportionate Share	1% Decrease (6.00% to 3.75%)	Current Trend Rate (7.00% to 4.75%)	1% Increase (8.00% to 5.75%)
Net OPEB Liability				
City LODA Program	6.19899%	\$ 21,075,083	24,851,701	29,531,524

OPEB Liabilities, OPEB Assets, OPEB Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2024, the City and Schools reported the following OPEB liabilities for City and Schools directed OPEB and their proportionate shares of VRS directed OPEB plans.

	City		Schools	
OPEB Liabilities/Assets as of June 30, 2024	Assets	Liabilities	Assets	Liabilities
City directed plan	\$ 16,521,078	N/A	N/A	N/A
Schools directed plan	N/A	N/A	-	139,785,000
GLIPs - City and Nonprofessional Schools	-	10,487,396	-	1,291,900
GLIP - Professional Schools	N/A	N/A	-	15,286,689
VLDPs - City and Nonprofessional Schools	157,548	-	26,307	-
VLDP - Professional Schools	N/A	N/A	-	70,762
LODA Program	-	24,851,701	N/A	N/A
HIC - Nonprofessional Schools	N/A	N/A	-	1,123,411
HIC - Professional Schools	N/A	N/A	-	36,418,841
Total OPEB Liabilities/Assets	\$ 16,678,626	35,339,097	26,307	193,976,603

Nonprofessional - Changes in Net HIC OPEB Liability

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balances at July 1, 2022	\$ 2,900,434	360,666	2,539,768
Changes for the fiscal year:			
Service cost	23,988	-	23,988
Interest	195,281	-	195,281
Difference between expected and actual experience	(1,337,478)	-	(1,337,478)
Contributions - employer	-	267,078	(267,078)
Net investment income	-	31,851	(31,851)
Benefit payments	(62,733)	(62,733)	-
Administrative expenses	-	(886)	886
Other changes	-	105	(105)
Net changes	(1,180,942)	235,415	(1,416,357)
Balances at June 30, 2023	\$ 1,719,492	596,081	1,123,411

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

For the year ended June 30, 2024, the City and Schools recognized the following OPEB expenses for City and Schools directed OPEB plans and their proportionate shares of VRS directed OPEB plans.

OPEB Expenses for the year ended June 30, 2024	City	Schools
City directed plan	\$ 2,589,327	N/A
Schools directed plan	N/A	2,404,622
GLIPs - City and Nonprofessional Schools	555,886	29,022
GLIP - Professional Schools	N/A	815,404
VLDPs - City and Nonprofessional Schools	399,864	66,679
VLDP - Professional Schools	N/A	374,827
LODA Program	3,336,526	N/A
HIC - Nonprofessional Schools	N/A	(98,846)
HIC - Professional Schools	N/A	3,089,340
Total OPEB Expenses	\$ 6,881,603	6,681,048

Since there was a change in proportionate share between measurement dates, a portion of the City and Schools net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the City and Schools reported deferred outflows of resources and deferred inflows of resources related to the City and Schools directed OPEB plans and their VRS directed OPEB Plans from the following sources:

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

	City		Schools	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience				
City directed plan	\$ 2,310,517	14,300,509	N/A	N/A
Schools directed plan	N/A	N/A	1,357,880	20,871,240
GLIPs - City and Nonprofessional Schools	1,047,434	318,346	129,029	39,216
GLIP - Professional Schools	N/A	N/A	1,526,766	464,029
VLDPs - City and Nonprofessional Schools	59,152	98,149	9,877	16,389
VLDP - Professional Schools	N/A	N/A	310,558	31,020
LODA Program	1,325,621	4,679,556	N/A	N/A
HIC -Nonprofessional Schools	N/A	N/A	-	1,137,454
HIC - Professional Schools	N/A	N/A	-	1,602,976
Changes of assumptions				
City directed plan	4,255,138	7,100,469	N/A	N/A
Schools directed plan	N/A	N/A	13,884,134	30,875,558
GLIPs - City and Nonprofessional Schools	224,173	726,608	27,615	89,508
GLIP - Professional Schools	N/A	N/A	326,759	1,059,122
VLDPs - City and Nonprofessional Schools	1,044	14,429	174	2,409
VLDP - Professional Schools	N/A	N/A	30,767	-
LODA Program	5,519,852	5,124,554	N/A	N/A
HIC -Nonprofessional Schools	N/A	N/A	87,558	-
HIC - Professional Schools	N/A	N/A	847,769	36,699
Net difference between projected and actual earnings				
City directed plan	267,224	-	N/A	N/A
Schools directed plan	N/A	N/A	251,048	-
GLIPs - City and Nonprofessional Schools	-	421,443	-	51,916
GLIP - Professional Schools	N/A	N/A	-	614,306
VLDPs - City and Nonprofessional Schools	384	-	64	-
VLDP - Professional Schools	N/A	N/A	2,191	-
LODA Program	-	72,704	N/A	N/A
HIC -Nonprofessional Schools	N/A	N/A	5,725	-
HIC - Professional Schools	N/A	N/A	18,276	-
Changes in proportion				
GLIPs - City and Nonprofessional Schools	495,123	144,607	77,822	84,210
GLIP - Professional Schools	N/A	N/A	495,005	6,901
VLDPs - City and Nonprofessional Schools	381	2,492	140	972
VLDP - Professional Schools	N/A	N/A	5,709	11,581
LODA Program	1,907,480	2,514,404	N/A	N/A
HIC - Professional Schools	N/A	N/A	1,581,115	96,200
Employer contributions subsequent to the measurement date				
Schools directed plan	N/A	N/A	5,105,441	-
GLIPs - City and Nonprofessional Schools	1,178,237	-	135,991	-
GLIP - Professional Schools	N/A	N/A	1,739,648	-
VLDPs - City and Nonprofessional Schools	595,481	-	91,570	-
VLDP - Professional Schools	N/A	N/A	547,179	-
LODA Program	995,793	-	N/A	N/A
HIC -Nonprofessional Schools	N/A	N/A	261,767	-
HIC - Professional Schools	N/A	N/A	3,888,135	-
Total	\$ 20,183,034	35,518,270	32,745,712	57,091,706

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(9) Continued

Employer contributions subsequent to the measurement date reported as deferred outflows of resources for the City and Schools totaled \$2,769,511 and \$11,769,731 respectively and will be recognized as a reduction of the OPEB liabilities in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the City's and Schools' OPEB expense in future reporting periods as follows:

Year ended June 30,	2025	2026	2027	2028	2029	Thereafter	Total
City directed plan	\$(2,851,586)	(85,072)	(5,296,142)	(4,119,140)	(2,216,159)	-	(14,568,099)
GLIP - City	(10,752)	(381,445)	241,937	111,312	194,674	-	155,726
VLDP - City	(5,123)	(26,647)	3,429	(3,590)	(10,040)	(12,138)	(54,109)
LODA - City	(117,308)	(115,028)	(89,463)	(214,657)	(560,590)	(2,541,218)	(3,638,264)
Total City	\$(2,984,769)	(608,192)	(5,140,239)	(4,226,075)	(2,592,115)	(2,553,356)	(18,104,746)
Schools directed plan	\$(4,546,154)	(4,178,752)	(5,012,333)	(7,748,696)	(7,771,179)	(6,996,662)	(36,253,776)
GLIP - Nonprofessional							
Schools	(27,798)	(60,391)	19,335	10,785	27,685	-	(30,384)
GLIP - Professional Schools	13,591	(507,745)	367,361	120,834	210,131	-	204,172
VLDP - Nonprofessional							
Schools	(876)	(4,621)	475	(685)	(1,725)	(2,083)	(9,515)
VLDP - Professional Schools	27,842	25,548	42,161	31,657	31,681	147,735	306,624
HIC - Nonprofessional							
Schools	(287,681)	(293,769)	(290,675)	(172,046)	-	-	(1,044,171)
HIC - Professional Schools	106,529	112,325	231,013	92,476	68,717	100,225	711,285
Total Schools	\$(4,714,547)	(4,907,405)	(4,642,663)	(7,665,675)	(7,434,690)	(6,750,785)	(36,115,765)

Payables to the VRS Directed OPEB Plans

The City and Schools reported payables \$152,254 and \$919,325, respectively, due to the VRS at June 30, 2024 which represent the June 2024 employer contributions for all plans not contractually required to be remitted until July 2024.

VRS issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained by writing to the System's Chief Financial Officer at P.O. box 2500, Richmond, VA, 23218-2500 or from the VRS website at

<https://www.varetire.org/pdf/publications/2023-annual-report.pdf>

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(10) Fund Balances***Primary Government***

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:					
Inventory	\$ 1,705,416	-	-	11,712	1,717,128
Prepaid expenditures	-	-	20,000,000	523,278	20,523,278
Education permanent funds - principal	-	-	-	12,795	12,795
Total nonspendable	1,705,416	-	20,000,000	547,785	22,253,201
Restricted other:					
General Government:					
Chesapeake Bay Preservation Areas	47,000	-	-	-	47,000
Tax increment financing - Greenbrier	-	-	-	7,609,570	7,609,570
Tax increment financing - South Norfolk	-	-	-	14,039,635	14,039,635
Proffers	-	-	-	51,368	51,368
Grants	-	-	-	2,418,222	2,418,222
Total General Government	47,000	-	-	24,118,795	24,165,795
Public Safety:					
Proffers	-	-	-	1,142,212	1,142,212
Grants	-	-	-	1,353,877	1,353,877
Total Public Safety	-	-	-	2,496,089	2,496,089
Public Works:					
Prorata Drainage	-	-	5,994,007	-	5,994,007
Proffers	-	-	-	2,874,279	2,874,279
Total Public Works	-	-	5,994,007	2,874,279	8,868,286
Parks and Recreation:					
Open Space	-	-	355,523	-	355,523
Grants	-	-	-	164,523	164,523
Total Parks and Recreation	-	-	355,523	164,523	520,046
Public Welfare:					
Integrated behavioral healthcare	-	-	-	1,996,446	1,996,446
Grants	-	-	-	7,418,889	7,418,889
Total Public Welfare	-	-	-	9,415,335	9,415,335
Education:					
Proffers	-	-	-	7,113,799	7,113,799
Education permanent funds interest	-	-	-	206,930	206,930
Total Education	-	-	-	7,320,729	7,320,729
Arbitrage rebate and yield restriction	-	2,000,629	-	-	2,000,629
Future bond interest payment	-	104,844	-	-	104,844
Poindexter Street debt service	-	325	-	-	325
Total restricted other	47,000	2,105,798	6,349,530	46,389,750	54,892,078

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(10) Continued

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
Committed for one time projects	180,516,820	-	-	-	180,516,820
Committed other:					
General Government:					
Law Library	380,456	-	-	-	380,456
Technology fees	577,663	-	-	-	577,663
Treasurer's EGOV	162,992	-	-	-	162,992
Treasurer's late license fee	322,008	-	-	-	322,008
Litigation reserve	1,252,558	-	-	-	1,252,558
Treasurer's EZ Pass	19,048	-	-	-	19,048
Juvenile services	-	-	-	375,000	375,000
Open space agriculture preservation	-	-	-	6,282,418	6,282,418
Total General Government	2,714,725	-	-	6,657,418	9,372,143
Public Safety:					
Radio system (800 MHZ)	3,777,288	-	-	-	3,777,288
Total Public Safety	3,777,288	-	-	-	3,777,288
Public Works:					
Excavation fees	345,834	-	-	-	345,834
Overweight fees	121,015	-	-	-	121,015
Total Public Works	466,849	-	-	-	466,849
Public Welfare:					
Public assistance	-	-	-	186,338	186,338
Community development	-	-	-	383,910	383,910
Housing trust	-	-	-	62,730	62,730
Total Public Welfare	-	-	-	632,978	632,978
City future capital projects	18,129,388	-	-	-	18,129,388
Encumbrances	7,090,923	-	65,476,651	3,412,796	75,980,370
Subsequent year budget	28,853,922	-	-	-	28,853,922
Economic development investment program	917,710	-	-	-	917,710
Public health initiative	837,002	-	-	-	837,002
Community housing initiative	333,399	-	-	-	333,399
Schools' future capital projects	48,938,829	-	-	-	48,938,829
Schools' revenue sharing	6,850,000	-	-	-	6,850,000
Total committed other	118,910,035	-	65,476,651	10,703,192	195,089,878

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(10) Continued

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
Assigned:					
General Government:					
Clerk of the Circuit Court - technology	109,893	-	-	-	109,893
Sheriff - work release	225,845	-	-	-	225,845
Local developers	-	-	224,296	-	224,296
Conference Center	-	-	-	15,806,217	15,806,217
Human resources	154,897	-	-	-	154,897
Juvenile services	-	-	-	2,995,020	2,995,020
Other	14,387,215	-	-	-	14,387,215
Total General Government	14,877,850	-	224,296	18,801,237	33,903,383
Public Safety:					
E-911	-	-	-	10,116,414	10,116,414
Fee supported activities	-	-	-	10,623,771	10,623,771
Total Public Safety	-	-	-	20,740,185	20,740,185
Public Works:					
Street maintenance	4,435,154	-	-	-	4,435,154
Equipment	1,262,140	-	-	-	1,262,140
Prorata drainage	-	-	1,521,121	-	1,521,121
Jordan Bridge	-	-	300,000	-	300,000
Total Public Works	5,697,294	-	1,821,121	-	7,518,415
Public Welfare:					
Public assistance	-	-	-	5,612,457	5,612,457
Integrated behavioral healthcare	-	-	-	8,222,472	8,222,472
Interagency consortium	-	-	-	636,180	636,180
Total Public Welfare	-	-	-	14,471,109	14,471,109
Education:					
Revenue sharing	26,460,232	-	-	-	26,460,232
Cash reversion	13,658,168	-	-	-	13,658,168
Total Education	40,118,400	-	-	-	40,118,400
Debt service payments	-	32,863,499	-	-	32,863,499
City future capital projects	-	-	113,897,284	-	113,897,284
Total assigned	60,693,544	32,863,499	115,942,701	54,012,531	263,512,275
Unassigned:	97,589,627	-	-	-	97,589,627
Total fund balance	\$ 459,462,442	34,969,297	207,768,882	111,653,258	813,853,879

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(11) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with *Internal Revenue Code* Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust by a third party for the participants. Therefore, the assets are not included in the accompanying financial statements as of June 30, 2024.

(12) Commitments

Capital Improvements Program

The City Council adopted a five-year capital improvements program on May 14, 2024, which was later amended on June 25, 2024. The total estimated cost of this program amounted to \$867,066,971 to be funded from anticipated state and federal funds, debt financing, local fees, and funds on hand, both appropriated and unappropriated. The first year of the plan was appropriated on the same date.

Encumbrances

Encumbrances outstanding at year end represent the estimated amount of the expenditures required to complete contracts, purchase orders, and other commitments in process of completion at fiscal year-end. Outstanding encumbrances as of June 30, 2024 for the Governmental Funds of the City and Schools are as follows:

City		Schools	
<u>Governmental Funds</u>		<u>Governmental Funds</u>	
General Fund	\$ 7,090,923	General Fund	\$ 12,045,605
Capital Projects	65,476,651	Capital Projects	68,702,774
Other Governmental Funds	3,412,796	Other Governmental Funds	370,556
Total	\$ 75,980,370	Total	\$ 81,118,935

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(13) Related Parties

Joint Venture

Southeastern Public Service Authority (SPSA)

Southeastern Public Service Authority (SPSA) is a joint venture of the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, and Virginia Beach and the counties of Isle of Wight and Southampton, created to provide, operate, and maintain a regional system for the collection, transfer, processing, and disposal of solid waste refuse. SPSA is a single enterprise fund, that is a public body politic and corporate created pursuant to the Virginia Water and Sewer Authorities Act. It is governed by a sixteen (16) member Board of Directors consisting of eight (8) members appointed by the Governor and eight members appointed by each of the member cities or counties. Budgeting and financing of SPSA are subject to the approval of the Board of Directors, with each representative having a single vote. SPSA is responsible for its own financial matters, maintains its own books of accounts, and is audited annually by independent accountants that it engages. The participating governments do not have an equity interest in SPSA and; accordingly, no equity interest has been reflected in the City's financial statements. The City has a use and support agreement with SPSA for services through June 30, 2027. Additionally, SPSA leases property from the City which is used as a waste transfer station.

Complete financial statements for SPSA are available from the administrative office at 723 Woodlake Drive, Chesapeake, Virginia 23320.

Jointly Governed Organizations

Hampton Roads Regional Jail Authority (HRRJA)

The Hampton Roads Regional Jail Authority (HRRJA) was a regional organization which included the cities of Chesapeake, Hampton, Newport News, Norfolk, and Portsmouth and was governed by a fifteen (15) member Board of Directors, consisting of three representatives appointed by each of the member cities. The Authority was created for the purpose of providing, operating and maintaining a regional jail facility for the correctional overflow from each community. The Authority's Board made the decision, with the City's full support, to close the jail as of April 1, 2024, and sell the jail to the City of Portsmouth. Chesapeake paid the Authority a per diem charge per inmate totaling \$3,639,680 through March 2024 per contract. A rebate of \$880,816 was received from the Authority in FY2024. The final payment for the City's portion of the dissolution and sale of the jail is expected in FY2025.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(13) Continued

Hampton Roads Transit (HRT)

Hampton Roads Transit (HRT) provides public transportation facilities and services within the cities of Norfolk, Chesapeake, Hampton, Newport News, and Virginia Beach, Virginia. Oversight responsibility for HRT is exercised by the participating localities through their designated representatives. Responsibility for the day-to-day operation of HRT rests with professional management. Chesapeake paid \$3,007,400 to HRT in FY2024.

Hampton Roads Planning District Commission (the Commission)

The Commission performs various planning services for the cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Portsmouth, Poquoson, Suffolk, Williamsburg, and Virginia Beach, and the counties of Gloucester, Isle of Wight, James City, Southampton, and York. During the fiscal year ending June 30, 2024, the City paid a member contribution of \$251,959. Additionally, regional contributions were made of \$241,904 for programs for coastal resiliency, stormwater, water and wastewater along with an HR Clean Communities system.

Hampton Roads Economic Development Alliance (HREDA)

The HREDA is a non-profit, public-private partnership founded in 1997 to globally market Hampton Roads as the primary region of choice for economic investment. Its membership consists of the jurisdictions of Chesapeake, Franklin, Hampton, Isle of Wight, Newport News, Norfolk, Poquoson, Portsmouth, Southampton County, Suffolk, and Virginia Beach, Virginia. During FY2024, the City paid a member contribution of \$286,835.

Southside Network Authority (Authority)

The Southside Network Authority (Authority) was created by the cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach pursuant to the provisions of the Virginia Wireless Service Authorities Act, Chapter 54.1 of Title 15.2 of the Code of Virginia, to build and operate a regional high-speed broadband internet fiber ring. In FY2024, the City paid a contribution of \$70,400.

Eastern Virginia Regional Industrial Facility Authority (EVRIFA)

EVRIFA is a regional organization which includes the cities of Chesapeake, Franklin, Hampton, Newport News, Poquoson, and Williamsburg and the counties of Gloucester, Isle of Wight, James City, and York, created for the purpose of providing a regional authority mechanism to enhance the economic base of the member localities on a cooperative basis. The City contribution for FY2024 was \$4,000.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(14) Contingent Liabilities

Self-Insurance

The City is exposed to various risks of loss related to civil torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural perils. Accordingly, during fiscal year 1987, the City established a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risk of loss. Under this program, the Self-Insurance Fund provides coverage for the following types of liability claims retaining risk up to certain limits and obtaining excess commercial insurance policy coverage to additional limits.

	Self-insurance Risk Retention	Commercial Insurance Aggregate Coverage Limit
General and automobile liability claims	\$ 2,000,000	10,000,000
Public official, law enforcement officer and other liability	100,000	2,000,000
Workers' compensation claims	1,500,000	25,000,000

The Self-Insurance Fund also provides for injured employees that are permanently and totally disabled. Indemnity for these injured workers is 66 2/3 percent of their salary for up to 500 weeks and medical care for their injury. The settlements using commercial insurance did not exceed insurance coverage for each of the past three years and the insurance coverage is substantially the same as in the prior three years.

All funds of the City participate in the self-insurance program and make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior year and current year claims and to establish a reserve for catastrophic losses. The City uses an actuary to aid in the determination of self-insurance liabilities. The actuary also provides guidance regarding the appropriate fund balance reserves to be maintained. Interfund premiums are recorded as operating revenues in the Self-Insurance Fund and as expenditures or expenses in the funds charged. Claims processing and payments for workers' compensation are made through a third party administrator.

The claims liability of \$28,110,028 reported in the Self-Insurance Fund at June 30, 2024 is based on the requirements of GAAP. It requires that a liability for claims should be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability includes an amount for claims that have been incurred but not reported (IBNR).

Changes in the Self-Insurance Fund's liability amount during the fiscal years ended June 30, 2024 and 2023 were as follows:

Fiscal Year Ended	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
June 30, 2024	\$ 27,844,991	5,982,513	5,717,476	28,110,028
June 30, 2023	27,417,700	5,027,247	4,599,956	27,844,991

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(14) Continued

Effective January 1, 2016 the City began self-funding health insurance coverage for its participating employees and retirees and established the Self-Funded Health Fund for reporting of these activities. The City-provided health insurance has a specific stop loss limit of \$375,000 per member covering both medical and drug expenses, and aggregate coverage is capped at 120% of expected claims as determined during the annual rate setting process in consultation with the City's third-party administrator and health benefits consultant. The City purchases commercial insurance coverages for excess amounts. Claims processing and payments for self-funded health claims are made through a third-party administrator. Amounts due as of June 30, 2024 are recognized as the current portion of a long-term liability in the statement of net position. The City uses information provided by the third-party administrator and health benefits consultant to aid in the determination of self-funded health insurance liabilities. The total computed liability as of June 30, 2024 is \$4,601,315. Other health related insurance coverages (dental and vision) are provided on a fully insured basis.

Fiscal Year Ended	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
June 30, 2024	\$ 4,601,315	42,890,901	42,890,901	4,601,315
June 30, 2023	4,601,315	43,095,133	43,095,133	4,601,315

The Schools component unit is self-insured for its workers' compensation, health, and dental insurance. Workers' compensation has an \$800,000 limit per claim. Health insurance has a specific stop loss limit of \$300,000 per member covering both medical and drug expenses. Dental care has a cap at 120% of expected claims as calculated by the third-party administrator. Commercial insurance is purchased to cover other types of losses. The insurance coverage is substantially the same as in prior fiscal years. Claims processing and payments for workers' compensation, medical, and dental claims are made through a third-party administrator. The settlements using commercial insurance did not exceed insurance coverage for each of the past three years. Amounts due in future years on claims as of June 30, 2024 are recognized as a long-term liability in the statement of net position. The Schools use the information provided by the third-party administrator to aid in the determination of self-insurance liabilities. The total computed liability as of June 30, 2024 is \$10,556,724.

Changes in the Schools' self-insurance program liability amount during the fiscal years ended June 30, 2024 and 2023 were as follows:

Fiscal Year Ended	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
June 30, 2024	\$ 9,414,805	80,814,053	79,672,134	10,556,724
June 30, 2023	9,134,423	77,985,128	77,704,746	9,414,805

The liability at June 30, 2024 is comprised of 3,023,088 in workers' compensation liabilities and \$7,533,636 in accounts payable and accrued expenses related to medical and dental claims.

Notes to Basic Financial Statements
June 30, 2024

(14) Continued

Public Utilities Pro Rata

The City's Pro Rata Program ("program"), administered by the Department of Public Utilities, allows installers or entities that construct utility assets that will serve an area greater than its subdivision or development ("the initial installers") to receive a reimbursement as a proportionate share of its construction costs from other individuals or entities that will utilize the installed utility assets ("subsequent developers"). Upon acceptance, the utility assets are dedicated to the City and accepted into the public utility water and sewer system. The City's Department of Public Utilities has responsibility for the operation and maintenance of the dedicated utility assets.

The program's Pro Rata Policy ("policy") requires each initial installer to satisfy five conditions before it is eligible to receive reimbursements under the program. Among these five conditions is a requirement that the initial installer submit appropriate documentation to Public Utilities that verifies the initial installer's total cost expenditures for the installed utility asset. In addition, initial installer's must execute an agreement with the City that quantifies its proportional share of the construction costs (i.e., what that installer would have paid if the utility asset served just its development) and also an approximation of estimated subsequent developer reimbursements (i.e., what subsequent developers will likely owe to the initial installer when or if they utilize or benefit from the installing developer installed utility assets). The installing developer, once it receives the agreement, has twenty-one days to elect a method of reimbursement. It can elect a traditional Pro Rata reimbursement, which is a reimbursement of payments that the City receives from each subsequent developer (and is based upon the estimated benefit that the subsequent developer receives by utilizing the installed utility assets), or it can elect to receive connection fees, which are generally paid by home builders that purchase properties within the initial installer's subdivision. Connection fees are a standardized City-wide service fee paid by citizens or entities that utilize City water and sewer assets. The total connection fee reimbursement that an initial installer can receive is contractually limited to the estimated Pro Rata reimbursement figure contained in its installing developer agreement with the City. If no method of reimbursement is elected within the twenty-one days, the initial installer forfeits its right to connection fee reimbursement and elects, by default, traditional Pro Rata reimbursement. The initial installer is not eligible for a reimbursement where a subsequent developer has not yet paid its Pro Rata share of costs to the Department of Public Utilities.

In fiscal year 2024, Department of Public Utilities staff has continued to evaluate the program for revisions to enhance the reporting and financial accountability as it relates to the Pro Rata Liabilities. Further research of Pro Rata records and historical data, as well as some fiscal year 2024 activity, has the liabilities further refined. At the year-end, the recorded liability totaled \$703,445 for amounts received, but not yet reimbursed to initial installers who signed an agreement with the City and have met all five required conditions for Pro Rata reimbursement under the program. The amount payable to initial installers for whom the City has not yet received cash from subsequent developers or connection fees (depending on selection), but with whom the City has executed agreements is approximated herein as a contingent liability and is roughly estimated as approximately up to \$5.7 million. Upon receipt of cash from subsequent developers or connection fees, these payments will be made, and the contingent liability reduced. The estimated contingent liability for reimbursements that are due to initial installers wherein payments have already been received from subsequent developers, but that have not been paid by the City as a result of the five conditions not yet having been met, total a contingent liability of approximately up to \$2.9 million. The contingent liability total of the five conditions not having been met has changed from previous years due to the Commonwealth of Virginia Code Section 15.2-2243, effective October 2021. The Initial Installer Agreement and reimbursement obligation shall end twelve (12) years starting from the date of utility activation. The Code is not applicable to the Pro Rata projects that precedes it. Nevertheless, these amounts will be reimbursed by the City if and when all five conditions required under the policy have been met

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(14) Continued

Federal Award Programs

The City and the Schools participate in a number of federal and state award, assistance, and grant programs. These programs are subject to financial and program compliance audits by the applicable agency or their representative. In addition, federal grants programs, including the financial assistance of Coronavirus Relief Funds received under the CARES Act and Local Fiscal Recovery Funds received under the American Rescue Plan Act (ARPA), have been audited in accordance with the provisions of the Uniform Guidance as it existed at the date of the report, prior to any supplemental specific guidance for CARES and ARPA Act funding. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, management believes such disallowances, if any, will not be significant.

Litigation

The City is involved in various claims and litigation resulting from its normal operations. The ultimate outcome of these matters is not presently determinable. The City management, based on the advice of the City Attorney, is of the opinion that these matters will not have a material effect on the City's financial position.

Pollution Remediation

The City of Chesapeake is party to several related documents relating to sanitary sewer overflows, including a Commonwealth of Virginia Department of Environmental Special Order By Consent dated September 26, 2007, a regional Memorandum of Agreement dated June 28, 2007, and a regional Memorandum of Agreement dated March 10, 2014, amended 11 December, 2017. These orders and/or agreements apply to the Hampton Roads Sanitation District (HRSD) and 14 localities in the Hampton Roads Area. Due to pipe breaks, electrical outages, infiltration and inflow, insufficient capacity in the sanitary sewer collection, interceptor and treatment systems, and other factors, untreated sewage is occasionally discharged from various locations in the individual sanitary sewer collection systems of the Localities and (HRSD) to various area state waters. The low-lying nature of the Hampton Roads region and corresponding high groundwater table, together with periodic widespread flooding in the regions' urbanized areas, are significant factors contributing to the discharge of untreated sewage. These discharges violate Virginia Code §62.1-44.5.A §25-31-50.A.

The March 2014 Memorandum of Agreement (MOA), as amended, assigns responsibilities as follows:

- HRSD assumes responsibility for all wet weather and capacity based sanitary sewer overflows and their associated repairs.
- The City of Chesapeake assumes responsibility for dry weather, maintenance and operations based sanitary sewer overflows and their associated remediation and repair.

The HRSD is also subject to a Federal Consent Decree relating to this same issue, which also identifies responsibilities per the March 2014 MOA as amended. Per this Consent Decree, HRSD has developed and is implementing a Regional Wet Weather Management Plan (RWWMP) that identifies work tasks need to be completed in the HRSD and localities' sewer systems relating to capacity.

Chesapeake has already undertaken a great deal of sanitary sewer system evaluation and rehabilitation, coordinating with HRSD so as to not duplicate effort that is or will be their responsibility. These rehabilitation projects are making constant progress, even as RWWMP evaluations are ongoing and help target areas to prioritize future rehabilitation.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(14) Continued

An amendment to the 2014 MOA is being considered by all 14 localities and HRSD that updates the MOA, and incorporates proposed changes to the USEPA-HRSD Consent Decree that include the impacts of the Sustainable Water Initiative for Tomorrow (SWIFT) aquifer injection program currently being pilot tested by HRSD. The Chesapeake City Council approved this amendment on December 11, 2019.

(15) Subsequent Events

CTS Refunding

On July 17, 2024, the Chesapeake Transportation System issued \$78,075,000 of Senior Toll Road Revenue Refunding Bonds, Series 2024. The bonds were issued to refund \$78,845,000 of the outstanding Chesapeake Transportation System Senior Toll Road Revenue Bonds, Current Interest Bonds, Series 2012A and pay issuance costs. Concurrently with the issuance of the 2024 Bonds, Assured Guaranty Municipal Corp. issued its Municipal Bond Insurance Policy for the 2024 Bonds maturing on July 15 in the years 2028 through 2044, inclusive, and 2047 (term bond). The Sixth Supplemental Indenture made amendments to the Master Indenture that (1) revised the Flow of Funds so that no funds are deposited to the Subordinate Bonds Debt Service Account of the Debt Service Fund until all Senior Bonds Debt Service for the Fiscal Year has been funded; and (2) revise the Flow of Funds to allow 10% of surplus net revenue (or 20% if the General Reserve Fund does not contain \$10,000,000) to be retained in the General Reserve Fund at the end of the Fiscal Year, rather than apply 100% of surplus net revenue to accelerate the repayment of the VTIB Bond and then to pay the other subordinate debt obligations of the System. The refunding resulted in a net present value savings of \$7.21 million or 9.15%.

Pollution Remediation: 116 Reservation Road

On July 9, 2024, the Facilities Division of Public Works reported a potential underground heating oil storage tank located at 116 Reservation Road known as the old Fire Station No. 5 site. The City's annual environmental services contractor Bay Environmental investigated the site and confirmed the prescience of a 550-gallon heating oil Underground Storage Tank (UST). The UST was no longer in use but had overflowed through the fill port resulting in a release. Bay Environmental reported the release to the Virginia Department of Environmental Quality (DEQ) on July 19, 2024, and DEQ assigned Pollution Response Case #2025-5009 on July 22, 2024. DEQ assigned a Category 2 to the heating oil release. The clean up will include Bay Environmental pumping out and properly disposing of the contents of the UST, removing the limited quantities of petroleum impacted soils, and preparing a Site Characterization Report (SCR). After DEQ receives the Category 2 SCR, DEQ will likely issue a clean closure letter for the site and close PC #2025-5009. The DEQ will cover all the costs associated with the UST removal, site remediation, and sampling for the exception of a \$500 program deductible.

(Continued)

Notes to Basic Financial Statements
June 30, 2024

(16) Accounting Pronouncements

Adoption of New Accounting Statements

During the year ended June 30, 2024, the City implemented the provisions of the following Governmental Accounting Standard Board (GASB) statements:

GASB Statement No.100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No.62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Future Accounting Pronouncements

The GASB has issued the following pronouncements prior to June 30, 2024, which have effective dates that may impact future presentations. Management has not currently determined what impact the implementation of these statements may have on the financial statements of the City.

GASB Statement No. 101, *Compensated Absences* The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Required Supplementary Information



CITY OF CHESAPEAKE, VIRGINIA

Schedule L-1

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund - unaudited
 Year Ended June 30, 2024

	General Fund			Variance Positive (Negative)
	Original Budget	Revised Budget	Actual	
REVENUES				
General property taxes	\$ 443,282,027	443,282,027	457,488,170	14,206,143
Other local taxes	161,800,622	161,800,622	166,922,961	5,122,339
Licenses, permits, and fees	11,193,340	11,193,340	12,296,487	1,103,147
Fines and forfeitures	623,236	623,236	692,641	69,405
Investment income	1,500,000	1,500,000	18,517,461	17,017,461
Revenues from use of property	1,319,358	1,319,358	1,228,510	(90,848)
Charges for services	12,599,356	13,427,356	14,409,520	982,164
Miscellaneous local revenues	93,970	293,970	725,466	431,496
Recovered costs	25,000	25,000	1,409,930	1,384,930
Intergovernmental revenues:				
Commonwealth of Virginia	104,416,475	104,778,975	110,875,160	6,096,185
Federal government	59,000	59,000	340,826	281,826
Chesapeake Public Schools	-	-	836,511	836,511
Total revenues	736,912,384	738,302,884	785,743,643	47,440,759
EXPENDITURES				
Current:				
General government	158,055,888	152,972,233	140,129,277	12,842,956
Public safety	128,840,644	131,744,139	126,430,045	5,314,094
Public works	87,752,550	88,437,307	78,664,264	9,773,043
Parks and recreation	16,915,692	17,272,678	15,956,271	1,316,407
Education	295,232,621	300,732,621	292,429,105	8,303,516
Total expenditures	686,797,395	691,158,978	653,608,962	37,550,016
Excess (deficiency) of revenues over (under) expenditures	50,114,989	47,143,906	132,134,681	84,990,775
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,900,598	11,190,730	15,479,637	4,288,907
Transfers to other funds	(115,170,743)	(123,183,170)	(108,235,859)	14,947,311
Total other financing sources (uses), net	(113,270,145)	(111,992,440)	(92,756,222)	19,236,218
Net change in fund balance	(63,155,156)	(64,848,534)	39,378,459	104,226,993
Fund balance - beginning	420,086,857	420,086,857	420,086,857	-
Fund balance - ending	\$ 356,931,701	355,238,323	459,465,316	104,226,993

Reconciliation from budgetary basis of accounting to Generally Accepted Accounting Principles

Expenditures

Total expenditures, Schedule L-1	\$ 653,608,962
Capital outlay - leases and subscriptions	952,546
Total expenditures, Schedule D	654,561,508
Other financing sources (uses), net	
Total other financing sources (uses), Schedule L-1	(92,756,222)
Issuance of leases (as lessee)	637,421
Issuance of subscriptions	312,251
Total other financing sources (uses), Schedule D	\$ (91,806,550)

Unaudited - see accompanying auditors' report and notes to required supplementary information

CITY OF CHESAPEAKE, VIRGINIA**Schedule L-2**

Schedule of Employer Pension Contributions - Virginia Retirement System - unaudited
Year Ended June 30, 2024

City

For Fiscal Year Ended	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
June 30, 2024	\$ 35,674,571	35,674,571	-	217,091,522	16.43%
June 30, 2023	33,614,581	33,614,581	-	204,799,376	16.41%
June 30, 2022	26,673,312	26,673,312	-	178,365,924	14.95%
June 30, 2021	28,047,063	28,047,063	-	179,329,050	15.64%
June 30, 2020	26,761,007	26,761,007	-	171,106,184	15.64%
June 30, 2019	24,559,253	24,559,253	-	172,224,775	14.26%
June 30, 2018	23,698,719	23,698,719	-	166,190,173	14.26%
June 30, 2017	20,969,936	20,969,936	-	153,143,100	13.69%
June 30, 2016	23,566,227	23,566,227	-	147,330,182	16.00%
June 30, 2015	23,293,190	23,293,190	-	144,086,821	16.17%

Schools' Nonprofessional Employees

For Fiscal Year Ended	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
June 30, 2024	\$ 2,460,436	2,460,436	-	24,716,876	9.95%
June 30, 2023	2,494,031	2,494,031	-	24,832,144	10.04%
June 30, 2022	2,075,319	2,075,319	-	21,642,086	9.59%
June 30, 2021	2,034,734	2,034,734	-	21,166,859	9.61%
June 30, 2020	1,811,015	1,811,015	-	24,324,677	7.40%
June 30, 2019	1,763,262	1,763,262	-	21,167,806	8.33%
June 30, 2018	1,867,510	1,867,510	-	21,169,819	8.82%
June 30, 2017	1,936,293	1,936,293	-	21,645,530	8.95%
June 30, 2016	2,290,138	2,290,138	-	21,335,475	10.73%
June 30, 2015	2,321,931	2,321,931	-	21,478,860	10.81%

Schools' Professional Employees

For Fiscal Year Ended	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
June 30, 2024	\$ 50,969,009	50,969,009	-	320,711,918	15.89%
June 30, 2023	47,742,963	47,742,963	-	298,933,902	15.97%
June 30, 2022	43,406,526	43,406,526	-	269,598,368	16.10%
June 30, 2021	41,069,791	41,069,791	-	254,021,185	16.17%
June 30, 2020	38,607,353	38,607,353	-	251,983,078	15.32%
June 30, 2019	36,815,952	36,815,952	-	238,636,634	15.43%
June 30, 2018	37,345,663	37,345,663	-	231,560,514	16.13%
June 30, 2017	32,815,991	32,815,991	-	225,349,626	14.56%
June 30, 2016	30,557,558	30,557,558	-	218,100,620	14.01%
June 30, 2015	31,725,142	31,725,142	-	219,173,315	14.47%

Unaudited - see accompanying auditors' report and notes to required supplementary information

CITY OF CHESAPEAKE, VIRGINIA

Schedule L-3

Schedule of Changes in the Net Pension Liability and Related Ratios - unaudited
Year Ended June 30, 2024

City Employees	2015*	2016*	2017*	2018*	2019*
Total pension liability					
Service cost	\$ 18,811,281	18,816,001	19,256,498	19,415,271	20,662,658
Interest cost	52,973,477	55,502,643	57,375,617	60,663,347	62,557,454
Changes of Assumptions	-	-	-	2,557,592	-
Difference between expected and actual experience	-	(8,933,171)	11,760,453	(11,011,574)	979,966
Benefit payments, including refunds of employee contributions	(34,074,130)	(37,233,496)	(40,023,900)	(42,826,108)	(46,305,819)
Net change in total pension liability	37,710,628	28,151,977	48,368,668	28,798,528	37,894,259
Total pension liability - beginning	773,801,021	811,511,649	839,663,626	888,032,294	916,830,822
Total pension liability - ending	\$ 811,511,649	839,663,626	888,032,294	916,830,822	954,725,081
Plan fiduciary net position					
Contributions - employer	\$ 21,780,263	23,309,941	23,585,872	20,970,594	21,536,966
Contributions - employee	7,107,584	7,364,024	7,428,153	7,699,143	7,846,621
Net investment income	94,184,657	31,352,624	12,288,110	86,401,631	57,749,705
Benefit payments, including refunds of employee contributions	(34,074,130)	(37,233,496)	(40,023,900)	(42,826,108)	(46,305,819)
Administrative expense	(507,330)	(429,327)	(441,129)	(502,418)	(502,161)
Other	4,964	(6,630)	(5,228)	(76,806)	(51,279)
Net change in plan fiduciary net position	88,496,008	24,357,136	2,831,878	71,666,036	40,274,033
Plan fiduciary net position - beginning	598,576,634	687,072,642	711,429,778	714,261,656	785,927,692
Plan fiduciary net position - ending	\$ 687,072,642	711,429,778	714,261,656	785,927,692	826,201,725
Net pension liability - ending	\$ 124,439,007	128,233,848	173,770,638	130,903,130	128,523,356
Plan fiduciary net position as a percentage of total pension liability	84.67%	84.73%	80.43%	85.72%	86.54%
Covered payroll	\$ 138,455,434	144,086,821	147,330,182	153,143,100	166,190,173
Net pension liability as a percentage of covered payroll	89.88%	89.00%	117.95%	85.48%	77.34%

Unaudited - see accompanying auditors' report and notes to required supplementary information

(Continued)

Schedule of Changes in the Net Pension Liability and Related Ratios - unaudited
Year Ended June 30, 2024

City Employees	2020*	2021*	2022*	2023*	2024*
Total pension liability					
Service cost	21,283,410	23,197,245	22,704,749	24,405,566	29,120,955
Interest cost	65,066,734	67,336,814	70,456,742	76,175,144	78,901,129
Changes of Assumptions	28,194,184	-	40,716,866	-	-
Difference between expected and actual experience	5,243,769	10,568,314	(15,288,086)	(4,099,122)	26,094,375
Benefit payments, including refunds of employee contributions	(50,400,608)	(53,060,290)	(56,702,122)	(59,855,418)	(61,768,617)
Net change in total pension liability	69,387,489	48,042,083	61,888,149	36,626,170	72,347,842
Total pension liability - beginning	954,725,081	1,024,112,570	1,072,154,653	1,134,042,802	1,170,668,972
Total pension liability - ending	1,024,112,570	1,072,154,653	1,134,042,802	1,170,668,972	1,243,016,814
Plan fiduciary net position					
Contributions - employer	23,141,407	23,814,509	25,873,056	27,100,255	33,933,407
Contributions - employee	8,054,466	8,283,225	8,224,927	8,643,067	9,701,330
Net investment income	54,452,765	16,369,883	231,870,014	(907,605)	66,827,368
Benefit payments, including refunds of employee contributions	(50,400,608)	(53,060,290)	(56,702,122)	(59,855,418)	(61,768,617)
Administrative expense	(546,363)	(562,434)	(582,574)	(663,216)	(664,550)
Other	(34,366)	(24,582)	21,838	21,766	24,194
Net change in plan fiduciary net position	34,667,301	(5,179,689)	208,705,139	(25,661,151)	48,053,132
Plan fiduciary net position - beginning	826,201,725	860,869,026	855,689,337	1,064,394,476	1,038,733,325
Plan fiduciary net position - ending	860,869,026	855,689,337	1,064,394,476	1,038,733,325	1,086,786,457
Net pension liability - ending	163,243,544	216,465,316	69,648,326	131,935,647	156,230,357
Plan fiduciary net position as a percentage of total pension liability	84.06%	79.81%	93.86%	88.73%	87.43%
Covered payroll	172,224,775	171,106,184	179,329,050	178,365,924	204,799,376
Net pension liability as a percentage of covered payroll	94.79%	126.51%	38.84%	73.97%	76.28%

* The amounts presented have a measurement date of the previous fiscal year end

CITY OF CHESAPEAKE, VIRGINIA

Schedule L-4

Schedule of Changes in the Net Pension Liability and Related Ratios - unaudited
Year Ended June 30, 2024

Schools' Nonprofessional Employees:	2015*	2016*	2017*	2018*	2019*
Total pension liability					
Service cost	\$ 2,157,963	2,148,602	2,136,694	2,097,124	1,999,505
Interest cost	5,971,479	6,232,246	6,531,345	6,711,839	6,796,198
Difference between expected and actual experience	-	366,267	(1,148,254)	(1,139,936)	(213,340)
Change in assumption	-	-	-	(1,036,291)	-
Benefit payments, including refunds of employee contributions	(4,578,086)	(4,230,322)	(4,718,205)	(5,164,407)	(5,690,801)
Net change in total pension liability	3,551,356	4,516,793	2,801,580	1,468,329	2,891,562
Total pension liability - beginning	87,595,888	91,147,244	95,664,037	98,465,617	99,933,946
Total pension liability - ending	\$ 91,147,244	95,664,037	98,465,617	99,933,946	102,825,508
Plan fiduciary net position					
Contributions - employer	\$ 2,399,609	2,321,495	2,290,549	1,927,178	1,858,617
Contributions - employee	1,057,299	1,063,283	1,052,203	1,052,494	1,015,533
Net investment income	10,545,595	3,503,699	1,365,632	9,566,139	6,334,762
Benefit payments, including refunds of employee contributions	(4,578,086)	(4,230,322)	(4,718,205)	(5,164,407)	(5,690,801)
Administrative expense	(57,298)	(48,093)	(49,417)	(56,156)	(55,879)
Other	556	(743)	(582)	(8,489)	(5,606)
Net change in plan fiduciary net position	9,367,675	2,609,319	(59,820)	7,316,759	3,456,626
Plan fiduciary net position - beginning	67,634,802	77,002,477	79,611,796	79,551,976	86,868,735
Plan fiduciary net position - ending	\$ 77,002,477	79,611,796	79,551,976	86,868,735	90,325,361
Net pension liability - ending	\$ 14,144,767	16,052,241	18,913,641	13,065,211	12,500,147
Plan fiduciary net position as a percentage of total pension liability	84.48%	83.22%	80.79%	86.93%	87.84%
Covered payroll	\$ 21,063,314	21,478,860	21,335,475	21,645,530	21,169,819
Net pension liability as a percentage of covered payroll	67.15%	74.74%	88.65%	60.36%	59.05%

Schedule of Changes in the Net Pension Liability and Related Ratios - unaudited
Year Ended June 30, 2024

Schools' Nonprofessional Employees:	2020*	2021*	2022*	2023*	2024*
Total pension liability					
Service cost	1,907,133	1,968,095	1,932,319	1,794,540	2,040,728
Interest cost	6,993,180	7,136,628	7,486,062	7,982,992	8,232,674
Difference between expected and actual experience	(7,036)	2,232,491	(946,700)	403,925	2,458,559
Change in assumption	2,840,241	-	3,644,591	-	-
Benefit payments, including refunds of employee contributions	(5,845,861)	(5,970,683)	(6,350,150)	(6,747,613)	(6,709,704)
Net change in total pension liability	5,887,657	5,366,531	5,766,122	3,433,844	6,022,257
Total pension liability - beginning	102,825,508	108,713,165	114,079,696	119,845,818	123,279,662
Total pension liability - ending	108,713,165	114,079,696	119,845,818	123,279,662	129,301,919
Plan fiduciary net position					
Contributions - employer	1,764,432	1,814,702	2,041,421	2,074,259	2,569,577
Contributions - employee	1,006,106	1,037,991	996,104	1,007,104	1,177,308
Net investment income	5,917,505	1,744,842	24,690,149	(71,229)	6,988,152
Benefit payments, including refunds of employee contributions	(5,845,861)	(5,970,683)	(6,350,150)	(6,747,613)	(6,709,704)
Administrative expense	(60,104)	(61,365)	(62,944)	(70,760)	(70,364)
Other	(3,717)	(2,145)	2,319	2,565	(1,375)
Net change in plan fiduciary net position	2,778,361	(1,436,658)	21,316,899	(3,805,674)	3,953,594
Plan fiduciary net position - beginning	90,325,361	93,103,722	91,667,064	112,983,963	109,178,289
Plan fiduciary net position - ending	93,103,722	91,667,064	112,983,963	109,178,289	113,131,883
Net pension liability - ending	15,609,443	22,412,632	6,861,855	14,101,373	16,170,036
Plan fiduciary net position as a percentage of total pension liability	85.64%	80.35%	94.27%	88.56%	87.49%
Covered payroll	21,167,806	24,324,677	21,166,859	21,642,086	24,832,144
Net pension liability as a percentage of covered payroll	73.74%	92.14%	32.42%	65.16%	65.12%

* The amounts presented have a measurement date of the previous fiscal year end.

CITY OF CHESAPEAKE, VIRGINIA

Schedule L-5

Schedule of Employer's Share of Net Pension Liability - unaudited
VRS Teacher Retirement Plan
Year Ended June 30, 2024

Schools' Professional Employees:	2015*	2016*	2017*	2018*	2019*
Employer's Proportion of the Net Pension Liability (Asset)	2.96080%	2.94792%	2.86078%	2.87861%	2.89014%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 357,804,000	371,035,000	400,913,000	354,010,000	\$ 339,880,000
Employer's Covered Payroll	\$ 216,535,628	219,173,315	218,100,620	225,349,626	\$ 231,560,514
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	165.24%	169.29%	183.82%	157.09%	146.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	70.68%	68.28%	72.92%	74.81%

Schools' Professional Employees:	2020*	2021*	2022*	2023*	2024*
Employer's Proportion of the Net Pension Liability (Asset)	2.87783%	2.91539%	2.90579%	2.92579%	3.03437%
Employer's Proportionate Share of the Net Pension Liability (Asset)	378,738,781	424,265,808	225,579,307	278,552,724	306,689,990
Employer's Covered Payroll	238,636,634	251,983,078	254,021,185	269,598,368	298,933,902
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	158.71%	168.37%	88.80%	103.32%	102.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.51%	71.47%	85.46%	82.61%	82.45%

* The amounts presented have a measurement date of the previous fiscal year end.

Schedule L-6

Schedules of Employer Contributions - Other Postemployment Benefits - City Directed - unaudited
Year Ended June 30, 2024

City Directed

For Fiscal Year Ended	Actuarial Determined Contribution	Actual Amount Contributed in Dollars	Contribution Deficiency (Excess) **	Covered Payroll	Percentage of Covered Payroll
June 30, 2024	\$ 3,702,000	3,391,556	310,444	217,091,522	1.56%
June 30, 2023	3,563,000	3,489,201	73,799	204,799,376	1.70%
June 30, 2022	3,604,000	3,647,087	(43,087)	178,365,924	2.04%
June 30, 2021	3,359,000	3,189,391	169,609	169,612,145	1.88%
June 30, 2020	2,753,000	2,558,807	194,193	171,271,305	1.49%
June 30, 2019	2,005,000	2,005,000	-	165,769,435	1.21%
June 30, 2018*	2,557,000	2,557,000	-	158,317,359	1.62%
June 30, 2017	3,089,000	3,089,000	-	153,143,100	2.02%
June 30, 2016	7,851,000	7,851,000	-	147,326,696	5.33%
June 30, 2015	10,615,000	10,615,000	-	144,086,821	7.37%

* 2018 represents the first year of Actuarial Determined Contribution, which replaces ARC (Annual Required Contribution) for 2017 and prior

** Beginning in FY2020 the funding deficiency/(excess) was changed from accrual to cash basis. The net difference between the ADC and the Paygo is recorded as payable to the City and reimbursed in the following fiscal year. The effective deficiency excess is the difference between these reimbursements year over year and in FY2020 a \$2,678 adjustment.

Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios - unaudited
Year Ended June 30, 2024

City Directed OPEB Plan	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 2,470,272	2,622,677	2,840,269	2,948,154
Interest cost	5,541,256	5,405,083	5,969,997	6,517,501
Change of benefit terms	-	-	-	-
Difference between expected and actual experience	1,925,666	6,721,119	7,506,290	3,178,399
Changes in Assumptions	(5,323,681)	-	(3,209,635)	-
Benefit payments	(6,200,342)	(6,602,480)	(4,569,274)	(5,002,653)
Net change in total OPEB liability	(1,586,829)	8,146,399	8,537,647	7,641,401
Total OPEB liability - beginning	81,783,807	80,196,978	88,343,377	96,881,023
Total OPEB liability - ending	\$ 80,196,978	88,343,377	96,881,024	104,522,424
Plan fiduciary net position				
Contributions - employer	\$ 6,200,342	5,120,704	2,558,807	3,189,391
Net investment income	6,556,557	5,272,630	5,541,530	23,826,374
Benefit payments	(6,200,342)	(6,602,480)	(4,569,274)	(5,002,653)
Net change in plan fiduciary net position	6,556,557	3,790,854	3,531,063	22,013,112
Plan fiduciary net position - beginning	78,646,342	85,202,899	88,993,753	92,524,816
Plan fiduciary net position - ending	\$ 85,202,899	88,993,753	92,524,816	114,537,928
Net OPEB liability (asset) - ending	(5,005,921)	(650,376)	4,356,208	(10,015,504)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	106.24%	100.74%	95.50%	109.58%
Covered payroll	\$ 158,317,359	165,769,435	171,271,305	169,612,145
Net OPEB liability (asset) as a percentage of covered payroll	-3.16%	-0.39%	2.54%	-5.90%
Expected average remaining service years of all participants	6	6	6	6
Annual money - weighted rate of return, net of investment expense	7.98%	6.48%	6.38%	26.05%

Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios - unaudited
Year Ended June 30, 2024

City Directed OPEB Plan	2022	2023	2024
Total OPEB liability			
Service cost	3,278,093	3,858,031	4,257,870
Interest cost	7,044,560	7,020,038	6,886,026
Change of benefit terms	-	-	-
Difference between expected and actual experience	(7,198,696)	(9,278,850)	(5,418,314)
Changes in Assumptions	1,869,547	4,980,545	(7,878,635)
Benefit payments	(5,291,074)	(5,176,275)	(5,013,637)
Net change in total OPEB liability	(297,570)	1,403,489	(7,166,690)
Total OPEB liability - beginning	104,522,424	104,224,855	105,628,344
Total OPEB liability - ending	104,224,854	105,628,344	98,461,654
Plan fiduciary net position			
Contributions - employer	3,647,087	3,489,201	3,391,556
Net investment income	(15,446,567)	7,964,827	12,879,686
Benefit payments	(5,291,074)	(5,176,275)	(5,013,637)
Net change in plan fiduciary net position	(17,090,554)	6,277,753	11,257,605
Plan fiduciary net position - beginning	114,537,928	97,447,374	103,725,127
Plan fiduciary net position - ending	97,447,374	103,725,127	114,982,732
Net OPEB liability (asset) - ending	6,777,480	1,903,217	(16,521,078)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	93.50%	98.20%	116.78%
Covered payroll	178,365,924	204,799,376	217,091,522
Net OPEB liability (asset) as a percentage of covered payroll	3.80%	0.93%	-7.61%
Expected average remaining service years of all participants	6	6	6
Annual money - weighted rate of return, net of investment expense	(13.56)%	8.23%	12.57%

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no other historical data is available. However, additional years will be included as they become available.

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CITY OF CHESAPEAKE, VIRGINIA

Schedule L-8

Schedule of City of Chesapeake Proportionate Share of Net OPEB Liability (Asset) -
VRS Directed Programs - unaudited
Year Ended June 30, 2024

	2018	2019	2020	2021	2022	2023	2024
Virginia Local Disability Program							
Employers Proportion of the Net VLDP OPEB Liability	9.82223%	10.44129%	10.23567%	10.26223%	10.15913%	9.81381%	9.79169%
City of Chesapeake Proportionate Share of the Net VLDP OPEB Liability	\$ 56,000	81,000	207,356	102,442	(102,838)	(57,700)	(157,548)
City of Chesapeake Covered Payroll	17,984,904	31,630,332	38,240,626	40,810,710	45,976,591	45,426,253	59,442,809
City of Chesapeake Proportionate Share of the Net VLDP OPEB Liability as a percentage of its covered payroll	0.31%	0.26%	0.54%	0.25%	(0.22)%	(0.13)%	(0.27)%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	38.40%	51.39%	49.19%	76.84%	119.59%	107.99%	116.89%
Group Life Insurance Program							
Employers Proportion of the Net GLIP OPEB Liability	0.84410%	0.84669%	0.85198%	0.84104%	0.83363%	0.83069%	0.87445%
City of Chesapeake Proportionate Share of the Net GLIP OPEB Liability	\$ 12,702,000	12,859,000	13,863,982	14,035,581	9,705,715	10,002,309	10,487,396
City of Chesapeake Covered Payroll	153,143,100	167,015,386	173,088,056	172,114,265	180,696,163	178,365,924	204,799,376
City of Chesapeake Proportionate Share of the Net GLIP OPEB Liability as a percentage of its covered payroll	8.29%	7.70%	8.01%	8.15%	5.37%	5.61%	5.12%
Plan Fiduciary Net Position as a Percentage of the Total GLIP OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%
Line of Duty Act							
Employers Proportion of the Net LODA OPEB Liability	6.09451%	6.18415%	6.53382%	6.25720%	6.76533%	6.65101%	6.19899%
City of Chesapeake Proportionate Share of the Net LODA OPEB Liability	\$ 16,016,000	19,387,000	23,442,441	26,187,356	29,834,537	25,171,107	24,851,701
City of Chesapeake Covered Payroll	153,143,100	158,317,359	165,769,435	171,271,305	169,612,145	178,365,924	204,799,376
City of Chesapeake Proportionate Share of the Net LODA OPEB Liability as a percentage of its covered payroll	*	*	*	*	*	*	*
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.30%	0.60%	0.79%	1.02%	1.68%	1.87%	1.31%

* Contributions to the Line of Duty Trust Fund are based on the number of participants in the program using a per-capita based contribution versus a payroll-based contribution.

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no other historical data is available. However, additional years will be included as they become available.

Unaudited - see accompanying auditors' report and notes to required supplementary information

Schedule of Changes in the Net OPEB Liability and Related Ratios - unaudited
Year Ended June 30, 2024

Schools Directed OPEB Plan	2017	2018	2019	2020
Total OPEB liability				
Service cost	\$ 5,640,881	4,948,794	4,726,009	5,258,384
Interest cost	4,683,042	5,496,930	5,633,989	5,240,229
Change in benefit terms	-	-	-	(3,033,535)
Difference between expected and actual experience	(1,299,051)	(2,077,490)	(1,937,712)	3,168,388
Change in assumption	(13,473,773)	(698,818)	8,959,393	14,887,367
Benefit payments	(5,681,682)	(5,481,286)	(5,223,504)	(5,020,164)
Net change in total OPEB liability	(10,130,583)	2,188,130	12,158,175	20,500,669
Total OPEB liability - beginning	167,158,106	157,027,523	159,215,653	171,373,828
Total OPEB liability - ending	\$ 157,027,523	159,215,653	171,373,828	191,874,497
Plan fiduciary net position				
Contributions - employer	\$ 5,681,862	5,481,286	5,223,504	5,020,164
Net investment income	354,865	296,635	153,792	105,287
Benefit payments	(5,681,862)	(5,481,286)	(5,223,504)	(5,020,164)
Net change in plan fiduciary net position	354,865	296,635	153,792	105,287
Plan fiduciary net position - beginning	2,786,002	3,140,867	3,437,502	3,591,294
Plan fiduciary net position - ending	\$ 3,140,867	3,437,502	3,591,294	3,696,581
Net OPEB liability - ending	\$ 153,886,656	155,778,151	167,782,534	188,177,916
Plan fiduciary net position as a percentage of total OPEB liability	2.00%	2.16%	2.10%	1.93%
Covered payroll	\$ 246,995,156	252,730,333	259,804,440	276,307,755
Net OPEB liability as a percentage of covered payroll	62.30%	61.64%	64.58%	68.10%
Expected average remaining service years of all participants	7	7	7	7
Annual money - weighted rate of return, net of investment expense	13.04%	9.52%	9.00%	5.90%

Unaudited - see accompanying auditors' report and notes to required supplementary information

Schedule of Changes in the Net OPEB Liability and Related Ratios - unaudited
Year Ended June 30, 2024

Schools Directed OPEB Plan	2021	2022	2023	2024
Total OPEB liability				
Service cost	6,181,037	5,923,823	3,908,729	3,758,090
Interest cost	4,601,350	3,411,918	5,439,879	5,669,209
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	(24,972,132)	(1,101,266)	(1,879,747)	(3,983,249)
Change in assumption	7,910,410	(33,141,260)	(2,696,735)	(5,399,298)
Benefit payments	(4,868,389)	(4,944,112)	(5,027,600)	(5,105,441)
Net change in total OPEB liability	(11,147,724)	(29,850,897)	(255,474)	(5,060,689)
Total OPEB liability - beginning	191,874,497	180,726,773	150,875,876	150,620,402
Total OPEB liability - ending	180,726,773	150,875,876	150,620,402	145,559,713
Plan fiduciary net position				
Contributions - employer	4,868,389	4,944,112	5,027,600	5,105,441
Net investment income	1,106,374	(448,653)	192,356	572,843
Benefit payments	(4,868,389)	(4,944,112)	(5,027,600)	(5,105,441)
Net change in plan fiduciary net position	1,106,374	(448,653)	192,356	572,843
Plan fiduciary net position - beginning	3,696,581	4,802,955	4,354,302	4,546,658
Plan fiduciary net position - ending	4,802,955	4,354,302	4,546,658	5,119,501
Net OPEB liability - ending	175,923,818	146,521,574	146,073,744	140,440,212
Plan fiduciary net position as a percentage of total OPEB liability	2.66%	2.89%	3.02%	3.52%
Covered payroll	275,188,044	291,240,455	323,766,048	345,428,794
Net OPEB liability as a percentage of covered payroll	63.93%	50.31%	45.12%	40.66%
Expected average remaining service years of all participants	8	8	8	8
Annual money - weighted rate of return, net of investment expense	30.08%	(9.66)%	7.91%	9.36%

Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, no other historical data is available. However, additional years will be included as they become available.

CITY OF CHESAPEAKE, VIRGINIA

Schedule L-10

Schedule of City of Chesapeake Schools' Proportionate Share of Net OPEB Liability (Asset) - VRS Directed Programs - unaudited

Year Ended June 30, 2024

	2018	2019	2020	2021
Virginia Local Disability Program				
Employers' Proportion of the Net VLDP OPEB Liability				
Nonprofessional employees	1.77573%	1.75555%	1.82867%	1.78686%
Professional employees	7.09952%	7.69735%	8.22729%	8.79621%
Schools' Proportionate Share of the Net VLDP OPEB Liability				
Nonprofessional employees	\$ 10,000	14,000	37,046	17,838
Professional employees	42,000	58,000	47,828	70,571
Schools' Covered Payroll				
Nonprofessional employees	3,260,758	4,262,590	5,650,999	6,658,479
Professional employees	20,034,887	28,701,027	39,452,671	52,029,564
Schools' Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its covered payroll				
Nonprofessional employees	0.31%	0.33%	0.66%	0.27%
Professional employees	0.21%	0.20%	0.12%	0.14%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability				
Nonprofessional employees	38.40%	51.39%	49.21%	76.84%
Professional employees	31.96%	46.18%	74.07%	78.28%
Group Life Insurance Program				
Employers' Proportion of the Net GLIP OPEB Liability				
Nonprofessional employees	0.11811%	0.11253%	0.10886%	0.10789%
Professional employees	1.22538%	1.22538%	1.22286%	1.22781%
Schools' Proportionate Share of the Net GLIP OPEB Liability				
Nonprofessional employees	\$ 1,777,000	1,709,000	1,771,442	1,800,507
Professional employees	18,440,000	18,568,000	19,899,187	20,490,139
Schools' Covered Payroll				
Nonprofessional employees	21,784,960	21,396,564	21,340,312	22,203,675
Professional employees	226,026,199	232,470,818	239,721,566	252,686,782
Schools' Proportionate Share of the Net GLIP OPEB Liability as a Percentage of its covered payroll				
Nonprofessional employees	8.16%	7.99%	8.30%	8.11%
Professional employees	8.16%	7.99%	8.30%	8.11%
Plan Fiduciary Net Position as a Percentage of the Total GLIP OPEB Liability				
Nonprofessional employees	48.86%	51.22%	52.00%	52.64%
Professional employees	48.86%	51.22%	52.00%	52.64%
Health Insurance Credit Program - Professional Employees				
Employers' Proportion of the Net HICP OPEB Liability	2.85627%	2.86573%	2.84923%	2.87581%
Schools' Proportionate Share of the Net HICP OPEB Liability	\$ 36,235,000	36,386,000	37,299,191	37,515,416
Schools' Covered Payroll	225,417,292	231,762,672	238,983,997	252,115,534
Schools' Proportionate Share of the Net HICP OPEB Liability as a Percentage of its covered payroll	16.07%	15.70%	15.61%	14.88%
Plan Fiduciary Net Position as a Percentage of the Total HICP OPEB Liability	7.04%	8.08%	8.97%	9.95%
Health Insurance Credit Program - Non-professional Employees*				
Schools' Proportionate Share of the Net HICP OPEB Liability	\$ -	-	-	2,516,734
Schools' Covered Payroll	-	-	-	21,554,429
Schools' Proportionate Share of the Net HICP OPEB Liability as a Percentage of its covered payroll	N/A	N/A	N/A	11.68%
Plan Fiduciary Net Position as a Percentage of the Total HICP OPEB Liability	N/A	N/A	N/A	0.00%

Unaudited - see accompanying auditors' report and notes to required supplementary information

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule L-10, Continued

Schedule of City of Chesapeake Schools' Proportionate Share of Net OPEB Liability (Asset) - VRS Directed Programs -
unaudited

Year Ended June 30, 2024

	2022	2023	2024
Virginia Local Disability Program			
Employers' Proportion of the Net VLDP OPEB Liability			
Nonprofessional employees	1.73527%	1.64687%	1.63499%
Professional employees	9.32640%	9.94060%	10.65817%
Schools' Proportionate Share of the Net VLDP OPEB Liability			
Nonprofessional employees	(17,565)	(9,683)	(26,307)
Professional employees	(65,659)	(11,177)	70,762
Schools' Covered Payroll			
Nonprofessional employees	6,970,810	7,715,418	10,007,283
Professional employees	62,758,457	80,007,589	99,529,741
Schools' Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its covered payroll			
Nonprofessional employees	(0.25)%	(0.13)%	(0.26)%
Professional employees	(0.10)%	(0.01)%	0.07%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability			
Nonprofessional employees	119.59%	107.99%	116.89%
Professional employees	114.46%	101.57%	93.78%
Group Life Insurance Program			
Employers' Proportion of the Net GLIP OPEB Liability			
Nonprofessional employees	0.10386%	0.10055%	0.10772%
Professional employees	1.23488%	1.24618%	1.27462%
Schools' Proportionate Share of the Net GLIP OPEB Liability			
Nonprofessional employees	1,209,212	1,210,719	1,291,900
Professional employees	14,377,354	15,005,209	15,286,689
Schools' Covered Payroll			
Nonprofessional employees	21,443,236	21,872,322	25,374,870
Professional employees	254,955,804	271,074,875	300,242,183
Schools' Proportionate Share of the Net GLIP OPEB Liability as a Percentage of its covered payroll			
Nonprofessional employees	5.64%	5.54%	5.09%
Professional employees	5.64%	5.54%	5.09%
Plan Fiduciary Net Position as a Percentage of the Total GLIP OPEB Liability			
Nonprofessional employees	67.45%	67.21%	69.30%
Professional employees	67.45%	67.21%	69.30%
Health Insurance Credit Program - Professional Employees			
Employers' Proportion of the Net HICP OPEB Liability	2.87325%	2.90151%	3.00630%
Schools' Proportionate Share of the Net HICP OPEB Liability	36,880,152	36,241,210	36,418,841
Schools' Covered Payroll	254,108,820	270,425,514	299,761,258
Schools' Proportionate Share of the Net HICP OPEB Liability as a Percentage of its covered payroll	14.51%	13.40%	12.15%
Plan Fiduciary Net Position as a Percentage of the Total HICP OPEB Liability	13.15%	15.08%	17.90%
Health Insurance Credit Program - Non-professional Employees*			
Schools' Proportionate Share of the Net HICP OPEB Liability	2,562,866	2,539,768	1,123,411
Schools' Covered Payroll	21,227,603	21,652,899	25,039,644
Schools' Proportionate Share of the Net HICP OPEB Liability as a Percentage of its covered payroll	12.07%	11.73%	4.49%
Plan Fiduciary Net Position as a Percentage of the Total HICP OPEB Liability	7.94%	12.43%	34.67%

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no other historical data is available. However, additional years will be included as they become available.

*2021 is the first year for the Health Insurance Credit Program - Non-professional Employees.

Unaudited - see accompanying auditors' report and notes to required supplementary information

CITY OF CHESAPEAKE, VIRGINIA
Schedule L-11

Schedules of Employer Contributions - Other Postemployment Benefits - VRS Directed Programs - unaudited
Year Ended June 30, 2024

Fiscal year ended June 30:	Annual Required Contribution	Actual Amount Contributed in Dollars	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
City - VRS Directed Programs					
Virginia Local Disability Program					
2024	\$ 595,481	595,481	-	70,336,822	0.85%
2023	504,373	504,373	-	51,010,034	0.99%
2022	371,083	371,083	-	45,426,253	0.82%
2021	381,606	381,606	-	45,976,591	0.83%
2020	338,729	338,729	-	40,810,710	0.83%
2019	275,333	275,333	-	38,240,626	0.72%
2018	227,738	227,738	-	31,630,332	0.72%
2017	108,219	108,219	-	17,984,904	0.60%
2016	68,377	68,377	-	8,027,845	0.85%
Group Life Insurance					
2024	\$ 1,178,237	1,178,237	-	217,091,522	0.54%
2023	1,109,774	1,109,774	-	204,799,376	0.54%
2022	960,852	960,852	-	178,365,924	0.54%
2021	975,759	975,759	-	180,696,163	0.54%
2020	929,417	929,417	-	172,114,265	0.54%
2019	900,058	900,058	-	173,088,056	0.52%
2018	868,480	868,480	-	167,015,386	0.52%
2017	809,643	809,643	-	153,143,100	0.53%
2016	716,757	716,757	-	147,330,182	0.49%
Line of Duty Act *					
2024	\$ 995,793	995,793	-	217,091,522	0.46%
2023	822,640	822,640	-	204,799,376	0.40%
2022	909,370	909,370	-	178,365,924	0.51%
2021	931,427	931,427	-	180,696,163	0.52%
2020	849,747	849,747	-	172,114,265	0.49%
2019	768,062	768,062	-	173,088,056	0.44%
2018	658,716	658,716	-	167,015,386	0.39%
2017	657,156	657,156	-	153,143,100	0.43%
2016	583,954	583,954	-	147,330,182	0.40%

*The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan.

CITY OF CHESAPEAKE, VIRGINIA

Schedule L-11, Continued

Schedules of Employer Contributions - Other Postemployment Benefits - VRS Directed Programs - unaudited

Year Ended June 30, 2024

Fiscal year ended June 30:	Annual Required Contribution	Actual Amount Contributed in Dollars	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Schools - VRS Directed Programs					
Virginia Local Disability Program					
Nonprofessional employees					
2024	\$ 91,570	91,570	-	10,772,928	0.85%
2023	85,062	85,062	-	10,007,283	0.85%
2022	64,038	64,038	-	7,715,418	0.83%
2021	57,858	57,858	-	6,970,810	0.83%
2020	47,941	47,941	-	6,658,479	0.72%
2019	35,036	35,036	-	5,650,999	0.62%
2018	25,576	25,576	-	4,262,590	0.60%
2017	19,565	19,565	-	3,260,758	0.60%
2016	13,986	13,986	-	2,330,961	0.60%
Professional employees					
2024	547,179	547,179	-	116,421,099	0.47%
2023	467,790	467,790	-	99,529,741	0.47%
2022	376,036	376,036	-	80,007,589	0.47%
2021	294,965	294,965	-	62,758,457	0.47%
2020	213,321	213,321	-	52,029,564	0.41%
2019	161,756	161,756	-	39,452,671	0.41%
2018	88,973	88,973	-	28,701,027	0.31%
2017	62,108	62,108	-	20,034,887	0.31%
2016	30,785	30,785	-	10,615,473	0.29%
Group Life Insurance					
Nonprofessional employees					
2024	\$ 135,991	135,991	-	25,183,439	0.54%
2023	137,024	137,024	-	25,374,870	0.54%
2022	118,111	118,111	-	21,872,322	0.54%
2021	115,793	115,793	-	21,443,236	0.54%
2020	115,459	115,459	-	22,203,675	0.52%
2019	110,970	110,970	-	21,340,312	0.52%
2018	111,262	111,262	-	21,396,564	0.52%
2017	113,282	113,282	-	21,784,960	0.52%
2016	103,034	103,034	-	21,465,516	0.48%
Professional employees					
2024	1,739,648	1,739,648	-	322,157,020	0.54%
2023	1,621,308	1,621,308	-	300,242,183	0.54%
2022	1,463,804	1,463,804	-	271,074,875	0.54%
2021	1,376,761	1,376,761	-	254,955,804	0.54%
2020	1,313,971	1,313,971	-	252,686,782	0.52%
2019	1,246,552	1,246,552	-	239,721,566	0.52%
2018	1,208,848	1,208,848	-	232,470,818	0.52%
2017	1,175,336	1,175,336	-	226,026,199	0.52%
2016	1,050,010	1,050,010	-	218,752,180	0.48%
Health Insurance Credit Program - Professional Employees					
2024	3,888,135	3,888,135	-	321,333,452	1.21%
2023	3,627,111	3,627,111	-	299,761,258	1.21%
2022	3,272,149	3,272,149	-	270,425,514	1.21%
2021	3,074,717	3,074,717	-	254,108,820	1.21%
2020	3,025,386	3,025,386	-	252,115,534	1.20%
2019	2,867,808	2,867,808	-	238,983,997	1.20%
2018	2,850,681	2,850,681	-	231,762,672	1.23%
2017	2,502,132	2,502,132	-	225,417,292	1.11%
2016	2,312,292	2,312,292	-	218,140,798	1.06%

Unaudited - see accompanying auditors' report and notes to required supplementary information

CITY OF CHESAPEAKE, VIRGINIA

Schedule L-11, Continued

Schedules of Employer Contributions - Other Postemployment Benefits - VRS Directed Programs - unaudited
 Year Ended June 30, 2024

Fiscal year ended June 30:	Annual Required Contribution	Actual Amount Contributed in Dollars	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Schools - VRS Directed Programs					
Health Insurance Credit Program - Non-professional Employees*					
2024	\$ 261,767	261,767	-	24,695,038	1.06%
2023	265,420	265,420	-	25,039,644	1.06%
2022	201,372	201,372	-	21,652,899	0.93%
2021	197,417	197,417	-	21,227,603	0.93%

Schedule is intended to show information for 10 years. Since 2016 is the first year for this presentation, no other historical data is available.
 However, additional years will be included as they become available.

*2021 is the first year for the Health Insurance Credit Program - Non-professional Employees.

Notes to Required Supplementary Information
June 30, 2024

(1) Budgets and Budgetary Accounting

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

Annual budget requests of the General Fund, Special Revenue Funds (except the Community Development Fund, Grants Fund, Open Space Agriculture Preservation Fund, Proffers Fund, Housing Trust Fund, and CSB of Chesapeake, Inc., a blended component unit), Debt Service Fund, and Enterprise Funds (excluding construction funds) for the ensuing fiscal year are submitted to the City Manager by department or agency heads during the second quarter of the fiscal year. The City Manager reviews the requests and meets with department heads to discuss the requests. The General Capital Projects Fund, Public Utilities Construction Funds, Chesapeake Transportation System Construction Fund, Stormwater Management Construction Fund, Grants Fund, Open Space Agriculture Preservation Fund, Proffers Fund, Housing Trust Fund, and the Community Development Fund utilize project budgets in lieu of legally adopted annual budgets. The City Council does not adopt a budget for CSB of Chesapeake, Inc.

Section 5.02 of the City Charter states that “the City Manager shall submit to the Council an operating budget and a budget message at least 90 days prior to the beginning of each fiscal year”. This budget includes the Public Schools budget request as adopted by the School Board which is by law a separate and autonomous “body politic”. The City Manager can recommend a revision only in the total estimated resources and requirements in the School Board budget request. The City Council makes an annual appropriation to the Public Schools but is prohibited from exercising any control over specific expenditures of the Public Schools operating funds.

The budget is required to be adopted at the fund level by a majority vote of the City Council at least 47 days prior to the end of the current fiscal year.

After work sessions and public hearings, the City Manager’s recommended budget may be amended as necessary by the City Council and an appropriations ordinance, tax levy, and other revenue enhancements as may be necessary to balance the budget are adopted. Tax rates are established prior to the beginning of the fiscal year.

The City Council may authorize supplemental appropriations during the fiscal year based on the availability of financial resources. Effective with the budget year beginning July 1, 2016, the City Manager is authorized by City Council to make transfers of appropriations within the operating budget of up to \$250,000 and is required to notify City Council of any such transfers. City Council must authorize any transfer of appropriations within the operating budget greater than \$250,000, transfers between capital projects, transfers between the operating and capital budgets, and any amendments that alter total appropriations. The legal level of budgetary control rests within the program at the major expense category.

Each appropriation in a legally adopted annual budget lapses at the close of the fiscal year to the extent that it has not been expended or encumbered. Because encumbrances outstanding at year end are reappropriated under the following year’s budget adoption process, encumbrances are considered expenditures (for budgetary purposes) in the year that the expenditure is incurred.

Appropriations for funds utilizing capital or project budgets do not lapse at year end but are multi-year and continue until the purpose of the appropriation has been fulfilled or abandoned. Appropriations under the capital improvement program are considered abandoned if three years pass without any disbursement or encumbrance of the appropriation. The level of budgetary control is on a project basis with additional controls being exercised administratively, as reasonable and necessary.

Notes to Required Supplementary Information
June 30, 2024

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 City Council. A reconciliation between differences in the actual amounts reported under the budgetary basis and the GAAP basis of accounting is provided on the face of the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund in the Required Supplementary Information section.

The original budget includes the adjustments necessary to bring forward the reappropriated encumbrances as authorized in the annual budget resolution.

(2) Retirement Plans

Changes of benefit terms – All Plans

There have been no actuarially material changes to the Virginia Retirement System (VRS) benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2020, except for 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:

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

Mortality Rates (Pre-retirement, post-retirement healthy,	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
Retirement Rates - Nonhazardous	Adjust rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
Retirement Rates - Hazardous	Adjusted rates to better fit experience and change final retirement age from 65 to 70
Retirement Rates - Teachers	Adjusted to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates - Nonhazardous	Adjust rates to better fit experience at each year age and service through 9 years of service
Withdrawal Rates - Hazardous	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Notes to Required Supplementary Information
June 30, 2024

(3) Other Postemployment Benefit Plans

Changes of benefit terms – All VRS Plans

There have been no actuarially material changes to the Virginia Retirement System (VRS) benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2020, except for the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021 (not applicable to the Line of Duty Plan). Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

VRS Plans-

Health Insurance Credit Program

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Withdrawal 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
Disability Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Group Life Insurance Program

General Employees

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

Unaudited - see accompanying auditors' report

(Continued)

Notes to Required Supplementary Information
June 30, 2024**Hazardous Duty Employees**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	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
Retirement Rates	Adjusted rates to better fit experience and changed final retirement from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Teachers

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	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
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
Line of Duty Disability	No change
Discount Rate	No change

Line of Duty Act Plan**General Employees**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	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
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Notes to Required Supplementary Information
June 30, 2024

Virginia Local Disability Program

General Employees

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

Teachers

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	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
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
Line of Duty Disability	No change
Discount Rate	No change

City Directed OPEB Plan

Changes of benefit terms - There have been no actuarially material benefit changes.

Changes of assumptions -

- The healthcare cost trend assumption was updated based on the 2022 Getzen model released by the SOA.

School Sponsored OPEB Plans

Changes of benefit terms - There have been no significant changes to the benefit provisions since the prior actuarial valuation.

Notes to Required Supplementary Information
June 30, 2024

Changes in methods and assumptions since prior valuation

- The discount rate was updated to the latest index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. This rate was 3.86% as of June 30, 2023 and 3.69% as of June 30, 2022.
- The retirement, withdrawal, disability, and salary scale assumptions have been updated to be consistent with the VRS experience study for the four-year period ended June 30, 2020.
- The mortality improvement scale assumption has been updated to MP2021.

Other Supplementary Information -
Combining and Individual Fund
Schedules



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General Fund

General Fund – To account for all revenues and expenditures of the City which are not accounted for in other funds. Revenues are primarily derived from general property taxes, other local taxes, charges for services, and revenue from state and federal grants.

A significant part of the General Fund's revenue is transferred to component units and other funds, principally to fund operations of the Chesapeake Public Schools, the Virginia Public Assistance Fund, the Integrated Behavioral Healthcare Fund, debt service requirements for the City, Public Schools, and Economic Development Authority, and to fund construction projects.



CITY OF CHESAPEAKE, VIRGINIA

Schedule M-1

General Fund
 Schedule of Revenues and Other Financing Sources -
 Budget and Actual
 Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
General property taxes			
Current taxes on real property	\$ 343,837,000	340,774,338	(3,062,662)
Current taxes on public service corporations	11,581,230	11,857,064	275,834
Current taxes on personal property	62,286,761	62,623,318	336,557
Delinquent taxes on real property	2,440,902	2,309,660	(131,242)
Delinquent taxes on personal property	19,385,500	33,620,394	14,234,894
Penalties, interest, and advertising	3,750,634	6,303,396	2,552,762
Total general property taxes	443,282,027	457,488,170	14,206,143
Other local taxes			
Local sales and use taxes	59,776,907	58,052,510	(1,724,397)
Consumer utility taxes	11,032,559	10,978,385	(54,174)
Communications sales tax	2,577,533	2,806,878	229,345
Business license taxes	31,668,955	36,729,527	5,060,572
Local utility consumption tax	964,772	843,127	(121,645)
Bank stock taxes	1,850,828	1,883,958	33,130
Taxes on recordation and wills	5,173,276	3,373,551	(1,799,725)
Tobacco taxes	3,862,098	3,509,212	(352,886)
Lodging tax	6,240,543	7,014,291	773,748
Restaurant food tax	36,429,100	39,235,802	2,806,702
Admission taxes	905,056	910,434	5,378
Short-term rental taxes	1,288,995	1,561,104	272,109
Pari-mutuel wagering pool tax	30,000	24,182	(5,818)
Total other local taxes	161,800,622	166,922,961	5,122,339
Revenues from local sources			
Licenses, permits, and fees:			
Bicycle licenses	-	14	14
Building structure and equipment permits	1,641,315	2,127,129	485,814
Precious metals and gems permits	2,500	3,800	1,300
Palmistry permits	-	400	400
Highway and driveway permits	23,950	22,250	(1,700)
Transfer fees	6,715	5,923	(792)
Zoning inspection fees	143,742	80,062	(63,680)
Building inspection fees	105,230	211,451	106,221
Electrical inspection fees	471,577	384,680	(86,897)
Elevator inspection fees	20,910	20,000	(910)
Plumbing inspection fees	304,702	183,239	(121,463)
Mechanical permits	572,134	571,282	(852)
Subdivision review fees	360,435	420,665	60,230
Solicitors permits	3,000	5,330	2,330
Taxi operators licenses	250	110	(140)
Motor vehicle license	7,139,291	7,976,823	837,532
Inspection fees - gas appliances	120,098	71,432	(48,666)
Animal license and fees	260,801	194,147	(66,654)
Rodent free certification fee	5,040	3,300	(1,740)
Rental inspection fees	11,650	14,450	2,800
Total licenses, permits, and fees	11,193,340	12,296,487	1,103,147
Fines and forfeitures	623,236	692,641	69,405
Investment income	1,500,000	18,517,461	17,017,461

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule M-1, Continued

General Fund
 Schedule of Revenues and Other Financing Sources -
 Budget and Actual
 Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
Revenues from local sources, continued:			
Revenues from use of property:			
Rental of general property	\$ 751,174	792,773	41,599
Rental of recreational properties and facilities	524,184	397,167	(127,017)
Library rental revenue	40,000	35,870	(4,130)
Rental of showmobile	4,000	2,700	(1,300)
Total revenues from use of property	1,319,358	1,228,510	(90,848)
Charges for services:			
Special court costs	19,423	21,956	2,533
Law library fees	84,250	104,983	20,733
Accident report fees	41,000	48,722	7,722
Municipal court fees	13,443	21,746	8,303
Civil penalties	67,270	59,763	(7,507)
Non-support fees	133,870	122,360	(11,510)
Commonwealth's Attorney fees	22,610	22,783	173
Police escort fees	21,250	27,941	6,691
Sale of service - police	160,000	157,154	(2,846)
Fire report fees	1,650	260	(1,390)
Sheriff fees	22,861	22,861	-
Inmate medical fees	34,650	22,650	(12,000)
Sale of service - jail	94,900	102,576	7,676
Sale of service - jail inmates	44,614	7,644	(36,970)
Inmate phone system - jail	1,404,000	1,409,863	5,863
Sale of service - Sheriff	1,881,393	1,145,390	(736,003)
Sale of service - public works	285,839	249,935	(35,904)
Recreation fees	767,185	698,635	(68,550)
Sale of food and beverages	19,450	16,009	(3,441)
Library fines and fees	96,732	42,427	(54,305)
Lot processing fees	74,783	22,050	(52,733)
Sale of service - planning	10,343	14,258	3,915
Returned check fees	11,050	18,883	7,833
Custodian service	40,711	-	(40,711)
Wage assignment fees	22,425	14,395	(8,030)
Sale of service - assessor	1,360	2,491	1,131
Emergency medical service fees	6,649,072	7,866,869	1,217,797
Administration collected fees	485,971	1,151,213	665,242
Wetland Board civil fees	23,001	15,200	(7,801)
Passport application fee	32,500	68,733	36,233
Sale of service - Commissioner of the Revenue	124,000	139,187	15,187
Subdivision inspection fees	376,616	419,906	43,290
Fire plan review fees	38,000	33,982	(4,018)
Zoning fees	34,450	46,250	11,800
Building plan fees	158,485	177,925	19,440
Inspections technology fee	92,394	67,630	(24,764)
E-Government subscription fee	24,055	25,771	1,716
Other charges for services	11,750	19,119	7,369
Total charges for services	13,427,356	14,409,520	982,164

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule M-1, Continued

General Fund
 Schedule of Revenues and Other Financing Sources -
 Budget and Actual
 Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
Revenues from local sources, continued:			
Miscellaneous local revenues:			
Employee wellness investment	\$ 200,000	200,000	-
Payments in lieu of taxes	-	98,596	98,596
Sale of ARC - public works	20,400	12,350	(8,050)
Sale of junk and salvage	-	13,128	13,128
Escheated funds	-	168,767	168,767
Other revenue	73,570	232,625	159,055
Total miscellaneous local revenues	293,970	725,466	431,496
Recovered costs:			
Insurance claims and collections	-	50,000	50,000
Other recoveries and rebates	25,000	1,358,162	1,333,162
Recoveries - Jury	-	1,768	1,768
Total recovered costs	25,000	1,409,930	1,384,930
Total revenues from local sources	633,464,909	673,691,146	40,226,237
Revenues from the Commonwealth			
Noncategorical aid:			
Motor vehicle carrier taxes	164,639	169,784	5,145
Mobile home titling taxes	25,000	39,716	14,716
Indirect costs	296,287	-	(296,287)
Daily rental taxes - auto	1,750,000	2,086,399	336,399
Deed taxes	1,412,057	999,269	(412,788)
Personal Property Tax Relief	28,590,001	28,590,001	-
Total noncategorical aid	32,237,984	31,885,169	(352,815)
Categorical aid:			
Shared expenses:			
Commonwealth's Attorney	2,257,823	2,541,930	284,107
Sheriff	14,254,814	16,594,697	2,339,883
Commissioner of the Revenue	417,895	497,332	79,437
Treasurer	469,000	552,732	83,732
Registrar/Electoral Board	76,516	340,168	263,652
Circuit Court Clerk	1,484,831	1,596,671	111,840
Agriculture	99,000	45,460	(53,540)
Total shared expenses	19,059,879	22,168,990	3,109,111

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule M-1, Continued

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
Revenues from the Commonwealth, continued:			
Other categorical aid:			
Local jail	\$ 1,959,417	1,375,734	(583,683)
Police	7,715,684	8,102,102	386,418
Street and highway maintenance	43,506,011	47,281,090	3,775,079
Excess fees	300,000	55,825	(244,175)
Other state grants	-	6,250	6,250
Total other categorical aid	53,481,112	56,821,001	3,339,889
Total categorical aid	72,540,991	78,989,991	6,449,000
Total revenues from the Commonwealth	104,778,975	110,875,160	6,096,185
Revenues from the Federal Government			
Noncategorical aid - Refuge Revenue Sharing Act	28,000	29,007	1,007
Categorical aid:			
Other federal grants	31,000	311,819	280,819
Total revenues from the Federal Government	59,000	340,826	281,826
Revenues from Chesapeake Public Schools	-	836,511	836,511
Total revenues	738,302,884	785,743,643	47,440,759
OTHER FINANCING SOURCES			
Transfers from other funds	11,190,730	15,479,637	4,288,907
Total other financing sources	11,190,730	15,479,637	4,288,907
Total revenues and other financing sources	\$ 749,493,614	801,223,280	51,729,666

CITY OF CHESAPEAKE, VIRGINIA

Schedule M-2

General Fund
Schedule of Expenditures, Encumbrances, and Other Financing Uses -
Budget and Actual
Year Ended June 30, 2024

	Appropriations	Expenditures			Total	Balance	Encumbrances	Unencumbered Balance
		Operating	Capital Outlay					
EXPENDITURES								
General government:								
Legislative Department - City Council	\$ 1,243,865	1,185,432	-	-	1,185,432	58,433	5,859	52,574
Executive Department:								
City Manager	3,344,031	3,215,472	-	-	3,215,472	128,559	790	127,769
Public communications	1,933,514	1,889,266	-	-	1,889,266	44,248	83	44,165
Contingencies	1,250	-	-	-	-	1,250	-	1,250
Emergency event - OEM practice	37,000	27,179	-	-	27,179	9,821	-	9,821
Department of Law - City Attorney	3,220,445	3,032,514	-	-	3,032,514	187,931	72,435	115,496
Department of Finance:								
Commissioner of the Revenue	5,156,242	5,084,190	-	-	5,084,190	72,052	10,172	61,880
Real Estate Assessor	4,281,994	4,262,371	-	-	4,262,371	19,623	1,662	17,961
Board of Equalization	2,421	2,154	-	-	2,154	267	-	267
City Treasurer	5,659,444	5,454,012	67,038	-	5,521,050	138,394	40,624	97,770
Director of Finance	4,245,541	4,049,326	-	-	4,049,326	196,215	131,573	64,642
Economic development	2,826,715	2,678,006	-	-	2,678,006	148,709	17,484	131,225
Budget Director	981,193	931,115	-	-	931,115	50,078	486	49,592
City Auditor	1,000,117	579,168	-	-	579,168	420,949	306,011	114,938
Independent auditors	252,547	234,500	-	-	234,500	18,047	17,500	547
Department of Human Resources:								
Human resources	3,954,000	3,708,313	-	-	3,708,313	245,687	11,850	233,837
Judicial Department:								
Circuit court	959,589	906,960	-	-	906,960	52,629	92	52,537
Magistrates office	37,877	35,248	-	-	35,248	2,629	163	2,466
General district court	303,619	234,300	-	-	234,300	69,319	31,635	37,684
Juvenile and domestic relations court	117,890	106,135	-	-	106,135	11,755	107	11,648
Court services unit	321,883	177,071	-	-	177,071	144,812	91,951	52,861
Commonwealth's Attorney	6,619,305	6,361,050	-	-	6,361,050	258,255	1,296	256,959
Circuit Court Clerk	3,445,177	3,311,631	-	-	3,311,631	133,546	-	133,546
Sheriff	63,067,681	59,689,123	258,007	-	59,947,130	3,120,551	1,773,772	1,346,779
Purchasing	1,489,720	1,413,341	-	-	1,413,341	76,379	23,509	52,870
Department of Public Health:								
General clinics	2,837,648	2,604,354	-	-	2,604,354	233,294	-	233,294

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule M-2, Continued

General Fund
Schedule of Expenditures, Encumbrances, and Other Financing Uses -
Budget and Actual
Year Ended June 30, 2024

	Appropriations	Expenditures			Total	Balance	Encumbrances	Unencumbered Balance
		Operating	Capital Outlay					
General government, continued:								
Department of Public Library:								
Public library	\$ 12,132,878	11,367,960	92,418	-	11,460,378	672,500	229,671	442,829
Public library state aid		-	-	-	-	-	-	-
Law library	36,251	25,021	-	-	25,021	11,230	-	11,230
Boards and Commissions:								
Planning department	3,012,441	2,893,282	-	-	2,893,282	119,159	803	118,356
Planning commission	41,096	37,452	-	-	37,452	3,644	-	3,644
Electoral board	1,805,311	1,728,771	-	-	1,728,771	76,540	11,662	64,878
Department of Agriculture	464,984	429,484	-	-	429,484	35,500	413	35,087
Department of Human Services								
Division of Community Programs	2,545,611	2,301,234	-	-	2,301,234	244,377	2,550	241,827
Customer Contact Center	825,693	801,817	-	-	801,817	23,876	27	23,849
Department of Development and Permits	8,443,468	8,157,016	-	-	8,157,016	286,452	5,893	280,559
Nondepartmental:								
Other nondepartmental support	5,922,157	395,911	-	-	395,911	5,526,246	500	5,525,746
Chesapeake regional airport	401,635	401,635	-	-	401,635	-	-	-
Total general government	152,972,233	139,711,814	417,463	-	140,129,277	12,842,956	2,790,573	10,052,383
Public Safety:								
Police department	62,819,773	58,417,227	32,799.00	-	58,450,026	4,369,747	302,176	4,067,571
Animal control	2,379,932	2,262,742	-	-	2,262,742	117,190	8,247	108,943
Public safety training	1,883,901	1,698,071	-	-	1,698,071	185,830	50,006	135,824
Fire department	61,215,819	60,527,759	70,953.00	-	60,598,712	617,107	146,451	470,656
Fire prevention bureau	2,264,399	2,249,890	-	-	2,249,890	14,509	-	14,509
Emergency management operations	788,409	787,316	-	-	787,316	1,093	-	1,093
Mobile integrated healthcare	391,906	383,288	-	-	383,288	8,618	-	8,618
Total public safety	131,744,139	126,326,293	103,752	-	126,430,045	5,314,094	506,880	4,807,214
Public works:								
Engineering and administration	6,963,719	6,406,017	8,401	-	6,414,418	549,301	80,504	468,797
Traffic engineering	8,314,341	7,948,321	18,790	-	7,967,111	347,230	117,898	229,332
Street maintenance	9,608,824	6,273,039	428,297	-	6,701,336	2,907,488	1,064,244	1,843,244
Bridges and structures	4,825,963	4,070,259	15,635	-	4,085,894	740,069	249,272	490,797

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule M-2, Continued

General Fund

Schedule of Expenditures, Encumbrances, and Other Financing Uses -

Budget and Actual

Year Ended June 30, 2024

	Expenditures					Unencumbered Balance
	Appropriations	Operating	Capital Outlay	Total	Encumbrances	
Public works, continued:						
Bureau of drainage	\$ 3,741,611	2,679,136	194,134	2,873,270	868,341	492,819
Contractual services	16,008,200	13,188,984	-	13,188,984	2,819,216	1,383,114
Buildings maintenance	9,462,692	9,015,737	-	9,015,737	446,955	446,955
Facilities Management - building	1,657,629	1,320,401	78,726	1,399,127	258,502	258,502
Public works operations	1,448,614	1,252,382	-	1,252,382	196,232	196,232
Solid waste collection	23,339,914	22,758,605	-	22,758,605	581,309	260,226
Hampton Road Transit	3,065,800	3,007,400	-	3,007,400	58,400	58,400
Total public works	88,437,307	77,920,281	743,983	78,664,264	3,644,625	6,128,418
Parks and recreation:						
Administration	3,414,702	3,365,089	-	3,365,089	49,613	37,001
Community centers	2,981,314	2,914,854	10,783	2,925,637	55,677	43,103
Parks operations	2,713,103	2,273,784	12,090	2,285,874	427,229	347,487
Parks and grounds maintenance	4,563,745	3,904,682	354,173	4,258,855	304,890	265,263
Parks, grounds and building maintenance - warehouse and work order	155,313	111,675	-	111,675	43,638	43,638
Recreation programs	1,067,708	896,405	-	896,405	171,303	171,303
Special programs	2,290,843	2,026,786	-	2,026,786	264,057	259,767
Fine arts programs	85,950	85,950	-	85,950	-	-
Total parks and recreation	17,272,678	15,579,225	377,046	15,956,271	148,845	1,167,562
Education - payments to public schools	300,732,621	292,429,105	-	292,429,105	8,303,516	8,303,516
Total expenditures and encumbrances	691,158,978	651,966,718	1,642,244	653,608,962	37,550,016	30,459,093
OTHER FINANCING USES						
Transfers to other funds:						
Debt Service Fund	37,011,138	37,011,138	-	37,011,138	-	-
Capital Projects Fund	39,286,191	39,286,191	-	39,286,191	-	-
Virginia Public Assistance Fund	8,357,878	8,357,878	-	8,357,878	-	-
Integrated Behavioral Healthcare Fund	11,454,436	11,454,436	-	11,454,436	-	-
Juvenile Services Fund	3,718,983	3,718,983	-	3,718,983	-	-
Interagency Consortium Fund	2,689,859	2,689,859	-	2,689,859	-	-
E-911 Operations Fund	2,794,736	2,794,736	-	2,794,736	-	-
Grants Fund	1,710,534	1,699,500	-	1,699,500	11,034	11,034
Economic Development Authority	15,807,215	870,938	-	870,938	14,936,277	14,936,277
Information Technology Fund	292,200	292,200	-	292,200	-	-
City Garage Fund	60,000	60,000	-	60,000	-	-
Self-Insurance Fund	-	-	-	-	-	-
Total transfers to other funds	123,183,170	108,235,859	-	108,235,859	14,947,311	14,947,311
Total other financing uses	123,183,170	108,235,859	-	108,235,859	14,947,311	14,947,311
Total expenditures, encumbrances, and other financing uses	\$ 814,342,148	760,202,577	1,642,244	761,844,821	52,497,327	45,406,404

Debt Service Fund

Debt Service Fund – To account for the accumulation of resources for the payment of principal, interest, and related costs on long-term financial obligations of governmental funds.



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CITY OF CHESAPEAKE, VIRGINIA

Schedule N

Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment income	\$ -	3,076,123	3,076,123
Revenues from use of property	54,889	54,889	-
Miscellaneous local revenues	698,299	-	(698,299)
Miscellaneous local revenues	-	699,512	699,512
Intergovernmental revenues:			
Federal government - American Reinvestment and Recovery Act	-	274,624	274,624
Revenues from Chesapeake Public Schools	-	2,375,507	2,375,507
Total revenues	753,188	6,480,655	5,727,467
EXPENDITURES			
Debt service			
Interest on general obligation bonds	11,674,260	11,628,390	45,870
Interest on open space agriculture preservation	64,430	64,430	-
Other debt expenditures	753,190	22,457	730,733
Redemption of general obligation bonds	27,990,000	27,990,000	-
Total debt service	40,481,880	39,705,277	776,603
Total expenditures	40,481,880	39,705,277	776,603
Excess (deficiency) of revenues over (under) expenditures	(39,728,692)	(33,224,622)	6,504,070
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	39,728,692	50,618,273	10,889,581
Total other financing sources (uses), net	39,728,692	50,618,273	10,889,581
Net change in fund balance	-	17,393,651	17,393,651
Fund balance - beginning	17,575,646	17,575,646	-
Fund balance - ending	\$ 17,575,646	34,969,297	17,393,651

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Capital Projects Funds

General Capital Projects Fund – To account for financial resources to be used for the acquisition or construction of most major capital facilities other than those financed by enterprise funds.

Public Utilities Capital Projects Fund – To account for financial resources to be used for the acquisition or construction of most major capital facilities or infrastructure for Public Utilities.

Chesapeake Transportation System Capital Projects Fund – To account for financial resources to be used for the acquisition or construction of most major capital facilities or infrastructure for the Chesapeake Transportation System.

Stormwater Management Capital Projects Fund – To account for financial resources to be used for the acquisition or construction of most major capital facilities or infrastructure for Stormwater Management.



CITY OF CHESAPEAKE, VIRGINIA

Schedule O-1

General Capital Projects Fund
Schedule of Expenditures and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project	Appropriations	Prior Years	Expenditures		Unexpended Balance	Encumbrances	Unencumbered Balance
			Current Year	Total			
General construction projects:							
General Government:							
1011500100	\$ 24,200,000	2,570,038	26,020	2,596,058	21,603,942	23,920	21,580,022
1011600100	309,276	-	-	-	309,276	-	309,276
1012400100	500,000	-	39,246	39,246	460,754	-	460,754
1021510100	6,907,071	1,835,335	2,301,326	4,136,661	2,770,410	162,067	2,608,343
1021510100	2,575,274	1,477,742	1,097,531	2,575,274	-	-	*
1021510101	75,000	-	66,284	66,284	8,716	8,716	-
1021800100	100,000	12,644	2,500	15,144	84,856	8,765	76,091
1022010100	4,518	3,056	1,386	4,442	76	-	76
1022400100	178,941	-	74,519	74,519	104,422	25,445	78,977
1022800100	110,000	-	65,317	65,317	44,683	24,673	20,010
1022800101	90,000	-	8,507	8,507	81,493	28,358	53,134
1032800100	1,838,848	-	1,332,440	1,332,440	506,407	227,602	278,805
1032800100	1,086,152	-	1,086,152	1,086,152	-	-	*
1032800101	75,000	-	14,207	14,207	60,793	23,256	37,537
1041510100	20,349	-	-	-	20,349	20,349	-
1041510100	941,107	785,592	155,515	941,107	-	-	*
1041700100	837,170	77,286	-	77,286	759,885	-	759,885
1042000100	3,200,000	3,118,713	9,782	3,128,495	71,505	-	71,505
1042000100	200,000	169,471	30,529	200,000	-	-	*
1042200100	46,979,588	12,368,662	8,940,413	21,309,076	25,670,512	7,780,353	17,890,159
1042400100	300,000	-	-	-	300,000	-	300,000
1042500100	300,000	-	-	-	300,000	-	300,000
1042800100	400,000	-	90,824	90,824	309,176	46,005	263,171
1052400100	735,000	144,672	38,907	183,579	551,421	29,988	521,433
1052800100	250,000	-	34,851	34,851	215,149	3,028	212,121
1062200100	22,750,000	4,167,204	2,562,615	6,729,820	16,020,180	9,784,575	6,235,605
1062400100	1,378,598	880,236	160,754	1,040,989	337,609	158,988	178,620
1062400101	41,337	-	-	-	41,337	28,978	12,359
1062400101	24,214	-	24,214	24,214	-	-	*
1062500100	800,000	204,610	259,605	464,216	335,784	976	334,808
1062800100	195,000	-	-	-	195,000	-	195,000
1072400100	785,000	253,855	426,562	680,417	104,583	64,265	40,318
1081900100	6,992	-	-	-	6,992	-	6,992
1081900100	7,019	7,019	-	7,019	-	-	*
1082100100	750,000	301,732	158,766	460,498	289,502	3,341	286,161
1082500100	73,410	-	60,637	60,637	12,774	-	12,774
1091700100	368,696	368,640	57	368,696	-	-	*
1092300100	580,000	353,381	74,670	428,051	151,949	82,290	69,659
1092400100	194,316	-	-	-	194,316	-	194,316
1092400100	205,684	109,507	96,176	205,684	-	-	*
1092500100	305,000	47,500	-	47,500	257,500	-	257,500
1101900100	1,207,441	-	37,500	37,500	1,169,941	-	1,169,941
1101900100	522	-	522	522	-	-	*
1112000100	239,525	239,525	-	239,525	-	-	*
(Continued)							

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-1, Continued

General Capital Projects Fund
Schedule of Expenditures and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project		Appropriations	Expenditures		Total	Unexpended Balance	Encumbrances	Unencumbered Balance
			Prior Years	Current Year				
General construction projects, continued:								
General Government, continued:								
1112200100	PeopleSoft Update Manager & PeopleTools Upgrade	\$ 464,176	15,943	-	15,943	448,233	-	448,233
1112400100	Citywide Security Assessment & Court Security Upgrade	775,415	546,030	128,811	674,841	100,574	71,082	29,492
1112500100	Cybersecurity Incident Reponses Planning & Review	120,000	13,859	13,859	27,718	92,282	-	92,282
1122000100	Conference Center Renovation	3,677,849	1,239,857	1,366,660	2,606,517	1,071,332	64,337	1,006,995
1122000100	Conference Center Renovation	7,482	-	7,482	7,482	-	-	-*
1122200100	Replacement of Network Equipment - Phase II	3,000,000	2,303,487	477,397	2,780,884	219,116	22,900	196,216
1122400100	Data Center Equipment Replacement	4,500,000	1,835,000	1,459,985	3,294,985	1,205,015	11,033	1,193,982
1132200100	Website Redesign	60,904	-	4,087	4,087	56,817	-	56,817
1132200100	Website Redesign	239,096	238,388	708	239,096	-	-	-*
1142100100	Replace Existing PBX Telephone System with VoIP	2,633,000	1,185,677	213,811	1,399,489	1,233,512	31,901	1,201,610
1142500100	HR-Learning Management System	340,000	-	-	-	340,000	-	340,000
1142700100	Greenbrier Site/Infrastructure	851,064	208,624	10,000	218,624	632,440	-	632,440
1142700100	Greenbrier Site/Infrastructure	2,148,936	-	-	-	2,148,936	-	2,148,936*
1182700100	Route 17 Infrastructure	4,000,000	-	-	-	4,000,000	-	4,000,000
1201000100	Greenbrier Center Pedestrian Safety	1,229,318	6,798	420,102	426,900	802,418	403,375	399,043
1211200100	22nd Street Bridge Replacement	2,254,495	336,402	-	336,402	1,918,093	-	1,918,093*
1212000100	ADA Door & Restroom Retrofits at Various Facilities - Ph I	301,763	151,944	34,900	186,844	114,919	47,715	67,205
1212000100	ADA Door & Restroom Retrofits at Various Facilities - Ph I	31,020	18,845	12,175	31,020	-	-	-*
1212800100	Accela Upgrade	150,000	-	54,144	54,144	95,856	2,162	93,695
1222800100	Guerriere Street Closure and Conversion	110,000	-	-	-	110,000	-	110,000
1232800100	Liberty and 22nd Street Activation	125,000	-	-	-	125,000	-	125,000
1242800100	South Norfolk Façade Improvement Grant	99,819	-	-	-	99,819	-	99,819
1242800100	South Norfolk Façade Improvement Grant	181	-	181	181	-	-	-*
1252800100	Great Bridge Façade Improvement Grants	120,000	-	-	-	120,000	-	120,000
1252800100	Great Bridge Façade Improvement Grants	20,139	-	139	139	20,000	-	20,000*
1262800100	EDIP - Large Projects	500,000	-	-	-	500,000	-	500,000
1272800100	South Military Feeder Road Feasibility Study	200,000	-	-	-	200,000	-	200,000
1292800100	Employee Safety and Security Enhancements	204,829	-	-	-	204,829	47,580	157,249
1292800100	Employee Safety and Security Enhancements	170,171	-	170,171	170,171	-	-	-*
1302800100	Solid Waste Truck Replacement	2,000,000	-	-	-	2,000,000	1,804,823	195,177
1332800100	Cybersecurity Maturity and Compliance Program	500,000	-	101,460	101,460	398,540	20,140	378,400
1352400100	Regional Broadband Ring	5,660,000	5,160,000	-	5,160,000	500,000	-	500,000
1352800100	E-Bidding/Contracts Management Software Acquisition	7,719	-	-	-	7,719	-	7,719
1352800100	E-Bidding/Contracts Management Software Acquisition	185,719	-	185,719	185,719	-	-	-*
1412400100	CNG Modification - City Garage	15,592	-	-	-	15,592	-	15,592
1462800100	Firewall Replacement	1,900,000	-	1,900,000	1,900,000	-	-	-
1472700100	Secure Web Gateway	250,000	-	-	-	250,000	-	250,000
1472800100	Fleet AssetWorks Upgrade	220,000	-	-	-	220,000	-	220,000
1482300100	Joint City/School Garage Facility	2,348,168	-	-	-	2,348,168	867,995	1,480,173
1482300100	Joint City/School Garage Facility	16,381,832	13,654,898	2,726,934	16,381,832	-	-	-*
1492300100	Joint Study for School Facilities & Redistricting	339,248	-	-	-	339,248	-	339,248
1502700100	Indian River Rd Design Guidelines Manual & Overlay District	175,000	25,798	121,562	147,360	27,640	16,641	10,999
1512300100	South Norfolk Municipal Building	25,461,187	4,633,423	900,650	5,534,073	19,927,114	561,115	19,365,999
(Continued)								

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-1, Continued

General Capital Projects Fund
Schedule of Expenditures and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project	Appropriations	Expenditures			Unexpended Balance	Encumbrances	Unencumbered Balance
		Prior Years	Current Year	Total			
General construction projects, continued:							
General Government, continued:							
1512700100 Greenbrier Library and Fire Station Relocation Study	\$ 175,000	-	59,090	59,090	115,910	108,747	7,163
1522700100 Deep Creek Village Plan	410,000	-	-	-	410,000	-	410,000
1532300100 Airport Authority Improvements and Expansion Ph II	329,239	-	329,239	329,239	-	-	- *
1532700100 Great Bridge Village ROW Enhancements Master Plan	275,000	19,113	111,887	130,999	144,001	84,807	59,194
1542700100 South Norfolk Historic District Design Guidelines Update	100,000	9,387	75,231	84,618	15,382	5,060	10,322
1582500100 Citywide Trails and Open Space Connectivity Plan	375,000	18,479	239,616	258,095	116,905	41,905	75,000
1812500100 Municipal Center Master Plan Update	450,000	-	52,299	52,299	397,701	5,811	391,890
1842500100 411 Cedar Road Acquisition	70,560	-	13,687	13,687	56,873	-	56,873
Total General Government	208,089,968	61,118,372	30,470,320	91,588,692	116,501,276	22,755,068	93,746,208
Department of Public Safety:							
1041800200 Jail Expansion to Address Overcrowding	469,914	118,193	197,921	316,114	153,800	153,800	-
1071100200 Fire Station #10 and Logistical Support Center	147,822	-	5,000	5,000	142,822	-	142,822
1072100200 CAD Sheriff/Police Interface	33,241	21,171	-	21,171	12,070	-	12,070 *
1072800200 Fire Vehicle Replacement II	2,550,000	-	2,490,385	2,490,385	59,615	59,615	-
1082200200 Fire Station Alerting System	50,164	28,370	5,070	33,440	16,724	-	16,724
1082800200 Jail Kitchen Equipment Replacement II	24,293	-	-	-	24,293	-	24,293
1082800200 Jail Kitchen Equipment Replacement II	45,707	-	45,707	45,707	-	-	- *
1101600200 Combined Fire Station #7/Police Precinct #6	67,292	-	-	-	67,292	-	67,292
1112100200 Tri-City Automatic Aid CAD Interface (Regional 911)	50,000	35,863	-	35,863	14,138	-	14,138
1132400200 Fire/EMS - Mobile Data Terminal Replacements - II	200,000	183,283	9,662	192,945	7,055	-	7,055
1162200200 Fire Station #4 Replacement	900,000	7,226	-	7,226	892,774	-	892,774
1172200200 FS #16-Joint Fire & Police Stn-Grassfield/Scenic Pkwy.	250,000	-	-	-	250,000	-	250,000
1172700200 Public Safety Training Academy	5,153,835	736,494	413,883	1,150,377	4,003,458	2,412,174	1,591,284
1182300200 Public Safety Vehicle Network Connection Upgrade	69,531	-	67,701	67,701	1,829	-	1,829
1182400200 Fire Multipurpose Tow/Rescue Vehicle Replacement	876,000	-	64,073	64,073	811,927	707,551	104,376
1192400200 Fire Structural/Trench Shoring System Replacement	150,000	-	-	-	150,000	128,621	21,379
1192600200 Fire Boat Replacement	1,150,000	235,573	571,512	807,085	342,915	342,908	6
1202400200 Fire Station Exhaust Removal Systems Replacement	300,000	260,003	28,348	288,351	11,649	-	11,649 *
1222100200 Jail Kitchen Equipment Replacement	229,064	-	-	-	229,064	-	229,064
1222100200 Jail Kitchen Equipment Replacement	20,525	-	20,525	20,525	-	-	- *
1242500200 Fire - Enclosed Air Trailer	2,239	-	-	-	2,239	-	2,239
1242500200 Fire - Enclosed Air Trailer	147,761	147,315	446	147,761	-	-	- *
1252100200 Jail Surveillance System Digital Conversion & Cameras	521,594	18,453	391,675	410,128	111,466	108,822	2,644
1252700200 AED Pads in the Park	175,000	-	39,875	39,875	135,125	40,469	94,656
1262100200 Jail and Sheriff HQ Renewal and Replacements	143,862	6,632	-	6,632	137,230	-	137,230
1262100200 Jail and Sheriff HQ Renewal and Replacements	65,160	-	65,160	65,160	-	-	- *
1262500200 Mass Care and Mass Sheltering Upgrade	150,000	-	-	-	150,000	-	150,000
1271900200 Deep Creek Fire Station #8 - Relocate	11,604,093	620,357	3,790,392	4,410,750	7,193,343	6,082,176	1,111,167
							(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-1, Continued

General Capital Projects Fund
Schedule of Expenditures and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project	Appropriations	Expenditures		Unexpended	Encumbrances	Unencumbered Balance
		Prior Years	Current Year			
General construction projects, continued:						
Department of Public Safety, continued:						
1272500200	\$ 11,843	-	-	11,843	11,843	-
1272500200	3,840,157	-	3,840,157	3,840,157	-	- *
1272700200	389,581	-	2,093	387,488	-	387,488
1281900200	8,976,464	147,608	374,895	8,453,960	258,963	8,194,998
1282700200	175,000	-	-	175,000	12,770	162,230
1292500200	500,000	82,506	-	82,506	321,325	96,169
1292700200	125,000	89,625	-	35,375	-	35,375
1302700200	172,000	-	172,000	-	-	- *
1312500200	490,000	344,552	109,406	36,042	-	36,042
1312700200	35,746	-	-	35,746	4,145	31,601
1322700200	40,642	-	-	40,642	-	40,642
1322700200	259,358	-	259,358	-	-	- *
1322800200	350,000	-	141,210	208,790	-	208,790
1332700200	300,000	217,116	43,166	39,717	-	39,717 *
1342400200	8,843	-	-	8,843	-	8,843
1342500200	1,650,000	402,924	301,713	945,363	-	945,363
1342700200	200,000	26,598	172,915	487	-	487
1391400200	651,745	34,135	32,960	584,650	15,765	568,885 *
1392000200	4,594,220	4,379,335	-	214,885	214,885	-
1392800200	210,000	-	117,168	92,832	-	92,832
1432500200	180,166	89,726	89,726	713	-	713 *
1482800200	1,048,424	-	-	1,048,424	-	1,048,424
Total Department of Public Safety		49,756,286	13,864,102	22,097,160	10,875,833	16,783,293
Department of Public Works:						
1031900300	347,634	-	-	347,634	-	347,634
1071900300	6,980,583	-	1,416,649	5,563,934	264,129	5,299,806
1081800300	21,124,900	73,520	119,695	20,931,685	51,946	20,879,739
1082600300	4,743,373	-	2,750,288	1,993,085	1,967,484	25,601
1091800300	21,364,360	703,187	1,067,326	19,593,847	1,077,209	18,516,638
1092700300	3,000,000	-	-	3,000,000	905,098	2,094,902
1102600300	1,555,000	106,569	104,707	1,343,723	175,153	1,168,570
1102700300	11,578,000	-	386,258	11,191,743	1,983,118	9,208,624
1112600300	2,705,000	23,961	270,743	2,410,296	307,503	2,102,792
1112700300	2,259,000	-	-	2,259,000	-	2,259,000
1122600300	300,000	80,494	85,184	134,321	-	134,321
1132600300	4,246,000	91,768	-	4,154,232	-	4,154,232
1142600300	350,000	-	-	350,000	-	350,000
1152800300	200,000	-	-	200,000	-	200,000
1162800300	2,050,000	-	-	2,050,000	-	2,050,000
1172600300	1,339,999	-	-	1,339,999	592,123	747,876
1172800300	280,000	-	-	280,000	-	280,000
1182600300	1,228,479	124,745	8,870	133,615	65,962	1,028,902
(Continued)						

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-1, Continued

General Capital Projects Fund
Schedule of Expenditures and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project	Appropriations	Expenditures		Total	Unexpended	Encumbrances	Unencumbered Balance
		Prior Years	Current Year				
General construction projects, continued:							
Department of Public Works, continued:							
1182800300 Myers Road Sidewalk Connection	\$ 240,000	-	-	-	240,000	-	240,000
1192800300 Chesapeake Signal System - Study and Upgrades	300,000	-	-	-	300,000	-	300,000
1202800300 Albemarle Sidewalk Connection	400,000	-	29,519	29,519	370,481	-	370,481
1210820300 Traffic Signals and Intersection Improvements	2,340	2,340	-	2,340	-	-	-
1262200300 Citywide Sidewalk Installation	2,600,000	168,536	22,144	190,680	2,409,320	110,873	2,298,447
1270710300 Master Drainage Improvement II	19,482	470	-	470	19,012	-	19,012
1282200300 Traffic Signals and Intersection Improvements - Phase III	300,000	41,718	16,140	57,858	242,142	235,516	6,626
1292200300 Turn Lanes and Signal Modification: Hanbury Rd.	2,446,000	382,761	14,115	396,876	2,049,124	50,516	1,998,608
1292400300 Edwin Drive Improvements	2,790,000	302,178	1,856,284	2,158,462	631,538	117,134	514,404
1302300300 Advanced Right-of-Way Acquisition Program	1,500,000	657,316	388,500	1,045,816	454,184	-	454,184
1302400300 Johnstown Road Ditch and Shoulder Improvements	19,457,172	-	-	-	19,457,172	-	19,457,172
1312200300 Traffic Signal Retiming Ph 1	2,943	-	-	-	2,943	-	2,943
1312300300 Centerville Turnpike Bridge Feasibility Study	10,000	-	8,360	8,360	1,640	-	1,640
1332400300 Pedestrian Sidewalk - Seaboard & Industrial Ave.	763,000	153,023	-	153,023	609,977	-	609,977
1341100300 Various Drainage Improvements	729	729	-	729	-	-	-
1342800300 Land of Promise Bridge Replacement	2,000,000	-	-	-	2,000,000	-	2,000,000
1352300300 Elbow Rd. Widening - Phase 2	23,014,230	2,428,577	251,242	2,679,819	20,334,411	603,065	19,731,346
1352700300 Grade Crossing Safety Program III	100,000	-	-	-	100,000	-	100,000
1362100300 Mt. Pleasant Rd. Widening	122,980	-	2,000	2,000	120,980	-	120,980
1362700300 Great Dismal Swamp Access Study	200,000	-	-	-	200,000	-	200,000
1372100300 Repair & Maintenance Roads and Bridges Phase IV	1,349,699	1,200	11,040	12,240	1,337,459	49,586	1,287,874
1372300300 George Washington Hwy. (US Route 17) Widening	8,497,007	529,762	42,819	572,581	7,924,426	41,107	7,883,320
1372700300 Chesapeake Bike Trail Phase II	1,097,518	-	1,010	1,010	1,096,508	-	1,096,508
1382100300 Right Turn Lane and Signal Modification: Woodlake Dr.	727,543	-	258,988	258,988	468,555	24,818	443,738
1382300300 Gilmerton Auxiliary Counterweights Bridge Repairs	22,059	-	-	-	22,059	-	22,059
1382400300 Gilmerton Auxiliary Counterweights Bridge Repairs	2,392,854	2,382,104	10,750	2,392,854	-	-	-
1382700300 Elbow Rd. Bridge Replacement	9,539,403	520,732	92,064	612,796	8,926,607	71,537	8,855,070
1382700300 Great Bridge Bridge Hydraulic Repairs II	1,250,000	-	14,072	14,072	1,235,928	-	1,235,928
1392300300 Intersection Improv: Battlefield Blvd at Albemarle Dr	319,806	-	-	-	319,806	-	319,806
1392700300 South Norfolk Parking Lot	620,000	247,566	50,440	298,006	321,994	5,160	316,834
1402300300 Intersection Improv: Battlefield Blvd at Volvo Pkwy	1,350,000	148,510	62,390	210,901	1,139,099	126,388	1,012,711
1402700300 Indian River Road Diet Phase I	130,000	-	-	-	130,000	-	130,000
1412100300 Rural Roads Safety Improvement Program	5,550,000	193,913	510,219	704,133	4,845,867	1,592,157	3,253,711
1412300300 Intersection Improv: Butts Station Rd at Kempsville Rd	1,270,000	10,723	-	10,723	1,259,277	-	1,259,277
1412700300 Airline Blvd. Sidewalk Extension	570,000	-	-	-	570,000	-	570,000
1422300300 Mt. Pleasant Rd. Widening - Phase 2	10,350,000	654,056	5,615,740	6,269,796	4,080,204	3,234,783	845,421
1422700300 Streetscaping & Landscaping - Various Gateway Corridors	808,058	-	-	-	808,058	-	808,058
1432000300 Ballahack Boat Ramp Area Improvements	359,791	8,064	351,727	359,791	-	-	-
1432700300 South Norfolk Concrete Pavement Replacement	3,478,000	-	1,056,112	1,056,112	2,421,889	-	2,421,889
1442300300 Pedestrian Sidewalk & Street Lighting-Poindexter St.@I-464	2,948,500	253,273	22,000	275,273	2,673,227	66,838	2,606,389
1442700300 Portsmouth Blvd. Gateway	2,459,835	93,212	-	93,212	2,366,624	-	2,366,624
1442700300 Portsmouth Blvd. Gateway	160,165	-	-	-	160,165	-	160,165
1452300300 Right Turn Lane Ext: Greenbrier Pkwy. @ Kempsville Rd.	650,000	12,119	465,495	477,614	172,386	-	172,386
1452700300 Belaire Avenue Extension	3,015,000	-	-	-	3,015,000	-	3,015,000

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-1, Continued

General Capital Projects Fund
Schedule of Expenditures and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project		Expenditures			Unexpended	Encumbrances	Unencumbered Balance
		Appropriations	Prior Years	Current Year			
General construction projects, continued:							
Department of Public Works, continued:							
1461700300	Triple Decker Bridge Rehabilitation	\$ 11,491,256	2,635,810	2,626,049	6,229,396	5,102,449	1,126,947
1462700300	Chesapeake Bike Trail Phase 3 (Taylor to Suffolk City Line)	508,075	-	-	508,075	-	508,075
1472300300	Right Turn Lanes: Deep Creek Area	325,630	-	-	325,630	-	325,630
1542300300	Intersection Improvements: Battlefield Blvd. @ GB Blvd.	1,210,000	253,032	84,799	337,832	49,471	822,698
1562300300	Oaklette Bridge (Indian River Road)	6,384,000	351,125	81,613	432,738	5,951,262	-
1572300300	Old Mill Road – Bridge at Deep Creek	1,957,000	95,915	91,745	187,660	1,769,340	-
1582300300	Number Ten Lane – Bridge over Lindsey Drainage Canal	1,835,000	200,218	94,588	294,806	1,100	1,539,094
1612500300	Mt. Pleasant Rd at Great Bridge Bypass Improvements	1,217,000	-	-	1,217,000	-	1,217,000
1622300300	Citywide Signal Timing	150,000	66,118	51,425	117,543	29,386	3,072 *
1622500300	Battlefield/Volvo Intersection Improvements Ph II	1,425,129	112,475	72,797	1,239,856	198,235	1,041,621
1632500300	Master Transportation Plan Update	275,000	-	-	275,000	266,840	8,160
1672500300	Right Turn Lane: Johnstown Rd. at Battlefield Blvd.	1,650,000	408,059	750	408,809	-	1,241,191
1712500300	Weiss Lane Widening	3,300,000	-	-	3,300,000	-	3,300,000
1792700300	Rt 168 Bridge Emergency Repairs	750,000	559,237	12,898	572,134	177,866	177,866
1852500300	Centerville Bridge Emergency Repairs	151459	-	-	151,459	-	151,459
Total Department of Public Works		233,465,991	15,079,116	20,479,554	35,558,670	25,317,943	172,589,378
Department of Parks and Recreation:							
1042600400	Renovation of Mann Drive Maintenance Facility	500,000	-	19,883	19,883	-	480,117
1112310400	Northwest River Park Improvements	4,015,230	257,589	39,852	297,441	6,456	3,711,332
1122300400	Parks - Improvements, Additions & Expansions	4,917,559	7,398.64	128,747	136,145	52,914	4,728,500
1122300400	Parks - Improvements, Additions & Expansions	630,452	344,666	285,785	630,452	-	- *
1142400400	Heritage Park - Ph II	1,525,000	-	-	-	-	1,525,000
1152200400	Northwest River Park Water & Sewer System Improv - Ph I	17,136	-	-	-	-	17,136
1152400400	Heron Landing Park on the Indian River	1,506,000	132,627	1,372,946	1,505,573	427	1
1161920400	Athletic Field Improvements	910,540	-	671,010	671,010	234,015	5,515
1162400400	Oak Grove Lake Park - Phase II	380,000	-	-	-	-	380,000
1170510400	Parks Land Acquisition	317,886	230,200	25,152	255,352	62,534	62,534
1172100400	Chesapeake Arboretum	949,894	13,448	201,588	215,036	728,213	6,645
1181930400	Park Program Improvements	392,541	-	283,089	283,089	53,535	55,917
1182100400	Commonwealth/Seaboard Multi-City Rail Trail	135,929	-	-	-	-	135,929
1191930400	Facility Improvements on Recreational Buildings	593,733	55,080	380,682	435,762	157,971	808
1191930400	Facility Improvements on Recreational Buildings	158,117	10,725	147,392	158,117	-	- *
1192100400	Dismal Swamp Canal Trail Phase III	353,791	-	-	-	-	353,791
1202700400	Master Plan Update	200,000	-	52,472	52,472	147,528	-
1211920400	Parking Lot Improvements	27,246	-	20,715	20,715	6,531	-
1212500400	New Athletic Field Lighting	986,272	349,803	440,309	790,112	196,160	196,160
1212700400	Joliff Landing Park Phase I	400,000	-	56,200	56,200	343,800	-
1221920400	ADA Facility Compliance	1,796	-	1,796	1,796	-	- *
							(Continued)

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-1, Continued

General Capital Projects Fund
Schedule of Expenditures and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project	Appropriations	Expenditures			Unexpended Balance	Encumbrances	Unencumbered Balance
		Prior Years	Current Year	Total			
General construction projects, continued:							
Department of Parks and Recreation, continued:							
1222700400	\$	650,000	2,451	54,323	56,774	593,226	1,159
1241920400		12,737	4,947	716	5,662	7,075	6,972
1362400400		800,000	5,265	10,175	15,440	784,560	-
1472010400		3,694,840	-	462,050	462,050	3,232,791	810,201
1472010400		200,675	-	200,675	200,675	-	-
1682300400		60,899	58,427	2,312	60,739	160	-
1722700400		20,000,000	282,290	641,708	923,998	19,076,002	1,221,627
1832500400		9,000,000	780,806	1,337,961	2,118,767	6,881,233	505,636
Total Department of Parks and Recreation	53,338,273	2,535,722	6,837,537	9,373,259	43,965,014	4,121,277	39,843,737
Department of Public Welfare:							
1012300500		6,709,700	425,098	1,673,211	2,098,308	4,611,392	325,835
1141900500		3,031,112	2,970,564	-	2,970,564	60,548	19,676
1151900500		2,587,309	189,562	284,018	473,580	2,113,728	78,913
1782700500		599,295	580,595	17,040	597,635	1,660	-
Total Department of Public Welfare	12,927,416	4,165,819	1,974,269	6,140,088	6,787,328	424,424	6,362,904
Department of Libraries:							
1022501000		51,673	-	7,150	7,150	44,523	2,226
1022501000		148,327	75,036	73,291	148,327	-	-
1042301000		188,688	-	57,274	57,274	131,414	131,414
1042301000		386,312	130,769	255,543	386,312	-	-
1062601000		2,844,916	124,486	267,555	392,041	2,452,875	1,795,446
1102201000		20,757	-	-	-	20,757	20,443
1102201000		579,243	357,477	221,766	579,243	-	-
1102301000		574,645	-	557,358	557,358	17,288	-
1102301000		25,355	-	25,355	25,355	-	-
1121911000		18,089	-	2,800	2,800	15,290	15,290
1121911000		335,603	5,439	330,164	335,603	-	-
1121921000		300,197	13,200	286,997	300,197	-	-
1132501000		354,000	-	-	-	354,000	-
1312801000		94,617	-	94,617	94,617	-	-
Total Department of Libraries	5,922,422	706,407	2,179,868	2,886,275	3,036,147	1,982,106	1,054,041
Total expenditures and encumbrances	563,500,356	91,838,494	75,805,650	167,644,144	395,856,212	65,476,651	330,379,561
Less completed projects				40,849,228			
Construction in progress	\$	517,121,909		126,794,916			
* Completed Projects							

* Completed Projects

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CITY OF CHESAPEAKE, VIRGINIA

Schedule O-2

Public Utilities Capital Projects Fund
Schedule of Expenses and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project		Expenses			Unexpended Balance	Encumbrances	Unencumbered Balance
		Appropriations	Prior Years	Current Year	Total		
1011500800	PW/PU Operations Facilities Relocation Ph I	\$ 8,000,000	121,262	-	121,262	7,878,738	-
1022700800	Sanitary Sewer Pump Stations	9,944,947	-	-	-	9,944,947	-
1022700801	FEMA / VDEM Generator	358,246	-	186,964	186,964	171,282	51,464
1022700802	PS 143 Riverwalk	343,954	-	-	-	343,954	312,685
1022700803	PS 287 Crestfield	144,500	-	4,430	4,430	140,070	137,742
1032700800	Sanitary Sewer Systems	4,822,000	-	-	-	4,822,000	-
1032700801	Avalon Area Sewer Renewal	1,500,000	-	264,737	264,737	1,235,263	1,209,335
1042700800	Water Distribution	3,992,000	-	-	-	3,992,000	-
1042700801	Water Distribution - Avolon Area Water Renewal	300,000	-	37,739	37,739	262,262	231,807
1042700802	Water Distribution - Water Service Line Inventory	500,000	107,323	293,211	400,534	99,466	87,246
1051800800	Sewer Renewal - Add'l Consent Order Capital Requirement	5,234,575	-	-	-	5,234,575	-
1051820800	Sewer Renewal - Add'l Consent Order - Decatur	3,136,311	2,550,476	483,834	3,034,311	102,000	5,234,575
1051840800	Sewer Renewal - Add'l Consent Order - Maint & Op Mgmt	574,946	-	-	-	574,946	-
1051870800	Sewer Renewal - Regional/Local Hydraulic Model	26,721	3,441	-	3,441	23,280	23,280
1052700800	Lake Gaston Water Treatment Plant	3,200,000	-	-	-	3,200,000	-
1061000800	Force Main Upgrade - Greenbrier Parkway	2,379,180	1,988,484	387,572	2,376,057	3,124	3,124
1062700800	Northwest River Water Treatment Plant	3,162,095	-	-	-	3,162,095	-
1062700802	NWR WTP - GW Reverse Osmosis Replacement	3,095,000	117,734	205,776	323,510	2,771,490	23,610
1062700803	NWR WTP - UV Disinfection Facility	1,586,000	-	-	-	1,586,000	1,581,267
1092800800	Unserved Areas/Cost Participation III	2,681,373	-	-	-	2,681,373	-
1092800801	Unserved Areas/Cost Participation III - Bursen Dr	240,000	-	-	-	240,000	235,075
1141600800	Water Renewal & Waterline Upgrade - Ph II	7,717	7,717	-	7,717	-	-
1151700800	Sewer Renewal - 18th Street	2,392,270	713,319	743,683	1,457,002	935,268	816,490
1181700800	Sewer Renewal - Chesapeake Ave - Guerriere to Ohio Sewer	1,116,797	54,391	-	54,391	1,062,406	-
1191300800	Northwest River WTP Misc Modifications	1,293,973	442,766	851,207	1,293,973	-	-
1191310800	Northwest River WTP Misc Modifications	2,000,000	265,191	516,743	781,933	1,218,067	-
1202200800	Northwest River WTP - Switchgear Replacement	5,982,000	-	135,972	135,972	5,846,028	135,972
1202300800	Chesapeake Connector Water Pipeline	2,000,000	-	-	-	2,000,000	-
1211310800	Lake Gaston WTP Membrane Rep. - Phase 2	1,089,270	540,150	549,120	1,089,270	-	-
1222200800	Sewer System Redesign/Construction: Albemarle Dr.	995,000	91,747	703,660	795,407	199,593	1,099
1222300800	Lake Gaston Pipeline - Capital Cost Sharing with VA Beach	567,131	10,719	21,284	32,003	535,128	-
1222300800	Lake Gaston Pipeline - Capital Cost Sharing with VA Beach	1,357,869	1,282,150	75,719	1,357,869	-	-
1231700800	Sewer and Water Renewal: Elbyrne Dr.	2,278,266	2,282,778	(4,512)	2,278,266	-	-
1232300800	Northwest River Lakes & Pump Station	2,000,000	436,109	1,338,317	1,774,426	225,574	1,520
1232400800	SCADA Upgrade	9,500,000	42,463	25,940	68,403	9,431,597	8,737
1241200800	Water System Renewal	300,000	-	-	-	300,000	-
1252020800	Unserved Areas/Cost Participation - Phase II - Willow Lake	2,288,381	306,496	1,981,885	2,288,381	-	-

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-2, Continued

Public Utilities Capital Projects Fund
Schedule of Expenses and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project		Expenses			Unexpended Balance	Encumbrances	Unencumbered Balance
		Appropriations	Prior Years	Current Year			
1271200800	Sanitary Sewer Evaluation	\$ 3,098,788	3,078,006	-	3,078,006	-	20,783
1271200800	Sanitary Sewer Evaluation	4,973,782	4,973,782	-	4,973,782	-	- *
1292000800	Northwest River WTP Ground Storage Tank	1,680,000	82,522	67,657	150,179	15,154	1,514,667
1312000800	Water Production Security System Upgrades	25,884	-	-	-	25,884	450
1312400800	South Central Water Transmission Main & Loop - Phase I	32,607,000	1,686,314	40,803	1,727,117	30,879,883	29,826,836
1322000800	Water Residuals Disposal	320,000	140,736	52,763	193,498	126,502	71,484
1322100800	Water & Sewer Pump Station Telemetry Install and Upgrade	88,655	88,655	-	88,655	-	- *
1331200800	Sewer Renewal - SSES Ph II	5,379,737	5,069,944	11,758	5,081,702	298,035	4,350
1331700800	Raleigh Place Sewer (Pump Station #7)	4,400,000	294,901	168,895	463,796	3,936,204	3,796,877
1332000800	Western Branch Elevated Tank Rehabilitation	5,893	-	-	-	5,893	5,893
1332000800	Western Branch Elevated Tank Rehabilitation	44,107	-	44,107	44,107	-	- *
1332100800	Water System Planning and Upgrades	1,400,000	151,508	72,620	224,128	1,175,873	1,164,728
1342000800	Force Main Replacement - Dominion Blvd. and I-64	3,963,739	2,258,715	1,705,024	3,963,739	-	- *
1351700800	Service Area Gravity Sewer	407,924	-	-	-	407,924	407,924
1352000800	Sewer Pump Station Safety Improvements	205,276	-	-	-	205,276	205,276
1352000800	Sewer Pump Station Safety Improvements	177,421	177,421	-	177,421	-	- *
1372000800	Lake Gaston WTP Miscellaneous Modifications	1,410,438	-	-	-	1,410,438	1,410,438
1372000800	Lake Gaston WTP Miscellaneous Modifications	830,391	788,421	41,970	830,391	-	- *
1372400800	Fentress NALF Water Transmission Main	15,000,000	690,246	100,215	790,461	14,209,539	12,493,563
1391200800	Red Top Raw Water Transmission Main	34,752,394	19,567,389	3,395,474	22,962,863	11,789,531	10,614,681
1431200800	Centerville Turnpike Loop 3	10,289,030	6,038,223	3,268,121	9,306,345	982,685	409,051
1471200800	Western Branch Interconnect to Lake Gaston WTP	2,103,150	1,783,519	-	1,783,519	319,631	-
1471220800	Willow Lake Interconnect	5,128,819	222,378	59,624	282,002	4,846,817	4,722,754
1522300800	Water Franchise Acquisition and System Renewals	9,132	9,132	-	9,132	-	- *
1522300800	Water Franchise Acquisition and System Renewals	13,046	13,046	-	13,046	-	-
1531200800	Replace Meter Reading Equip	23,399,623	1,415,502	792,712	2,208,214	21,191,409	21,182,780
1652300800	Philmont Ave Septic Disconnect	940,380	380	-	380	940,000	940,000
1711200800	Water Renewal - Water Line Upgrade	93,185	1,847	-	1,847	91,338	48,247
1762700800	South Central Water and Sewer Transmission	297,000,000	-	1,256,830	1,256,830	295,743,170	294,725,855
1782500800	Sewer Lines - West Road Force Main	27,349,567	512,353	146,720	659,073	26,690,494	26,233,902
Total project expenses and encumbrances		567,487,884	60,409,654	20,028,573	80,438,227	487,049,657	473,868,948
Less completed projects		22,647,138			22,518,734		
Construction in progress - construction		544,840,746			57,919,493		
Capitalized interest expenses			5,336,641	-	5,336,641		
Less closed capitalized interest					802,747		
Construction in progress - capitalized interest					4,533,894		
Total construction in progress		\$			62,453,387		

* Completed Projects

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CITY OF CHESAPEAKE, VIRGINIA

Schedule O-3

Chesapeake Transportation System Capital Projects Fund
 Schedule of Expenses and Encumbrances - Budget and Actual
 Year Ended June 30, 2024

Project	Expenses				Unexpended Balance	Encumbrances	Unencumbered Balance
	Appropriations	Prior Years	Current Year	Total			
1082700700 Violation Processing System (VPS) Replacement	\$ 5,500,000	-	1,589,260	1,589,260	3,910,740	2,665,105	1,245,635
1092600700 DBVB - LED Lighting Replacement/Upgrade	1,100,000	-	-	-	1,100,000	126,853	973,147
1122700700 Chesapeake Expressway R&R - Phase IV	1,645,975	-	-	-	1,645,975	705,377	940,598
1122700700 Chesapeake Expressway R&R - Phase IV	883,821	-	883,821	883,821	-	-	*
1132700700 Dominion Blvd Vet Bridge R&R - Phase I	1,549,410	-	-	-	1,549,410	296,769	1,252,641
1132700700 Dominion Blvd Vet Bridge R&R - Phase I	530,605	-	530,605	530,605	-	-	*
1202600700 DBVB Deck & Parapet Wall Rehab	3,351,000	-	-	-	3,351,000	-	3,351,000
1282400700 Chesapeake Expressway Repaving - Phase I	3,489,413	-	-	-	3,489,413	461,744	3,027,669
1282400700 Chesapeake Expressway Repaving - Phase I	2,936,882	-	2,936,882	2,936,882	-	-	*
1322300700 Renewals: Chesapeake Expressway - Phase 3	1,080,000	-	34,701	34,701	1,045,299	209,175	836,124
1342300300 DBVB - Closed Circuit Television (CCTV)	375,000	-	-	-	375,000	-	375,000
1562500700 Dominion Blvd. Veterans Bridge Toll Systems Upgrades	410,000	-	-	-	410,000	-	410,000
Total expenses and encumbrances	22,852,106	-	5,975,269	5,975,269	16,876,837	4,465,022	12,411,815
Less completed projects	4,351,308			4,351,308			
Total construction in progress	\$ 18,500,798			1,623,961			
* Completed Projects							

* Completed Projects

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-4

Stormwater Management Capital Projects Fund
Schedule of Expenses and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project	Expenses				Unexpended Balance	Encumbrances	Unencumbered Balance
	Appropriations	Prior Years	Current Year	Total			
1011100300	\$ 1,394,187	-	4,738	4,738	1,389,449	-	1,389,449
1012800900	300,000	-	-	-	300,000	-	300,000
1031600900	2,960,747	-	25,908	25,908	2,934,839	526,708	2,408,131
1041300900	370,000	-	-	-	370,000	-	370,000
1051220300	12,046	-	-	-	12,046	-	12,046
1051400900	3,594,881	314,378	124,409	438,787	3,156,093	52,366	3,103,727
1051420900	852,587	141,490	996	142,487	710,100	163,953	546,147
1052600900	1,820,000	-	-	-	1,820,000	-	1,820,000
1061200900	79,029	24,650	23,251	47,900	31,129	506	30,624
1071300900	1,384,804	5,477	12,625	18,102	1,366,702	20,685	1,346,016
1071510900	101,829	1,829	512	2,341	99,488	-	99,488
1071810900	1,493,045	-	-	-	1,493,045	593,919	899,126 *
1071810900	152,805	152,805	-	152,805	-	-	-
1081500900	3,737,596	1,881,059	485,287	2,366,345	1,371,251	193,429	1,177,821
1091500900	5,000,000	754,476	58,524	812,999	4,187,001	94,790	4,092,211
1101500900	761,124	561,820	157,816	719,636	41,488	28,176	13,312
1102800900	470,904	-	96,800	96,800	374,104	138,593	235,511
1111500900	4,239,915	539,166	9,308	548,474	3,691,441	-	3,691,441 *
1111500900	650	110,650	(110,000)	650	-	-	-
1112800900	550,000	-	-	-	550,000	-	550,000
1122800900	250,000	-	-	-	250,000	-	250,000
1132800900	1,000,000	-	-	-	1,000,000	-	1,000,000
1142800900	200,000	-	-	-	200,000	-	200,000
1192000900	546,000	63,231	93,864	157,095	388,905	1,320	387,585
1232200900	1,210,000	109,002	-	109,002	1,100,998	-	1,100,998
1242200900	750,000	132,908	29,751	162,659	587,341	29,904	557,437
1252300900	78,199	78,199	-	78,199	-	-	-
1252400900	575,340	6,251	530,749	537,000	38,340	-	38,340
1262300900	950,000	105,001	-	105,001	844,999	32,033	812,967
1262400900	2,186,458	-	-	-	2,186,458	-	2,186,458
1272300900	935,000	-	2,167	2,167	932,833	3,903	928,930 *
1272400900	1,469,167	1,469,167	-	1,469,167	-	-	-
1282300900	1,150,000	22,750	-	22,750	1,127,250	-	1,127,250
1292300900	1,506,476	11,329	10,135	21,464	1,485,012	101	1,484,911
1431700900	3,233,241	1,650,863	230,220	1,881,084	1,352,158	980,485	371,673 *
1431700900	305,585	305,585	-	305,585	-	-	-
1492500900	399,000	-	-	-	399,000	-	399,000
1502500900	6,600,000	-	-	-	6,600,000	-	6,600,000
1512500900	1,000,000	171,394	45,067	216,461	783,539	48,160	735,379
1522500900	1,320,000	110,435	14,861	125,297	1,194,703	40,918	1,153,786

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule O-4, Continued

Stormwater Management Capital Projects Fund
Schedule of Expenses and Encumbrances - Budget and Actual
Year Ended June 30, 2024

Project	Appropriations	Expenses			Unexpended Balance	Encumbrances	Unencumbered Balance
		Prior Years	Current Year	Total			
1562700900 Herring Ditch Outfall Improvements	\$ 3,045,000	175,530	86,384	261,914	2,783,086	33,657	2,749,429
1582700900 Mount Pleasant Rd. Crossing Replacement	500,000	-	-	-	500,000	-	500,000
1612700900 Providence Rd. Crossing Replacement	1,540,000	-	-	-	1,540,000	-	1,540,000
1622700900 Royce Drive Drainage Outfall Improvements - Phase II	825,000	-	104,393	104,393	720,607	217,780	502,827
1652300900 Philmont Ave Septic Disconnect	725,346	396	-	396	724,950	-	724,950
1652700900 Weiss Lane Outfall Improvements	500,000	-	-	-	500,000	-	500,000
1662700900 Welch Lane Drainage Improvements - Phase II	880,000	-	-	-	880,000	-	880,000
1731200900 BMP Restoration Citywide	1,968,820	484,463	3,853	488,317	1,480,503	224,839	1,255,664
1751200300 Partridge/Cloverdale Area Improvements	88,995	-	-	-	88,995	-	88,995
1771200900 Shillelagh Road Drainage Outfall Improvement	2,280,270	1,307,986	762,655	2,070,641	209,630	202,891	6,739
1781200300 Shillelagh Roadside Ditch Improvements	32,502	32,502	-	32,502	-	-	-
Total expenses and encumbrances	67,326,548	10,724,792	2,804,272	13,529,064	53,797,484	3,629,117	50,168,367
Less completed projects	1,928,207			1,928,207			
Construction in progress	\$ 65,398,341			11,600,857			
* Completed Projects							

* Completed Projects

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Special Revenue and Permanent Funds

Special Revenue Funds:

Tax Increment Financing Funds – To account for incremental tax revenues generated in designated commercial areas of the City, such as Greenbrier and South Norfolk, and to fund improvements in the relevant areas through the use of those revenues.

Virginia Public Assistance Fund – To account for the rendering of economic aid to qualifying citizens.

Integrated Behavioral Healthcare Fund – To account for revenues and expenditures to provide services for mental health, intellectual disability, and substance abuse programs.

Conference Center Fund – To account for the operation of the City's Conference Center and the City's Conventions and Tourism programs.

Juvenile Services Fund – To account for revenues and expenditures related to the operation of a regional detention facility.

Interagency Consortium Fund – To account for revenues and expenditures of the delivery system for severely emotionally and/or behaviorally disturbed children.

E-911 Operations Fund – To account for revenues and expenditures related to the emergency call center.

Fee Supported Activities Fund – To account for revenues and expenditures related to fee supported activities.

Grants Fund – To account for revenues and expenditures related to specific grant activities.

Community Development Fund – To account for revenues and expenditures under the Community Development Block Grant Program.

Open Space Agriculture Preservation Fund – To account for the revenues and expenditures related to the purchase of development rights from willing sellers who own qualified agriculture land or open space.

Proffers Fund – To account for cash proffers provided to the City from developers for specific purposes.

Housing Trust Fund – To account for revenues and expenditures to provide services for temporary and permanent housing.

CSB of Chesapeake, Inc. – To account for the issuance of debt and the rental of a community services facility for the Community Services Board.

Permanent Funds:

Poor Fund and Carney Fund – To account for the investment of funds donated to the City. The expenditures of the income earned by these endowments are to be used for education.



CITY OF CHESAPEAKE, VIRGINIA

Schedule P-1

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Tax Increment Financing Greenbrier	Tax Increment Financing South Norfolk	Virginia Public Assistance	Integrated Behavioral Healthcare	Conference Center
ASSETS					
Cash and temporary investments	\$ 7,609,570	14,039,635	4,478,565	10,581,553	16,052,418
Receivables, net of allowance for uncollectible amounts	-	-	-	2,459,539	136,840
Intergovernmental receivable	-	-	1,826,629	-	-
Inventory of materials and supplies	-	-	-	-	11,712
Prepaid expenditures and other assets	-	-	-	-	523,278
Restricted assets	-	-	-	-	-
Total assets	\$ 7,609,570	14,039,635	6,305,194	13,041,092	16,724,248
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	-	114,845	719,975	242,404
Accrued expenditures	-	-	349,669	427,852	13,939
Unearned revenue	-	-	-	-	39,625
Other liabilities	-	-	23,968	16,351	46
Due to Commonwealth of Virginia	-	-	8,312	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	496,794	1,164,178	296,014
Fund Balances					
Nonspendable	-	-	-	-	534,990
Restricted	7,609,570	14,039,635	-	1,996,446	-
Committed	-	-	195,943	1,657,996	87,027
Assigned	-	-	5,612,457	8,222,472	15,806,217
Total fund balances	7,609,570	14,039,635	5,808,400	11,876,914	16,428,234
Total liabilities and fund balances	\$ 7,609,570	14,039,635	6,305,194	13,041,092	16,724,248

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-1, Continued

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Juvenile Services	Interagency Consortium	E-911 Operations	Fee Supported Activities	Grants
ASSETS					
Cash and temporary investments	3,563,516	-	10,825,178	10,734,626	11,083,382
Receivables, net of allowance for uncollectible amounts	1,106	6,213	89,640	376,860	81,667
Intergovernmental receivable	-	1,481,755	-	-	1,233,038
Inventory of materials and supplies	-	-	-	-	-
Prepaid expenditures and other assets	-	-	-	-	-
Restricted assets	-	-	-	-	-
Total assets	3,564,622	1,487,968	10,914,818	11,111,486	12,398,087
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	11,625	560,332	138,751	194,161	288,107
Accrued expenditures	61,560	9,157	121,992	11,812	36,901
Unearned revenue	-	-	-	-	-
Other liabilities	-	-	-	-	241
Due to Commonwealth of Virginia	-	-	-	-	-
Due to other funds	-	282,278	-	-	-
Total liabilities	73,185	851,767	260,743	205,973	325,249
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	11,355,511
Committed	496,417	21	537,661	281,742	717,327
Assigned	2,995,020	636,180	10,116,414	10,623,771	-
Total fund balances	3,491,437	636,201	10,654,075	10,905,513	12,072,838
Total liabilities and fund balances	3,564,622	1,487,968	10,914,818	11,111,486	12,398,087

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-1, Continued

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Community Development	Open Space Agriculture Preservation	Proffers	Housing Trust	CSB of Chesapeake, Inc.
ASSETS					
Cash and temporary investments	-	5,797,615	11,181,658	62,730	-
Receivables, net of allowance for uncollectible amounts	-	-	-	-	-
Intergovernmental receivable	1,008,359	-	-	-	-
Inventory of materials and supplies	-	-	-	-	-
Prepaid expenditures and other assets	-	-	-	-	-
Restricted assets	-	1,003,803	-	-	-
Total assets	1,008,359	6,801,418	11,181,658	62,730	-
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	370,925	519,000	-	-	-
Accrued expenditures	6,898	-	-	-	-
Unearned revenue	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to Commonwealth of Virginia	-	-	-	-	-
Due to other funds	246,626	-	-	-	-
Total liabilities	624,449	519,000	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	11,181,658	-	-
Committed	383,910	6,282,418	-	62,730	-
Assigned	-	-	-	-	-
Total fund balances	383,910	6,282,418	11,181,658	62,730	-
Total liabilities and fund balances	1,008,359	6,801,418	11,181,658	62,730	-

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-1, Continued

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Permanent Funds		Total Nonmajor Governmental Funds
	Poor	Carney	
ASSETS			
Cash and temporary investments	201,696	15,119	106,227,261
Receivables, net of allowance for uncollectible amounts	2,137	773	3,154,775
Intergovernmental receivable	-	-	5,549,781
Inventory of materials and supplies	-	-	11,712
Prepaid expenditures and other assets	-	-	523,278
Restricted assets	-	-	1,003,803
Total assets	203,833	15,892	116,470,610
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	-	-	3,160,125
Accrued expenditures	-	-	1,039,780
Unearned revenue	-	-	39,625
Other liabilities	-	-	40,606
Due to Commonwealth of Virginia	-	-	8,312
Due to other funds	-	-	528,904
Total liabilities	-	-	4,817,352
Fund Balances			
Nonspendable	11,295	1,500	547,785
Restricted	192,538	14,392	46,389,750
Committed	-	-	10,703,192
Assigned	-	-	54,012,531
Total fund balances	203,833	15,892	111,653,258
Total liabilities and fund balances	203,833	15,892	116,470,610

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-2

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

	Special Revenue Funds				
	Tax Increment Financing Greenbrier	Tax Increment Financing South Norfolk	Virginia Public Assistance	Integrated Behavioral Healthcare	Conference Center
REVENUES					
General property taxes	\$ 14,808,557	11,737,618	-	-	-
Other local taxes	-	-	-	-	5,570,799
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	347,915	505,947	271,782	443,963	-
Revenues from use of property	-	-	-	-	235,128
Charges for services	-	-	1,785	7,559,878	1,180,829
Miscellaneous local revenues	-	-	281	-	329,701
Recovered costs	-	-	52,641	29,221	-
Program income	-	-	-	-	-
Revenues from local developers	-	-	-	-	-
Intergovernmental revenues:					
Commonwealth of Virginia	-	-	5,552,406	13,907,830	-
Federal government	-	-	11,847,243	2,497,961	-
Total revenues	15,156,472	12,243,565	17,726,138	24,438,853	7,316,457
EXPENDITURES					
Current:					
General government	-	250	-	-	4,352,462
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Public welfare	-	-	25,204,606	32,495,146	-
Education	-	-	-	-	-
Capital outlay	-	-	-	2,440,214	333,875
Total expenditures	-	250	25,204,606	34,935,360	4,686,337
Excess (deficiency) of revenues over (under) expenditures	15,156,472	12,243,315	(7,478,468)	(10,496,507)	2,630,120
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	413,779	-	8,357,878	11,469,436	-
Transfers to other funds	(11,958,399)	(9,313,997)	(291,565)	(734,149)	(195,000)
Issuance of leases (as lessee) (note 5)	-	-	-	2,402,348	333,875
Issuance of subscriptions	-	-	-	31,704	-
Total other financing sources (uses), net	(11,544,620)	(9,313,997)	8,066,313	13,169,339	138,875
Net change in fund balance	3,611,852	2,929,318	587,845	2,672,832	2,768,995
Fund balance - beginning	3,997,718	11,110,317	5,220,555	9,204,082	13,659,239
Fund balance - ending	\$ 7,609,570	14,039,635	5,808,400	11,876,914	16,428,234

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-2, Continued

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

	Special Revenue Funds				
	Juvenile Services	Interagency Consortium	E-911 Operations	Fee Supported Activities	Grants
REVENUES					
General property taxes	-	-	-	-	-
Other local taxes	-	-	4,947,998	-	-
Licenses, permits, and fees	-	-	-	261,813	-
Fines and forfeitures	-	-	-	6,152,185	-
Investment income	158,637	7,043	486,112	456,494	107,712
Revenues from use of property	-	-	-	-	-
Charges for services	35,100	6,680	-	498,700	113,338
Miscellaneous local revenues	-	-	-	-	4,155,959
Recovered costs	177,467	(1,024)	-	(139)	-
Program income	-	-	-	-	-
Revenues from local developers	-	-	-	-	-
Intergovernmental revenues:					
Commonwealth of Virginia	1,738,942	3,826,577	1,049,961	-	4,791,549
Federal government	-	216,535	-	-	2,512,335
Total revenues	2,110,146	4,055,811	6,484,071	7,369,053	11,680,893
EXPENDITURES					
Current:					
General government	4,961,889	-	-	-	2,573,578
Public safety	-	-	7,930,682	1,675,377	2,407,327
Parks and recreation	-	-	-	-	144,868
Public welfare	-	6,632,445	-	-	785,278
Education	-	-	-	-	-
Capital outlay	-	-	83,864	317,134	588,214
Total expenditures	4,961,889	6,632,445	8,014,546	1,992,511	6,499,265
Excess (deficiency) of revenues over (under) expenditures	(2,851,743)	(2,576,634)	(1,530,475)	5,376,542	5,181,628
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	3,718,983	2,689,859	2,794,736	-	1,719,283
Transfers to other funds	(158,637)	(7,043)	(486,112)	(1,912,592)	(7,673,058)
Issuance of leases (as lessee) (note 5)	-	-	-	194,761	88,563
Issuance of subscriptions	-	-	-	-	-
Total other financing sources (uses), net	3,560,346	2,682,816	2,308,624	(1,717,831)	(5,865,212)
Net change in fund balance	708,603	106,182	778,149	3,658,711	(683,584)
Fund balance - beginning	2,782,834	530,019	9,875,926	7,246,802	12,756,422
Fund balance - ending	3,491,437	636,201	10,654,075	10,905,513	12,072,838

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-2, Continued

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

	Special Revenue Funds				
	Community Development	Open Space Agriculture Preservation	Proffers	Housing Trust	CSB of Chesapeake, Inc
REVENUES					
General property taxes	-	471,094	-	-	-
Other local taxes	-	-	-	-	-
Licenses, permits, and fees	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	289,391	-	3,013	1,864
Revenues from use of property	-	1,200	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous local revenues	-	52,439	310,412	-	-
Recovered costs	-	-	-	-	-
Program income	295,585	-	-	-	-
Revenues from local developers	-	100,000	-	-	-
Intergovernmental revenues:					
Commonwealth of Virginia	-	3,763	-	-	-
Federal government	2,177,121	-	-	-	-
Total revenues	2,472,706	917,887	310,412	3,013	1,864
EXPENDITURES					
Current:					
General government	-	10,997	-	-	-
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Public welfare	2,389,752	-	-	-	-
Education	-	-	5,386,200	-	-
Capital outlay	-	529,500	-	-	-
Total expenditures	2,389,752	540,497	5,386,200	-	-
Excess (deficiency) of revenues over (under) expenditures	82,954	377,390	(5,075,788)	3,013	1,864
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	(344,761)	(740,870)	-	(368,409)
Issuance of leases (as lessee) (note 5)	-	-	-	-	-
Issuance of subscriptions	-	-	-	-	-
Total other financing sources (uses), net	-	(344,761)	(740,870)	-	(368,409)
Net change in fund balance	82,954	32,629	(5,816,658)	3,013	(366,545)
Fund balance - beginning	300,956	6,249,789	16,998,316	59,717	366,545
Fund balance - ending	383,910	6,282,418	11,181,658	62,730	-

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-2, Continued

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

	Permanent Funds		Total Nonmajor Governmental Funds
	Poor	Carney	
REVENUES			
General property taxes	-	-	27,017,269
Other local taxes	-	-	10,518,797
Licenses, permits, and fees	-	-	261,813
Fines and forfeitures	-	-	6,152,185
Investment income	9,955	773	3,090,601
Revenues from use of property	-	-	236,328
Charges for services	-	-	9,396,310
Miscellaneous local revenues	-	-	4,848,792
Recovered costs	-	-	258,166
Program income	-	-	295,585
Revenues from local developers	-	-	100,000
Intergovernmental revenues:			
Commonwealth of Virginia	-	-	30,871,028
Federal government	-	-	19,251,195
Total revenues	9,955	773	112,298,069
EXPENDITURES			
Current:			
General government	-	-	11,899,176
Public safety	-	-	12,013,386
Parks and recreation	-	-	144,868
Public welfare	-	-	67,507,227
Education	-	-	5,386,200
Capital outlay	-	-	4,292,801
Total expenditures	-	-	101,243,658
Excess (deficiency) of revenues over (under) expenditures	9,955	773	11,054,411
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	-	31,163,954
Transfers to other funds	-	-	(34,184,592)
Issuance of leases (as lessee) (note 5)	-	-	3,019,547
Issuance of subscriptions	-	-	31,704
Total other financing sources (uses), net	-	-	30,613
Net change in fund balance	9,955	773	11,085,024
Fund balance - beginning	193,878	15,119	100,568,234
Fund balance - ending	203,833	15,892	111,653,258

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-3

Tax Increment Financing Greenbrier Fund
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
General property taxes	\$ 15,329,482	14,808,557	(520,925)
Investment income	-	347,915	347,915
Total revenues	15,329,482	15,156,472	(173,010)
EXPENDITURES			
General government	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	15,329,482	15,156,472	(173,010)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	413,779	413,779
Transfers to other funds	(11,610,909)	(11,958,399)	(347,490)
Total other financing sources (uses), net	(11,610,909)	(11,544,620)	66,289
Net change in fund balance	3,718,573	3,611,852	(106,721)
Fund balance - beginning	3,997,718	3,997,718	-
Fund balance - ending	\$ 7,716,291	7,609,570	(106,721)

**Reconciliation from budgetary basis of accounting to Generally Accepted
Accounting Principles**

Expenditures

Total expenditures, Schedule P-2	\$ -
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Other financing sources (uses) net

Total other financing sources (uses), Schedule P-3	(11,544,620)
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Total other financing sources (uses), Schedule P-2	\$ (11,544,620)
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CITY OF CHESAPEAKE, VIRGINIA

Schedule P-4

Tax Increment Financing South Norfolk Fund
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
General property taxes	\$ 11,182,005	11,737,618	555,613
Investment income	-	505,947	505,947
Total revenues	11,182,005	12,243,565	1,061,560
EXPENDITURES			
General government	5,000	250	4,750
Total expenditures	5,000	250	4,750
Excess (deficiency) of revenues over (under) expenditures	11,177,005	12,243,315	1,066,310
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(8,880,997)	(9,313,997)	(433,000)
Total other financing sources (uses), net	(8,880,997)	(9,313,997)	(433,000)
Net change in fund balance	2,296,008	2,929,318	633,310
Fund balance - beginning	11,110,317	11,110,317	-
Fund balance - ending	\$ 13,406,325	14,039,635	633,310

**Reconciliation from budgetary basis of accounting to Generally Accepted
 Accounting Principles**

Expenditures

Total expenditures, Schedule P-4	250
Total expenditures, Schedule P-2	\$ 250
Other financing sources (uses) net	
Total other financing sources (uses), Schedule P-4	(9,313,997)
Total other financing sources (uses), Schedule P-2	\$ (9,313,997)

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-5

Virginia Public Assistance Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment income	\$ -	271,782	271,782
Charges for services	425	1,785	1,360
Miscellaneous revenue	-	281	281
Recovered costs	45,622	52,641	7,019
Intergovernmental revenues:			
Commonwealth of Virginia	5,399,045	5,552,406	153,361
Federal government	11,091,036	11,847,243	756,207
Total intergovernmental revenues	16,490,081	17,399,649	909,568
Total revenues	16,536,128	17,726,138	1,190,010
EXPENDITURES			
Public welfare:			
Bureau of Public Assistance	4,945,013	4,375,252	569,761
Joint Administration	5,101,733	4,925,704	176,029
Service Administration	1,585,451	1,493,677	91,774
Eligibility Administration	11,216,415	10,753,130	463,285
Other special programs	4,194,386	3,656,843	537,543
Total expenditures	27,042,998	25,204,606	1,838,392
Excess (deficiency) of revenues over (under) expenditures	(10,506,870)	(7,478,468)	3,028,402
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	8,357,878	8,357,878	-
Transfers to other funds	(78,613)	(291,565)	(212,952)
Total other financing sources (uses), net	8,279,265	8,066,313	(212,952)
Net change in fund balance	(2,227,605)	587,845	2,815,450
Fund balance - beginning	5,220,555	5,220,555	-
Fund balance - ending	\$ 2,992,950	5,808,400	2,815,450

**Reconciliation from budgetary basis of accounting to Generally Accepted
Accounting Principles**

Expenditures

Total expenditures, Schedule P-5	25,204,606
Total expenditures, Schedule P-2	<u>\$ 25,204,606</u>
Other financing sources (uses) net	
Total other financing sources (uses), Schedule P-5	8,066,313
Total other financing sources (uses), Schedule P-2	<u>\$ 8,066,313</u>

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-6

Integrated Behavioral Healthcare Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment income	\$ -	443,963	443,963
Charges for services:			
Mental health fees	4,299,000	2,910,254	(1,388,746)
Intellectual disability fees	6,503,025	4,514,989	(1,988,036)
Substance abuse fees	313,000	134,635	(178,365)
Total charges for services	11,115,025	7,559,878	(3,555,147)
Recovered costs	28,008	29,221	1,213
Intergovernmental revenues:			
Commonwealth of Virginia:			
Mental health grants	9,728,868	10,880,000	1,151,132
Intellectual disability grants	1,512,766	1,732,335	219,569
Substance abuse grants	1,200,518	1,295,495	94,977
Total from the Commonwealth of Virginia	12,442,152	13,907,830	1,465,678
Federal government:			
Substance abuse, mental health, and intellectual disability grants	2,255,749	2,497,961	242,212
Total revenues	25,840,934	24,438,853	(1,402,081)
EXPENDITURES			
Public welfare	36,598,278	32,495,146	4,103,132
Capital outlay	500,000	6,162	493,838
Total expenditures	37,098,278	32,501,308	4,596,970
Excess (deficiency) of revenues over (under) expenditures	(11,257,344)	(8,062,455)	3,194,889
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	11,469,436	11,469,436	-
Transfers to other funds	(290,190)	(734,149)	(443,959)
Total other financing sources (uses), net	11,179,246	10,735,287	(443,959)
Net change in fund balance	(78,098)	2,672,832	2,750,930
Fund balance - beginning	9,204,082	9,204,082	-
Fund balance - ending	\$ 9,125,984	11,876,914	2,750,930

**Reconciliation from budgetary basis of accounting to Generally Accepted
Accounting Principles**

Expenditures

Total expenditures, Schedule P-6	32,501,308
Capital outlay - leases and subscriptions	2,434,052
Total expenditures, Schedule P-2	<u>\$ 34,935,360</u>
Other financing sources (uses) net	
Total other financing sources (uses), Schedule P-6	10,735,287
Issuance of leases (as lessee)	2,402,348
Issuance of subscriptions	31,704
Total other financing sources (uses), Schedule P-2	<u>\$ 13,169,339</u>

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-7

Conference Center Fund
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
Other local taxes	\$ 5,140,398	5,570,799	430,401
Revenues from use of property	273,578	235,128	(38,450)
Charges for services	1,642,699	1,180,829	(461,870)
Miscellaneous revenue	600	329,701	329,101
Total revenues	7,057,275	7,316,457	259,182
EXPENDITURES			
General government	4,891,291	4,352,462	538,829
Total expenditures	4,891,291	4,352,462	538,829
Excess (deficiency) of revenues over (under) expenditures	2,165,984	2,963,995	798,011
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(195,000)	(195,000)	-
Total other financing sources (uses), net	(195,000)	(195,000)	-
Net change in fund balance	1,970,984	2,768,995	798,011
Fund balance - beginning	13,659,239	13,659,239	-
Fund balance - ending	\$ 15,630,223	16,428,234	798,011

**Reconciliation from budgetary basis of accounting to Generally Accepted
 Accounting Principles**

Expenditures

Total expenditures, Schedule P-7	4,352,462
Capital outlay - leases and subscriptions	333,875
Total expenditures, Schedule P-2	\$ 4,686,337
Other financing sources (uses) net	
Total other financing sources (uses), Schedule P-7	(195,000)
Issuance of leases (as lessee)	333,875
Total other financing sources (uses), Schedule P-2	\$ 138,875

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-8

Juvenile Services Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment income	\$ -	158,637	158,637
Charges for services	35,100	35,100	-
Recovered costs	45,000	177,467	132,467
Intergovernmental revenues:			
Commonwealth of Virginia	1,333,322	1,738,942	405,620
Total revenues	1,413,422	2,110,146	696,724
EXPENDITURES			
General government	6,424,264	4,961,889	1,462,375
Total expenditures	6,424,264	4,961,889	1,462,375
Excess (deficiency) of revenues over (under) expenditures	(5,010,842)	(2,851,743)	2,159,099
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	3,718,983	3,718,983	-
Transfers to other funds	-	(158,637)	(158,637)
Total other financing sources (uses), net	3,718,983	3,560,346	(158,637)
Net change in fund balance	(1,291,859)	708,603	2,000,462
Fund balance - beginning	2,782,834	2,782,834	-
Fund balance - ending	\$ 1,490,975	3,491,437	2,000,462

**Reconciliation from budgetary basis of accounting to Generally Accepted
Accounting Principles**

Expenditures

Total expenditures, Schedule P-8	4,961,889
Total expenditures, Schedule P-2	\$ 4,961,889
Other financing sources (uses) net	
Total other financing sources (uses), Schedule P-8	3,560,346
Total other financing sources (uses), Schedule P-2	\$ 3,560,346

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-9

Interagency Consortium Fund
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment income	\$ -	7,043	7,043
Charges for services	-	6,680	6,680
Recovered costs	-	(1,024)	(1,024)
Intergovernmental revenues:			
Commonwealth of Virginia	4,199,089	3,826,577	(372,512)
Federal government	6,000	216,535	210,535
Total revenues	4,205,089	4,055,811	(149,278)
EXPENDITURES			
Public welfare:			
Administrative expenses	6,894,987	6,632,445	262,542
Total expenditures	6,894,987	6,632,445	262,542
Excess (deficiency) of revenues over (under) expenditures	(2,689,898)	(2,576,634)	113,264
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	2,689,859	2,689,859	-
Transfers to other funds	-	(7,043)	(7,043)
Total other financing sources (uses), net	2,689,859	2,682,816	(7,043)
Net change in fund balance	(39)	106,182	106,221
Fund balance - beginning	530,019	530,019	-
Fund balance - ending	\$ 529,980	636,201	106,221

**Reconciliation from budgetary basis of accounting to Generally Accepted
 Accounting Principles**

Expenditures

Total expenditures, Schedule P-9	6,632,445
Total expenditures, Schedule P-2	<u>\$ 6,632,445</u>
Other financing sources (uses) net	
Total other financing sources (uses), Schedule P-9	2,682,816
Total other financing sources (uses), Schedule P-2	<u>\$ 2,682,816</u>

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-10

E-911 Operations Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
Other local taxes	\$ 4,947,998	4,947,998	-
Investment income	-	486,112	486,112
Intergovernmental revenues:			
Commonwealth of Virginia	1,337,000	1,049,961	(287,039)
Total revenues	6,284,998	6,484,071	199,073
EXPENDITURES			
Public safety	8,771,162	7,930,682	840,480
Capital outlay	539,859	83,864	455,995
Total expenditures	9,311,021	8,014,546	1,296,475
Excess (deficiency) of revenues over (under) expenditures	(3,026,023)	(1,530,475)	1,495,548
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	2,794,736	2,794,736	-
Transfers to other funds	(300,000)	(486,112)	(186,112)
Total other financing sources (uses), net	2,494,736	2,308,624	(186,112)
Net change in fund balance	(531,287)	778,149	1,309,436
Fund balance - beginning	9,875,926	9,875,926	-
Fund balance - ending	\$ 9,344,639	10,654,075	1,309,436

**Reconciliation from budgetary basis of accounting to Generally Accepted
Accounting Principles**

Expenditures

Total expenditures, Schedule P-10	8,014,546
Total expenditures, Schedule P-2	\$ 8,014,546
Other financing sources (uses) net	
Total other financing sources (uses), Schedule P-10	2,308,624
Total other financing sources (uses), Schedule P-2	\$ 2,308,624

CITY OF CHESAPEAKE, VIRGINIA

Schedule P-11

Fee Supported Activities Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Year Ended June 30, 2024

	Revised Budget	Actual	Variance Positive (Negative)
REVENUES			
Licenses, permits, and fees	\$ 271,552	261,813	(9,739)
Fines and forfeitures	7,529,842	6,152,185	(1,377,657)
Investment income	-	456,494	456,494
Charges for services	531,451	498,700	(32,751)
Recovered costs	5,000	(139)	(5,139)
Total revenues	8,337,845	7,369,053	(968,792)
EXPENDITURES			
Public safety	5,811,321	1,675,377	4,135,944
Capital outlay	204,450	122,373	82,077
Total expenditures	6,015,771	1,797,750	4,218,021
Excess (deficiency) of revenues over (under) expenditures	2,322,074	5,571,303	3,249,229
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(1,456,098)	(1,912,592)	(456,494)
Total other financing sources (uses), net	(1,456,098)	(1,912,592)	(456,494)
Net change in fund balance	865,976	3,658,711	2,792,735
Fund balance - beginning	7,246,802	7,246,802	-
Fund balance - ending	\$ 8,112,778	10,905,513	2,792,735

**Reconciliation from budgetary basis of accounting to Generally Accepted
Accounting Principles**

Expenditures

Total expenditures, Schedule P-11	1,797,750
Capital outlay - leases and subscriptions	194,761
Total expenditures, Schedule P-2	\$ 1,992,511
Other financing sources (uses) net	
Total other financing sources (uses), Schedule P-11	(1,912,592)
Issuance of leases (as lessee)	194,761
Total other financing sources (uses), Schedule P-2	\$ (1,717,831)

Internal Service Funds

Information Technology Fund – To account for the operation of the City’s central information technology, including technology development and support, and radio and communications operations.

City Garage Fund – To account for the maintenance and repair of City-owned vehicles.

Self-Insurance Fund – To account for the City’s self-insurance program.

Self-Funded Health Fund – To account for the City’s self-funded health insurance program.



CITY OF CHESAPEAKE, VIRGINIA

Schedule Q-1

Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Information Technology	City Garage	Self- Insurance	Self-Funded Health	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets					
Current assets:					
Cash and temporary investments	\$ 12,378,601	15,323,513	29,466,333	38,287,132	95,455,579
Receivables, net of allowance for uncollectible amounts	22,354	1,142	116,194	65,383	205,073
Lease receivable	631,761	-	-	-	631,761
Inventory of materials and supplies	-	747,302	-	-	747,302
Prepaid expenses	386,283	2,922	2,344,997	-	2,734,202
Total current assets	13,418,999	16,074,879	31,927,524	38,352,515	99,773,917
Noncurrent assets:					
Capital assets:					
Land, intangibles, and construction in progress	-	1,794,046	-	-	1,794,046
Other capital assets, net of accumulated depreciation	6,822,156	43,677,176	9,514	-	50,508,846
Total capital assets, net of accumulated depreciation	6,822,156	45,471,222	9,514	-	52,302,892
Net OPEB asset	421,289	296,694	35,907	-	753,890
Total noncurrent assets	7,243,445	45,767,916	45,421	-	53,056,782
Total assets	20,662,444	61,842,795	31,972,945	38,352,515	152,830,699
Deferred Outflows of Resources					
Pension	1,708,500	1,131,158	135,724	-	2,975,382
OPEB	277,793	183,919	22,067	-	483,779
Total deferred outflows of resources	1,986,293	1,315,077	157,791	-	3,459,161
Total assets and deferred outflows of resources	\$ 22,648,737	63,157,872	32,130,736	38,352,515	156,289,860
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
Liabilities					
Current liabilities:					
Accounts payable	\$ 580,771	1,234,128	332,534	583,260	2,730,693
Accrued expenses and other liabilities	250,088	98,509	13,235	574	362,406
Unearned revenues	-	-	-	4,266,746	4,266,746
Current portion of leases and subscriptions payable	1,574,031	6,312	11,475	-	1,591,818
Current portion of accrued vacation, sick pay, and overtime leave	360,354	133,481	23,403	-	517,238
Current portion of liability for self-insurance losses	-	-	5,563,897	4,601,315	10,165,212
Total current liabilities	2,765,244	1,472,430	5,944,544	9,451,895	19,634,113
Noncurrent liabilities:					
Leases and subscriptions payable	2,336,233	832	-	-	2,337,065
Accrued vacation, sick pay, and overtime leave	461,517	167,654	32,565	-	661,736
Liability for self-insurance losses	-	-	22,546,131	-	22,546,131
Net pension liability	3,444,685	2,233,378	275,038	-	5,953,101
Net OPEB liability	194,749	142,839	23,074	-	360,662
Total noncurrent liabilities	6,437,184	2,544,703	22,876,808	-	31,858,695
Total liabilities	9,202,428	4,017,133	28,821,352	9,451,895	51,492,808
Deferred Inflows of Resources					
Pension	585,639	387,738	46,524	-	1,019,901
OPEB	615,713	407,650	48,913	-	1,072,276
Leases	606,469	-	-	-	606,469
Total deferred inflows of resources	1,807,821	795,388	95,437	-	2,698,646
Net Position					
Net investment in capital assets	2,911,892	45,464,078	(1,960)	-	48,374,010
Restricted - OPEB	421,289	296,694	35,907	-	753,890
Unrestricted (deficit)	8,305,307	12,584,579	3,180,000	28,900,620	52,970,506
Total net position	11,638,488	58,345,351	3,213,947	28,900,620	102,098,406
Total liabilities, deferred inflows of resources, and net position	\$ 22,648,737	63,157,872	32,130,736	38,352,515	156,289,860

CITY OF CHESAPEAKE, VIRGINIA

Schedule Q-2

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2024

	Information Technology	City Garage	Self- Insurance	Self-Funded Health	Total
OPERATING REVENUES					
Billings to departments	\$ 21,523,941	20,277,934	6,703,370	50,116,010	98,621,255
Billings to outside agencies and component units	336,656	39,404	-	-	376,060
Rental fees	237,051	-	-	-	237,051
Miscellaneous charges for services	5,216	-	-	-	5,216
Recovered costs	2,036	108,301	332,499	6,114,645	6,557,481
Other	-	15,722	-	-	15,722
Total operating revenues	22,104,900	20,441,361	7,035,869	56,230,655	105,812,785
OPERATING EXPENSES					
Cost of materials billed	-	2,990,048	-	-	2,990,048
Purchases for resale	-	3,772,291	-	-	3,772,291
General and administrative	1,131,779	315,894	1,408	15,302	1,464,383
Other salaries and wages	6,238,546	4,076,181	484,942	-	10,799,669
Other fringe benefits	2,247,672	1,880,492	215,738	-	4,343,902
Self-insurance reserve adjustments	-	-	265,037	-	265,037
Indemnity and medical claims	-	-	5,717,476	42,890,901	48,608,377
Other repairs and supplies	6,139,039	2,345,584	58,554	-	8,543,177
Other contractual services	2,267,219	168,042	125,275	1,755,565	4,316,101
Depreciation and amortization	5,844,329	9,093,815	12,672	-	14,950,816
Insurance premiums	-	-	2,059,946	3,274,449	5,334,395
Total operating expenses	23,868,584	24,642,347	8,941,048	47,936,217	105,388,196
Operating income (loss)	(1,763,684)	(4,200,986)	(1,905,179)	8,294,438	424,589
NONOPERATING REVENUES (EXPENSES)					
Investment income	540,260	735,867	1,554,314	1,663,165	4,493,606
Interest expense	(109,935)	(94)	(267)	-	(110,296)
Gain on sale of equipment	58,368	469,661	-	-	528,029
Loss on sale of equipment	(128,430)	(45,003)	-	-	(173,433)
Total nonoperating revenues (expenses), net	360,263	1,160,431	1,554,047	1,663,165	4,737,906
Income (loss) before transfers and contributions	(1,403,421)	(3,040,555)	(351,132)	9,957,603	5,162,495
Transfers in	513,159	60,000	-	-	573,159
Transfers out	(2,675,335)	(955,868)	-	-	(3,631,203)
Capital contributions	747,369	4,422,363	-	-	5,169,732
Change in net position	(2,818,228)	485,940	(351,132)	9,957,603	7,274,183
Total net position - beginning	14,456,716	57,859,411	3,565,079	18,943,017	94,824,223
Total net position - ending	\$ 11,638,488	58,345,351	3,213,947	28,900,620	102,098,406

CITY OF CHESAPEAKE, VIRGINIA

Schedule Q-3

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2024

	Information Technology	City Garage	Self- Insurance	Self-Funded Health	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 553,411	162,285	332,499	6,198,371	7,246,566
Cash received from interfund services provided	21,523,941	20,277,934	6,703,370	50,116,010	98,621,255
Payments to suppliers	(8,921,420)	(10,043,520)	(7,337,085)	(47,505,039)	(73,807,064)
Payments to employees	(8,525,483)	(6,028,655)	(697,195)	-	(15,251,333)
Net cash provided by (used in) operating activities	4,630,449	4,368,044	(998,411)	8,809,342	16,809,424
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	513,159	60,000	-	-	573,159
Transfers out	(525,335)	(955,868)	-	-	(1,481,203)
Net cash provided by (used in) noncapital financing activities	(12,176)	(895,868)	-	-	(908,044)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers out	(2,150,000)	-	-	-	(2,150,000)
Acquisition of capital assets	(3,718,352)	(4,608,850)	(11,459)	-	(8,338,661)
Proceeds from the sale of assets	58,368	469,661	-	-	528,029
Interest paid	(146,135)	(94)	-	-	(146,229)
Net cash provided by (used in) capital and related financing activities	(5,956,119)	(4,139,283)	(11,459)	-	(10,106,861)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	539,991	735,867	1,475,737	1,663,165	4,414,760
Investment expense	-	-	(267)	-	(267)
Net cash provided by investing activities	539,991	735,867	1,475,470	1,663,165	4,414,493
Net increase (decrease) in cash and temporary investments	(797,855)	68,760	465,600	10,472,507	10,209,012
Cash and temporary investments beginning of year	13,176,456	15,254,753	29,000,733	27,814,625	85,246,567
Cash and temporary investments end of year	\$ 12,378,601	15,323,513	29,466,333	38,287,132	95,455,579
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,763,684)	(4,200,986)	(1,905,179)	8,294,438	424,589
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,844,329	9,093,815	12,672	-	14,950,816
Pension expense	(145,492)	(60,091)	2,774	-	(202,809)
OPEB expense	(48,599)	(30,435)	(3,171)	-	(82,205)
Change in assets and liabilities increasing (decreasing) cash and temporary investments:					
Receivables	(27,548)	(1,142)	-	7,984	(20,706)
Prepaid expenses and other assets	967,776	-	626,924	-	1,594,700
Inventory of materials and supplies	-	(50,149)	-	-	(50,149)
Accounts payable	(375,450)	(405,534)	(1,350)	431,178	(351,156)
Unearned revenues	-	-	-	75,168	75,168
Accrued expenses and other liabilities	24,291	4,022	420	574	29,307
Liability for self-insurance losses	-	-	265,037	-	265,037
Accrued vacation, sick pay, and overtime leave	154,826	18,544	3,462	-	176,832
Total adjustments	6,394,133	8,569,030	906,768	514,904	16,384,835
Net cash provided by (used in) operating activities	\$ 4,630,449	4,368,044	(998,411)	8,809,342	16,809,424
Supplemental information on significant noncash transactions:					
Contributions of capital assets:	\$ 747,369	4,422,363	-	-	5,169,732

Chesapeake Public Schools Component Unit

Major Governmental funds

Schools General Fund – To account for the general operations of the School Board which is used to account for all of the financial resources, except those required to be accounted for in another fund.

Schools Nutrition Services Fund– To account for the operations of the Schools’ cafeterias.

Schools Textbooks Fund – To account for the operation of the School Textbook program.

Schools Capital Projects Fund – To account for financial resources to be used for the acquisition or construction of major capital facilities or maintenance of the school plant (other than those financed by the other funds or the City).

Fiduciary Funds:

Schools OPEB Trust Fund – To account for assets accumulated to fund other postemployment benefit (OPEB) obligations of the Schools.



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CITY OF CHESAPEAKE, VIRGINIA
CHESAPEAKE PUBLIC SCHOOLS COMPONENT UNIT

Schedule R-1

Balance Sheet
Governmental Funds
Year Ended June 30, 2024

	General	Nutrition Services	Textbooks	Capital Projects	Total Governmental Funds
ASSETS					
Cash and temporary investments	\$ 102,971,653	23,507,324	16,217,667	-	142,696,644
Receivables	1,634,228	110,820	57,672	-	1,802,720
Due from federal government	33,386,215	2,375,792	-	-	35,762,007
Due from Commonwealth of Virginia	13,331,799	5,459	-	-	13,337,258
Lease receivable	450,781	-	-	-	450,781
Inventory	3,458,050	850,873	-	-	4,308,923
Restricted cash and temporary investments	-	-	-	68,357,268	68,357,268
Total assets	\$ 155,232,726	26,850,268	16,275,339	68,357,268	266,715,601
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ 61,845,924	471,073	-	6,417,412	68,734,409
Health claims payable	7,533,636	-	-	-	7,533,636
Total liabilities	69,379,560	471,073	-	6,417,412	76,268,045
Deferred Inflows of Resources					
Unavailable revenues - sales taxes	5,606,062	-	-	-	5,606,062
Unavailable revenues due to timing - federal	17,274,914	-	-	-	17,274,914
Unavailable revenues - leases	440,478	-	-	-	440,478
Total deferred inflows of resources	23,321,454	-	-	-	23,321,454
Fund Balances					
Nonspendable:					
Inventory	3,458,050	850,873	-	-	4,308,923
Restricted:					
Capital projects	-	-	-	61,939,856	61,939,856
School nutrition services	-	25,528,322	-	-	25,528,322
School textbook	-	-	16,275,339	-	16,275,339
Future health, dental, and workers' compensation	33,209,722	-	-	-	33,209,722
Technology	2,972,832	-	-	-	2,972,832
Transportation	22,334	-	-	-	22,334
Instruction	14,708,295	-	-	-	14,708,295
Assigned to:					
Instruction	7,598,142	-	-	-	7,598,142
Unassigned	562,337	-	-	-	562,337
Total fund balances	62,531,712	26,379,195	16,275,339	61,939,856	167,126,102
Total liabilities, deferred inflows of resources, and fund balances	\$ 155,232,726	26,850,268	16,275,339	68,357,268	266,715,601
Adjustments for the Statement of Net Position:					
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.					426,953,927
Long-term liabilities are not reported as liabilities in the governmental funds.					(83,220,088)
Net OPEB assets are not reported in the governmental funds.					26,307
Net OPEB liabilities are not reported in the governmental funds.					(193,976,603)
Deferred outflows of resources are not in the governmental funds.					139,504,515
Net pension liabilities are not reported in the governmental funds.					(322,860,026)
Deferred inflows of resources are not in the governmental funds.					(91,435,731)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.					(15,494)
Assets are not available to pay current period expenditures and, therefore, are reported as unavailable in the governmental funds.					22,880,976
Net position of governmental activities					\$ 64,983,885

CITY OF CHESAPEAKE, VIRGINIA
CHESAPEAKE PUBLIC SCHOOLS COMPONENT UNIT

Schedule R-2

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

	General	Nutrition Services	Textbooks	Capital Projects	Total Governmental Funds
REVENUES					
Intergovernmental revenues:					
City of Chesapeake	\$ 260,891,782	-	-	-	260,891,782
Commonwealth of Virginia	332,944,664	426,505	3,462,406	-	336,833,575
Federal government	66,850,785	15,204,242	-	-	82,055,027
Donated commodities from Federal government	-	1,484,504	-	-	1,484,504
Total intergovernmental	660,687,231	17,115,251	3,462,406	-	681,264,888
Charges for services	22,708,194	3,739,092	-	-	26,447,286
Interest	939,862	713,101	435,203	2,375,507	4,463,673
Miscellaneous	13,466,032	139,462	276	-	13,605,770
Total revenues	697,801,319	21,706,906	3,897,885	2,375,507	725,781,617
EXPENDITURES					
Education:					
Administration	12,648,769	-	-	-	12,648,769
Instruction	529,704,588	-	-	-	529,704,588
Attendance and health services	12,183,411	-	-	-	12,183,411
Pupil transportation	33,395,039	-	-	-	33,395,039
Operations and maintenance	58,602,180	-	-	-	58,602,180
School facilities services	7,248,738	-	-	-	7,248,738
School technology services	31,488,026	-	-	-	31,488,026
Total education	685,270,751	-	-	-	685,270,751
Nutrition services	-	17,933,573	-	-	17,933,573
Debt service	5,709,513	-	-	-	5,709,513
Payment to primary government – return of interest income	836,511	-	-	2,375,507	3,212,018
Capital outlay	7,950,771	-	-	40,851,658	48,802,429
Total expenditures	699,767,546	17,933,573	-	43,227,165	760,928,284
Excess (deficiency) of revenues over (under) expenditures	(1,966,227)	3,773,333	3,897,885	(40,851,658)	(35,146,667)
OTHER FINANCING SOURCES (USES)					
IT Subscriptions	508,995	-	-	-	508,995
Payment from primary government for capital outlay	-	-	-	36,923,523	36,923,523
Total other financing sources (uses), net	508,995	-	-	36,923,523	37,432,518
Net change in fund balance	(1,457,232)	3,773,333	3,897,885	(3,928,135)	2,285,851
Fund balance - beginning	62,742,977	22,633,347	12,377,454	65,867,991	163,621,769
Increase (decrease) in reserve for inventory	1,245,967	(27,485)	-	-	1,218,482
Fund balance - ending	\$ 62,531,712	26,379,195	16,275,339	61,939,856	167,126,102

(Continued)

CITY OF CHESAPEAKE, VIRGINIA
CHESAPEAKE PUBLIC SCHOOLS COMPONENT UNIT

Schedule R-2, Continued

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

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

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

Net change in fund balances - total governmental funds	\$	2,285,851
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which new capital assets exceeded depreciation expense in the current period.		30,699,072
Revenues in the Statement of Activities, that do not provide current financial resources are not reported as revenues in the funds. This is the amount of unavailable funds received after the fiscal year ends.		18,723,042
The net effect of various miscellaneous transactions involving capital assets (ie. sales, trade-ins, and donations) is to increase net position. Loss on sale of assets		(53,541)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Repayment of long-term debt	5,070,722	
Debt for leases/SBITAs	(508,995)	
Total bond and other debt proceeds		4,561,727
Change in reserve for inventory from governmental funds is included in expenditures in the Statement of Activities.		1,218,482
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.		
Accrued interest on long-term debt		(178)
Workers' compensation claims		(237,430)
Compensated absences		(3,207,084)
Changes in pension liabilities and related deferred outflows and inflows of resources		20,652,891
Changes in OPEB liabilities/assets and related deferred outflows and inflows of resources		5,350,975
Change in net position of governmental activities	\$	79,993,807

CITY OF CHESAPEAKE, VIRGINIA
CHESAPEAKE PUBLIC SCHOOLS COMPONENT UNIT

Schedule R-3

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2024

	Other Postemployment Benefits Trust Fund
ASSETS	
Investments, at fair value	
Mutual funds	\$ 5,119,501
Total assets	\$ 5,119,501
NET POSITION	
Restricted for other postemployment benefits	\$ 5,119,501
Total net position	\$ 5,119,501

CITY OF CHESAPEAKE, VIRGINIA
CHESAPEAKE PUBLIC SCHOOLS COMPONENT UNIT

Schedule R-3A

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

	Other Postemployment Benefits Trust Fund
ADDITIONS	
Contributions from employer	\$ 5,105,441
Contributions from plan members	2,267,647
Investment income:	
Interest and dividends	443,481
Net investment income	443,481
Total additions	7,816,569
DEDUCTIONS	
Administrative expenses	5,125
Benefits and refunds paid on behalf of plan members and beneficiaries	7,373,088
Total deductions	7,378,213
Change in net position	438,356
Held in trust for other postemployment benefits - beginning of year	4,681,145
Held in trust for other postemployment benefits - end of year	\$ 5,119,501

CITY OF CHESAPEAKE, VIRGINIA
CHESAPEAKE PUBLIC SCHOOLS COMPONENT UNIT

Schedule R-4

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

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental revenues:				
City of Chesapeake	\$ 269,195,298	269,195,298	260,891,782	(8,303,516)
Commonwealth of Virginia	328,630,545	349,827,902	332,944,664	(16,883,238)
Federal government	86,250,141	69,450,462	66,850,785	(2,599,677)
Charges for services	2,330,800	2,330,800	22,708,194	20,377,394
Interest	-	-	939,862	939,862
Miscellaneous	20,822,468	36,002,533	13,466,032	(22,536,501)
Total revenues	707,229,252	726,806,995	697,801,319	(29,005,676)
EXPENDITURES				
Education:				
Administration	13,514,244	13,004,244	12,648,769	355,475
Instruction	583,826,070	592,623,813	529,704,588	62,919,225
Attendance and health services	12,985,762	12,925,762	12,183,411	742,351
Pupil transportation	48,860,032	46,740,032	33,395,039	13,344,993
Operations and maintenance	56,677,344	60,707,344	58,602,180	2,105,164
School facilities services	1,453,526	10,143,526	7,248,738	2,894,788
School technology services	31,196,424	31,946,424	31,488,026	458,398
Total education	748,513,402	768,091,145	685,270,751	82,820,394
Debt service:				
Principal	-	-	5,070,722	(5,070,722)
Interest	-	-	638,791	(638,791)
Total debt service	-	-	5,709,513	(5,709,513)
Payment to primary government – return of interest income	-	-	836,511	(836,511)
Capital Outlay	-	-	7,950,771	(7,950,771)
Total expenditures	748,513,402	768,091,145	699,767,546	68,323,599
Excess (deficiency) of revenues over (under) expenditures	\$ (41,284,150)	(41,284,150)	(1,966,227)	39,317,923
Other financing sources (uses):				
Proceeds from IT subscriptions			508,995	
Total other financing uses			<u>508,995</u>	
Net change in fund balance			(1,457,232)	
Fund balance - beginning			62,742,977	
Increase (decrease) in reserve for inventory			<u>1,245,967</u>	
Fund balance - ending			<u>\$ 62,531,712</u>	

CITY OF CHESAPEAKE, VIRGINIA
CHESAPEAKE PUBLIC SCHOOLS COMPONENT UNIT

Schedule R-5

Schedule of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual - Schools Nutrition Services Fund
 Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental revenues:				
Commonwealth of Virginia	\$ 445,500	445,500	426,505	(18,995)
Federal government	10,707,598	10,707,598	15,204,242	4,496,644
Charges for services	4,362,691	4,362,691	3,739,092	(623,599)
Interest	6,500	6,500	713,101	706,601
Miscellaneous	50,000	50,000	139,462	89,462
Total revenues	15,572,289	15,572,289	20,222,402	4,650,113
EXPENDITURES				
Operating costs:				
Purchases for resale	5,579,974	7,171,474	6,437,339	734,135
Food service salaries and fringe benefits	7,344,148	7,763,871	6,678,917	1,084,954
General and administrative	6,302,717	4,443,794	2,195,079	2,248,715
Other repairs and supplies	2,974,700	2,901,200	704,988	2,196,212
Capital outlay	840,000	740,000	405,285	334,715
Other expenditures	30,750	51,950	27,461	24,489
Total expenditures	23,072,289	23,072,289	16,449,069	6,623,220
Excess (deficiency) of revenues over (under) expenditures	\$ (7,500,000)	(7,500,000)	3,773,333	11,273,333
Fund balance - beginning			22,633,347	
Increase (decrease) in reserve for inventory			(27,485)	
Fund balance - ending			\$ 26,379,195	

CITY OF CHESAPEAKE, VIRGINIA
CHESAPEAKE PUBLIC SCHOOLS COMPONENT UNIT

Schedule R-6

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

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental revenues:				
Commonwealth of Virginia	\$ 3,495,427	3,495,427	3,462,406	(33,021)
Interest	15,000	15,000	435,203	420,203
Miscellaneous	15,000	15,000	276	(14,724)
Total revenues	3,525,427	3,525,427	3,897,885	372,458
EXPENDITURES				
Instruction				
Textbooks	2,200,000	2,200,000	-	2,200,000
Expendable workbooks	5,403,144	5,403,144	-	5,403,144
Total expenditures	7,603,144	7,603,144	-	7,603,144
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,077,717)</u>	<u>(4,077,717)</u>	3,897,885	<u>7,975,602</u>
Fund balance - beginning			<u>12,377,454</u>	
Fund balance - ending			<u>\$ 16,275,339</u>	

Other Component Unit

Chesapeake Mosquito Control Commission– To account for the operation of the City’s Mosquito Control Commission.



CITY OF CHESAPEAKE, VIRGINIA

Schedule S-1

Balance Sheet
Chesapeake Mosquito Control Commission
June 30, 2024

	Chesapeake Mosquito Control Commission
ASSETS	
Assets	
Cash and temporary investments	\$ 13,822,710
Inventory of materials and supplies	539,598
Prepaid expenses	108,984
Total current assets	14,471,292
Total assets	\$ 14,471,292
LIABILITIES AND FUND BALANCE	
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	\$ 104,853
Total current liabilities	104,853
Total liabilities	104,853
Fund Balance	
Nonspendable:	
Inventory	539,598
Prepaid	106,063
Committed:	
Biology testing	2,615
Future capital improvements	1,000,000
Operations	1,093,728
Assigned	250,000
Unassigned	11,374,435
Total fund balance	14,366,439
Total liabilities and fund balance	\$ 14,471,292
Reconciliation to Net Position:	
Total fund balance	\$ 14,366,439
Capital assets - net of depreciation	2,186,092
Net OPEB asset	141,191
Deferred outflows	620,604
Long-term liabilities	(300,232)
Net pension liability	(913,179)
Net OPEB liability - VRS directed	(116,876)
Deferred inflows	(375,355)
Net Position	\$ 15,608,684

CITY OF CHESAPEAKE, VIRGINIA

Schedule S-2

Statement of Revenues, Expenditures, and Changes in Fund Balance
Chesapeake Mosquito Control Commission
Year Ended June 30, 2024

	Chesapeake Mosquito Control Commission
REVENUES	
Property taxes	\$ 6,517,581
Investment income	529,464
Other	87,361
Total revenues	7,134,406
EXPENDITURES	
Other salaries and wages	1,867,863
Other fringe benefits	911,053
Other repairs and supplies	645,844
Insurance premiums	207,824
Capital outlay	221,917
Other	476,157
Total expenditures	4,330,658
Excess (deficiency) of revenues over (under) expenditures	2,803,748
Net change in fund balance	2,803,748
Fund balance - beginning	11,562,691
Fund balance - ending	\$ 14,366,439

Reconciliation to Change in Net Position:

Governmental funds report capital outlay as expenditures. However, when reporting net position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Additionally, some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net change in fund balance	\$ 2,803,748
Compensated absences	(17,669)
Pension expense	31,784
OPEB expense	14,527
Depreciation expense	(170,661)
Capital outlay expenditures	221,917
Lease expense	1,802
Change in Net Position	\$ 2,885,448

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STATISTICAL SECTION

This part of the City of Chesapeake's Annual Comprehensive Financial Report presents detailed information as a context for understanding how the information in the financial statements, note disclosures, and required supplementary information depict the government's overall financial health.

Financial Trends – These schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.



CITY OF CHESAPEAKE, VIRGINIA

Net Position by Component
Last Ten Fiscal Years - Unaudited

		Fiscal Years			
		2015	2016	2017	2018
Governmental Activities					
Net investment in capital assets	\$	751,215,126	803,408,601	917,873,047	948,007,008
Restricted for:					
Capital projects		9,289,916	9,496,284	7,573,672	7,295,431
Debt service		524,780	572,809	800,317	975,681
OPEB		-	-	-	-
Other purposes:					
Expendable		73,178,331	79,026,265	86,689,437	81,470,421
Nonexpendable		12,795	12,795	184,459	203,604
Unrestricted (deficit)		100,085,810	127,611,781	166,360,668	204,538,067
Total governmental activities net position	\$	934,306,758	1,020,128,535	1,179,481,600	1,242,490,212
Business-type Activities					
Net investment in capital assets	\$	380,994,500	374,310,640	398,107,933	424,400,639
Restricted for:					
Capital projects		10,285,096	13,054,525	97,882,413	108,317,526
Debt service		33,995,534	33,421,662	33,684,535	34,184,641
OPEB		-	-	-	-
Other purposes:					
Expendable		135,829,971	149,570,921	79,037,754	79,578,055
Unrestricted (deficit)		(28,147,438)	(4,026,298)	(4,182,599)	(32,028,285)
Total business-type activities net position	\$	532,957,663	566,331,450	604,530,036	614,452,576
Primary Government					
Net investment in capital assets	\$	1,132,209,626	1,177,719,241	1,315,980,980	1,372,407,647
Restricted for:					
Capital projects		19,575,012	22,550,809	105,456,085	115,612,957
Debt service		34,520,314	33,994,471	34,484,852	35,160,322
OPEB		-	-	-	-
Other purposes:					
Expendable		209,008,302	228,597,186	165,727,191	161,048,476
Nonexpendable		12,795	12,795	184,459	203,604
Unrestricted (deficit)		71,938,372	123,585,483	162,178,069	172,509,782
Total Primary Government net position	\$	1,467,264,421	1,586,459,985	1,784,011,636	1,856,942,788
Component Units					
Net investment in capital assets	\$	240,465,301	238,621,923	245,580,745	257,008,802
Restricted for:					
Capital projects		17,708,059	23,976,510	18,863,830	9,210,779
OPEB		-	-	-	-
Other purposes:					
Expendable		22,479,251	22,906,943	26,003,608	38,675,687
Unrestricted (deficit)		(692,757,169)	(673,085,649)	(685,656,442)	(600,527,120)
Total component units' net position	\$	(412,104,558)	(387,580,273)	(395,208,259)	(295,631,852)

¹ The net position for the Business-type blended component unit, Economic Development Authority, has been restated for FY 2022.

Table 1

Fiscal Years					
2019	2020	2021	2022 ¹	2023	2024
988,305,860	974,415,246	992,050,786	933,160,125	952,213,448	988,727,562
7,214,178	6,913,621	6,634,647	5,571,349	7,289,677	6,349,530
1,580,849	1,205,480	1,014,188	210	2,152,759	2,105,798
-	-	-	-	-	15,066,934
75,208,171	79,622,155	75,893,913	86,544,664	47,540,544	50,871,904
243,494	336,821	253,783	107,800	284,385	20,547,785
251,402,063	287,070,666	382,657,019	489,775,043	628,429,777	679,210,358
1,323,954,615	1,349,563,989	1,458,504,336	1,515,159,191	1,637,910,590	1,762,879,871
446,770,028	458,647,190	462,305,755	479,956,120	503,573,074	522,615,370
128,596,183	110,548,561	119,247,076	125,878,865	144,258,702	141,285,368
40,716,139	52,744,206	46,735,246	49,724,026	49,915,838	51,314,059
-	-	-	-	-	1,470,501
68,198,534	85,511,407	104,781,159	108,737,142	-	-
(25,806,606)	(34,833,528)	(39,437,234)	(45,305,051)	56,463,857	74,071,273
658,474,278	672,617,836	693,632,002	718,991,102	754,211,471	790,756,571
1,435,075,888	1,433,062,436	1,454,356,541	1,413,116,245	1,455,786,522	1,511,342,932
135,810,361	117,462,182	125,881,723	131,450,214	151,548,379	147,634,898
42,296,988	53,949,686	47,749,434	49,724,236	52,068,597	53,419,857
-	-	-	-	-	16,537,435
143,406,705	165,133,562	180,675,072	195,281,806	47,540,544	50,871,904
243,494	336,821	253,783	107,800	284,385	20,547,785
225,595,457	252,237,138	343,219,785	444,469,992	684,893,634	753,281,631
1,982,428,893	2,022,181,825	2,152,136,338	2,234,150,293	2,392,122,061	2,553,636,442
280,922,718	297,819,879	328,492,169	361,349,577	376,395,491	411,917,258
-	-	-	-	-	-
-	-	-	-	-	141,191
46,569,857	70,288,004	62,505,016	96,183,749	154,132,885	155,146,098
(606,678,614)	(597,397,419)	(633,448,164)	(562,360,754)	(518,078,121)	(471,224,355)
(279,186,039)	(229,289,536)	(242,450,979)	(104,827,428)	12,450,255	95,980,192

¹ The net position for the Business-type blended component unit, Economic Development Authority, has been restated for FY 2022.

CITY OF CHESAPEAKE, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years - Unaudited

	2015	2016	2017	2018
Program Revenues				
Governmental activities:				
Charges for Services:				
General government	\$ 17,221,747	17,919,246	18,626,308	18,369,446
Public safety	6,065,257	6,327,000	6,842,159	6,958,674
Public works	423,362	397,605	433,412	567,340
Parks and recreation	1,179,898	1,325,959	1,273,734	1,260,627
Public welfare	6,036,692	8,128,191	7,269,310	7,549,567
Operating grants and contributions	94,843,600	108,437,341	111,174,626	111,552,585
Capital grants and contributions	7,297,723	23,145,655	107,671,523	22,555,997
Total governmental activities' program revenues	\$ 133,068,279	165,680,997	253,291,072	168,814,236
Business-type activities:				
Charges for Services:				
Public Utilities	\$ 69,235,499	71,895,798	75,891,505	76,927,836
Chesapeake Transportation System	11,101,413	11,938,642	17,591,317	24,825,405
Stormwater Management	15,644,842	15,661,983	16,031,408	16,115,527
Economic Development Authority	-	-	-	-
Operating grants and contributions	1,210,881	1,419,816	1,723,497	3,305,879
Capital grants and contributions	7,932,525	12,942,811	19,668,084	5,040,018
Total business-type activities' program revenues	\$ 105,125,160	113,859,050	130,905,811	126,214,665
Total Primary Government Activities' program revenues	\$ 238,193,439	279,540,047	384,196,883	295,028,901
Component Units:				
Charges for Services:				
Public Schools	\$ 16,611,124	18,998,372	18,635,543	18,870,975
Chesapeake Port Authority	35,905	39,722	1,200	-
Chesapeake Airport Authority	427,789	434,638	466,335	473,455
Elizabeth River Properties of Chesapeake, Inc.	124,003	111,979	106,776	117,546
Operating grants and contributions	93,982,567	97,479,921	103,321,427	111,090,487
Capital grants and contributions	1,190,330	1,163,712	392,204	2,020,383
Total component units' program revenues	\$ 112,371,718	118,228,344	122,923,485	132,572,846
Total Primary Government and component units' program revenues	\$ 350,565,157	397,768,391	507,120,368	427,601,747

Table 2

Fiscal Years					
2019	2020	2021	2022	2023	2024
16,642,078	4,803,523	3,932,636	3,916,490	6,339,301	4,774,409
7,404,405	6,911,297	7,015,743	6,510,765	6,580,113	8,769,291
319,224	365,218	376,963	596,401	308,285	244,107
1,193,031	845,041	260,869	726,835	982,205	728,978
9,733,420	8,847,162	7,689,761	8,833,294	8,678,388	7,568,343
115,178,823	119,403,089	160,744,753	166,103,343	178,076,457	152,690,280
20,986,036	22,827,863	14,433,181	15,910,185	16,059,702	18,260,773
171,457,017	164,003,193	194,453,906	202,597,313	217,024,451	193,036,181
74,669,373	77,993,495	80,024,669	81,281,134	83,085,171	83,578,254
26,500,786	25,505,079	29,267,552	33,572,463	34,457,488	35,745,804
16,141,817	15,833,474	16,148,628	16,253,822	25,207,912	25,400,789
-	6,519,130	477,000	102,775	2,567,760	1,174,320
7,418,684	5,317,512	2,708,725	1,961,938	11,485,837	667,991
10,215,794	6,112,838	9,661,238	6,234,850	5,825,712	6,248,423
134,946,454	137,281,528	138,287,812	139,406,982	162,629,880	152,815,581
306,403,471	301,284,721	332,741,718	342,004,295	379,654,331	345,851,762
19,686,232	22,445,856	18,453,780	17,862,694	24,327,440	26,447,286
-	-	-	-	-	-
472,310	499,493	496,246	514,326	537,331	542,891
115,352	151,957	176,954	198,573	217,209	170,415
112,804,840	122,980,668	147,314,136	172,309,270	184,880,558	196,203,904
361,869	2,747,149	20,500	-	-	-
133,440,603	148,825,123	166,461,616	190,884,863	209,962,538	223,364,496
439,844,074	450,109,844	499,203,334	532,889,158	589,616,869	569,216,258

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years - Unaudited

	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 129,569,793	125,133,326	145,413,520	154,492,115
Public safety	91,413,819	90,907,369	93,094,728	94,172,297
Public works	58,920,091	52,877,267	58,915,648	47,580,380
Parks and recreation	2,439,039	8,423,774	3,415,829	7,730,292
Public welfare	44,174,172	45,705,033	48,443,596	47,746,439
Education	191,962,233	208,466,021	207,382,512	217,851,053
Interest on long-term debt	13,597,584	12,228,723	12,696,190	13,797,966
Depreciation and amortization - net unallocated portion	16,215,291	15,331,944	15,216,230	19,448,199
Total governmental activities	\$ 548,292,022	559,073,457	584,578,253	602,818,741
Business-type activities:				
Public Utilities	\$ 59,665,753	59,789,391	61,195,818	68,295,315
Chesapeake Transportation System	8,973,844	8,987,678	20,513,144	36,979,915
Stormwater Management	11,578,159	11,541,070	12,825,364	11,027,245
Economic Development Authority	-	-	-	-
Total business-type activities	\$ 80,217,756	80,318,139	94,534,326	116,302,475
Total Primary Government	\$ 628,509,778	639,391,596	679,112,579	719,121,216
Component units				
Public Schools	\$ 442,852,339	435,759,664	488,960,206	470,920,045
Chesapeake Mosquito Control Commission	4,033,457	5,181,759	4,013,749	3,693,645
Economic Development Authority	686,818	3,322,203	642,787	1,329,256
Chesapeake Port Authority	46,498	46,795	19,642	1,696
Chesapeake Airport Authority	1,583,143	1,340,246	1,270,448	1,340,143
Elizabeth River Properties of Chesapeake, Inc.	190,881	223,076	225,496	225,065
Chesapeake Land Bank Authority	-	-	-	-
Total component units	\$ 449,393,136	445,873,743	495,132,328	477,509,850
Net (Expense)/Revenue				
Governmental activities	(415,223,743)	(393,392,460)	(331,287,181)	(434,004,505)
Business-type activities	24,907,404	33,540,911	36,371,485	9,912,190
Total Primary Government net expense	\$ (390,316,339)	(359,851,549)	(294,915,696)	(424,092,315)
Total component units net expense	\$ (337,021,418)	(327,645,399)	(372,208,843)	(344,937,004)

Table 2, Continued

Fiscal Years					
2019	2020	2021	2022	2023	2024
164,759,758	205,972,104	227,160,269	181,333,028	191,890,163	189,131,856
103,262,634	111,433,764	116,541,499	120,539,356	130,753,495	134,551,216
38,099,274	22,716,126	11,253,379	59,005,523	56,868,828	68,666,750
8,812,469	9,682,309	7,552,991	8,679,338	12,238,447	14,519,086
49,972,356	56,260,276	60,594,825	56,454,498	63,241,401	65,021,620
217,100,015	250,803,232	209,415,524	309,139,680	306,961,623	304,283,821
12,651,370	12,423,557	12,568,282	12,862,673	12,198,307	11,542,836
20,245,562	19,620,117	16,085,590	15,602,752	20,389,674	19,442,644
614,903,438	688,911,485	661,172,359	763,616,848	794,541,938	807,159,829
63,598,130	66,708,533	66,126,598	64,356,881	69,735,776	77,208,353
37,904,311	38,492,069	37,952,259	38,909,909	38,672,503	41,914,254
13,156,095	14,484,056	15,310,180	13,057,070	15,203,361	15,780,247
6,723,039	7,100,135	7,393,129	1,842,224	3,797,161	2,460,902
121,381,575	126,784,793	126,782,166	118,166,084	127,408,801	137,363,756
736,285,013	815,696,278	787,954,525	881,782,932	921,950,739	944,523,585
483,006,298	520,397,810	569,668,829	563,074,654	625,575,793	701,380,834
3,719,396	4,290,575	4,391,365	4,069,597	4,074,028	4,248,959
-	-	-	-	-	-
-	-	-	-	-	-
1,368,689	1,252,267	1,184,417	1,403,003	1,259,978	1,457,835
229,936	299,146	266,521	261,141	253,335	2,092,377
-	86,948	164,814	186,018	475,531	330,429
488,324,319	526,326,746	575,675,946	568,994,413	631,638,665	709,510,434
(443,446,421)	(524,908,292)	(466,718,453)	(561,019,535)	(577,517,487)	(614,123,648)
13,564,879	10,496,735	11,505,646	21,240,898	35,221,079	15,451,825
(429,881,542)	(514,411,557)	(455,212,807)	(539,778,637)	(542,296,408)	(598,671,823)
(354,883,716)	(377,501,623)	(409,214,330)	(378,109,550)	(421,676,127)	(486,145,938)

(Continued)

CITY OF CHESAPEAKE, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years - Unaudited

	2015	2016	2017	2018
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 305,738,657	311,753,152	323,945,517	339,175,321
Local sales and use taxes	37,236,136	38,134,836	39,192,394	40,912,255
Business license taxes	25,684,602	25,432,077	26,124,990	27,319,871
Consumer utility taxes	10,624,686	10,549,605	10,631,194	10,856,726
Other taxes	52,988,967	55,170,564	55,182,708	55,699,035
Grants and contributions not restricted to specific programs	31,873,268	32,200,518	32,146,547	32,144,107
Unrestricted investment earnings	1,688,206	2,212,618	2,307,567	4,642,652
Miscellaneous	3,718,394	3,593,743	2,936,430	3,789,863
Transfers	190,553	167,124	(1,827,101)	(1,351,488)
Total governmental activities revenues & transfers	\$ 469,743,469	479,214,237	490,640,246	513,188,342
Business-type activities:				
Transfers	(190,553)	(167,124)	1,827,101	1,351,488
Total business-type activities revenues & transfers	\$ (190,553)	(167,124)	1,827,101	1,351,488
Total Primary Government revenues & transfers	\$ 469,552,916	479,047,113	492,467,347	514,539,830
Component Units:				
Payment from City	\$ 184,457,843	200,669,966	199,801,485	210,380,798
Grants and contributions not restricted to specific programs	155,306,935	154,989,654	163,341,019	163,273,264
Unrestricted investment earnings	242,790	262,926	450,365	982,738
Miscellaneous	1,146,129	950,105	987,988	1,525,959
Total component units	\$ 341,153,697	356,872,651	364,580,857	376,162,759
Change in Net Position				
Governmental activities	\$ 54,519,726	85,821,777	159,353,065	79,183,837
Business-type activities	24,716,851	33,373,787	38,198,586	11,263,678
Total Primary Government net change in net position	\$ 79,236,577	119,195,564	197,551,651	90,447,515
Total component units net change in net position	\$ 4,132,279	29,227,252	(7,627,986)	31,225,755

Table 2, Continued

Fiscal Years					
2019	2020	2021	2022	2023	2024
355,881,792	370,371,068	393,652,325	420,176,941	457,146,619	482,060,882
41,660,626	43,593,597	51,037,755	55,017,862	57,409,044	58,052,510
28,048,966	27,781,280	29,019,712	30,439,211	37,067,619	36,729,527
10,828,586	10,809,020	10,919,483	11,006,951	11,035,442	10,978,385
57,560,084	55,908,436	60,322,618	65,463,305	70,896,052	71,681,336
32,448,856	32,370,647	33,534,249	33,525,847	32,559,822	31,885,169
9,670,264	8,232,271	882,532	467,024	25,855,563	40,197,897
3,519,909	5,098,170	5,798,646	5,922,231	10,362,835	12,286,195
(14,708,259)	(3,646,823)	(9,508,520)	(4,344,982)	(2,064,110)	(4,832,385)
524,910,824	550,517,666	575,658,800	617,674,390	700,268,886	739,039,516
14,708,259	3,646,823	9,508,520	4,344,982	2,064,110	4,832,385
14,708,259	3,646,823	9,508,520	4,344,982	2,064,110	4,832,385
539,619,083	554,164,489	585,167,320	622,019,372	702,332,996	743,871,901
209,686,756	244,072,634	197,047,317	302,924,093	299,100,335	297,815,305
174,766,903	182,235,069	189,216,555	202,347,789	225,624,431	252,959,038
1,168,677	73,596	(5,050)	69,116	1,250,848	4,463,673
1,455,757	1,016,827	5,039,653	10,392,103	13,148,002	13,552,229
387,078,093	427,398,126	391,298,475	515,733,101	539,123,616	568,790,245
81,464,403	25,609,374	108,940,347	56,654,855	122,751,399	124,915,868
28,273,138	14,143,558	21,014,166	25,585,880	37,285,189	20,284,210
109,737,541	39,752,932	129,954,513	82,240,735	160,036,588	145,200,078
32,194,377	49,896,503	(17,915,855)	137,623,551	117,447,489	82,644,307

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CITY OF CHESAPEAKE, VIRGINIA
Fund Balances, Governmental Funds
Last Ten Fiscal Years - Unaudited

Table 3

	Fiscal Years				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 1,433,615	1,559,275	1,311,843	1,508,708	1,439,572
Restricted for cash flow emergencies	31,981,331	32,623,282	33,795,931	34,786,564	36,173,619
Restricted other	468,823	540,507	4,725,626	4,794,161	908,488
Committed for one time projects	34,275,685	46,901,273	56,288,856	67,624,832	69,990,232
Committed other	21,351,556	30,964,586	37,702,547	36,344,926	55,107,370
Assigned	5,416,979	9,832,438	5,292,608	7,382,231	11,019,850
Unassigned	63,962,662	65,246,428	67,591,862	69,573,129	72,347,237
Total General Fund	\$ 158,890,651	187,667,789	206,709,273	222,014,551	246,986,368
All Other Governmental Funds ¹					
Nonspendable	422,548	402,847	184,459	203,604	243,494
Restricted	39,598,073	46,583,273	48,811,144	42,612,835	38,989,829
Committed	54,059,196	48,759,647	51,053,591	26,152,649	52,646,232
Assigned	77,828,467	62,346,748	132,555,851	151,752,426	121,746,212
Total all other governmental funds	\$ 171,908,284	158,092,515	232,605,045	220,721,514	213,625,767
Total Governmental Funds	\$ 330,798,935	345,760,304	439,314,318	442,736,065	460,612,135

	Fiscal Years				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ 1,133,586	1,408,907	1,419,808	1,458,342	1,705,416
Restricted for cash flow emergencies	37,036,302	39,169,785	41,064,768	-	-
Restricted other	1,049,782	1,057,828	47,000	47,000	47,000
Committed for one time projects	76,698,340	110,027,039	132,485,665	155,107,080	180,516,820
Committed other	67,821,526	102,622,128	119,991,539	143,557,579	118,910,035
Assigned	13,770,559	28,953,705	18,974,795	28,159,415	60,693,544
Unassigned	74,072,504	78,339,569	82,129,536	91,757,441	97,589,627
Total General Fund	\$ 271,582,599	361,578,961	396,113,111	420,086,857	459,462,442
All Other Governmental Funds					
Nonspendable	336,821	253,783	107,800	284,385	20,547,785
Restricted	42,540,130	36,677,128	45,433,106	56,935,980	54,845,078
Committed	36,007,397	47,503,051	42,853,872	79,158,323	76,179,843
Assigned	164,231,851	159,428,011	191,116,519	193,537,207	202,818,731
Total all other governmental funds	\$ 243,116,199	243,861,973	279,511,297	329,915,895	354,391,437
Total Governmental Funds	\$ 514,698,798	605,440,934	675,624,408	750,002,752	813,853,879

¹ Total Governmental Funds expendable minus General Fund expendable.

CITY OF CHESAPEAKE, VIRGINIA

Statement of Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years - Unaudited

	Fiscal Years			
	2015	2016	2017	2018
REVENUES				
General property taxes	\$ 303,776,731	309,687,694	321,436,947	336,040,424
Other local taxes	126,534,391	129,287,082	131,131,286	134,787,887
Licenses, permits, and fees	8,744,557	8,984,478	8,976,982	9,005,712
Fines and forfeitures	2,585,943	2,497,583	2,324,124	1,984,717
Investment income	1,533,894	2,026,798	2,122,324	4,164,768
Revenues from use of property	876,770	953,199	963,352	1,089,188
Charges for services	19,459,056	22,356,868	22,919,619	23,452,511
Miscellaneous local revenues	3,080,064	3,791,848	3,820,723	3,906,796
Recovered costs	2,790,430	2,188,833	1,842,339	2,324,958
Program income	138,654	257,538	640,718	462,012
Revenues from local developers	1,617,834	1,062,059	1,135,388	721,759
Intergovernmental revenues:				
Commonwealth of Virginia	108,369,232	116,529,745	121,239,674	118,276,206
Federal government	15,175,831	19,863,946	18,526,865	21,939,696
Federal government - American Reinvestment and Recovery Act	888,431	892,605	889,080	889,902
Mosquito Control Commission	-	1,250,000	-	-
Chesapeake Public Schools	213,430	235,270	404,392	841,381
Total revenues	595,785,248	621,865,546	638,373,813	659,887,917
EXPENDITURES				
Current:				
General government	112,021,828	112,965,759	118,097,428	122,583,859
Public safety	94,467,782	93,772,637	97,964,884	99,550,223
Public works	60,880,687	59,339,632	59,041,469	59,096,571
Parks and recreation	9,767,667	10,382,616	10,479,224	11,325,996
Public welfare	44,677,723	46,735,975	48,235,096	48,973,078
Education - Payments to Public Schools	184,457,843	200,669,966	199,801,485	210,380,853
Capital outlay	29,755,807	56,329,436	58,432,829	58,753,654
Debt service:				
Principal ¹	41,354,583	28,911,589	24,816,589	30,268,297
Interest	14,093,015	12,608,768	11,832,061	13,725,307
Total expenditures	591,476,935	621,716,378	628,701,065	654,657,838
Excess (deficiency) of revenues over (under) expenditures	4,308,313	149,168	9,672,748	5,230,079
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	95,845,901	71,832,037	81,270,597	95,988,015
Transfers to other funds	(95,193,233)	(71,117,755)	(83,542,939)	(97,796,347)
Proceeds from equipment capital leases	(383,863)	-	-	-
Issuance of leases (as lessee)	-	-	-	-
Issuance of subscriptions	-	-	-	-
Issuance of general obligation bonds	-	-	76,640,000	-
Issuance of general obligation refunding bonds	-	-	5,190,000	-
Issuance of VPSA bonds	-	12,170,000	-	-
Payment to refunded bond escrow agent	-	-	(5,915,421)	-
Premiums on general obligation bonds issued	-	-	9,478,205	-
Premiums on refunding bonds issued	-	-	760,824	-
Premiums on VPSA bonds issued	-	1,927,919	-	-
Total other financing sources (uses), net	268,805	14,812,201	83,881,266	(1,808,332)
Net change in fund balances	\$ 4,577,118	14,961,369	93,554,014	3,421,747
Debt service as a percentage of noncapital expenditures ²	9.87%	7.34%	6.43%	7.38%

¹ Includes other debt related expenses

² Debt service as a percentage of noncapital expenditures is calculated as follows: (debt service payments (principal and interest) / total expenditures less capital outlay expenditures)

Table 4

Fiscal Years					
2019	2020	2021	2022	2023	2024
351,530,642	364,197,736	389,639,337	404,192,235	450,522,724	484,505,439
138,098,262	138,092,333	151,299,568	161,927,329	176,408,157	177,441,758
9,472,695	9,652,515	10,119,756	9,742,809	11,995,812	12,558,300
2,064,005	2,283,217	2,008,770	1,572,760	7,912,949	6,844,826
8,689,159	7,392,384	753,921	328,970	23,083,365	35,704,291
1,118,058	799,213	608,081	1,519,029	1,860,539	1,519,727
23,545,932	22,220,374	19,600,531	21,109,602	23,025,729	23,805,830
4,058,261	4,245,181	5,630,476	3,487,335	4,434,488	9,408,781
2,013,914	2,039,138	2,925,778	3,092,963	5,645,963	1,668,096
130,249	144,848	151,626	260,411	54,291	295,585
656,179	824,443	1,021,026	880,354	2,066,828	527,853
126,804,447	131,264,365	132,784,542	128,245,342	139,336,369	155,114,431
15,749,222	19,233,079	58,729,207	61,184,751	60,173,124	20,286,229
876,007	550,227	501,008	289,059	281,439	274,624
-	-	-	-	-	-
1,656,215	84,782	22,293	116,565	756,594	3,212,018
686,463,247	703,023,835	775,795,920	797,949,514	907,558,371	933,167,788
127,987,878	130,384,491	132,923,495	138,697,562	149,748,385	151,610,990
106,366,094	111,536,156	113,610,647	124,145,125	134,610,319	138,339,679
57,885,633	62,805,322	64,571,102	67,179,225	73,679,086	77,920,281
11,455,395	11,379,680	11,081,758	11,553,725	13,598,008	15,724,093
52,022,091	54,982,527	56,789,675	57,404,233	63,642,018	67,507,227
210,428,306	244,072,634	203,211,882	302,924,093	299,100,335	297,815,305
49,402,878	60,664,095	53,318,485	48,654,389	71,086,426	82,693,241
26,693,440	26,124,163	28,167,960	28,141,208	28,625,480	28,012,457
13,100,430	11,512,957	12,857,888	11,831,064	13,174,148	11,692,820
655,342,145	713,462,025	676,532,892	790,530,624	847,264,205	871,316,093
31,121,102	(10,438,191)	99,263,028	7,418,890	60,294,166	61,851,695
86,774,280	89,514,095	111,890,076	146,343,760	166,191,560	155,281,094
(100,019,312)	(91,649,941)	(120,410,968)	(150,157,441)	(167,306,741)	(157,282,585)
-	-	-	-	-	-
-	-	-	4,392,423	423,893	3,656,968
-	-	-	-	3,428,104	343,955
-	30,005,000	-	-	-	-
-	34,215,000	-	-	-	-
-	24,520,000	-	54,410,000	9,900,000	-
-	(41,674,983)	-	-	-	-
-	8,377,934	-	-	-	-
-	7,651,284	-	-	-	-
-	3,566,465	-	7,775,842	1,447,362	-
(13,245,032)	64,524,854	(8,520,892)	62,764,584	14,084,178	1,999,432
17,876,070	54,086,663	90,742,136	70,183,474	74,378,344	63,851,127
6.57%	5.77%	6.58%	5.39%	5.39%	5.03%

CITY OF CHESAPEAKE, VIRGINIA

Table 5

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years - Unaudited

	Fiscal Years				
	2015	2016	2017	2018	2019
Real Property Assessed Value ¹	\$ 23,905,386,600	24,370,701,634	25,174,589,034	26,241,692,929	27,624,978,340
Real Property Estimated Actual Value ¹	23,905,386,600	24,370,701,634	25,174,589,034	26,241,692,929	27,624,978,340
Personal Property Assessed Value ¹	2,003,412,774	2,125,717,799	2,125,088,965	2,256,293,543	2,343,369,694
Personal Property Estimated Actual Value ¹	2,003,412,774	2,125,717,799	2,125,088,965	2,256,293,543	2,343,369,694
Total Assessed Value	25,908,799,374	26,496,419,433	27,299,677,999	28,497,986,472	29,968,348,034
Total Direct Tax Rate ²	1.27	1.28	1.27	1.27	1.27
Estimated Actual Value	25,908,799,374	26,496,419,433	27,299,677,999	28,497,986,472	29,968,348,034
Ratio of Total Assessed Value to Total Estimated Actual Value	100.00%	100.00%	100.00%	100.00%	100.00%

	Fiscal Years				
	2020	2021	2022	2023	2024
Real Property Assessed Value ¹	\$ 28,910,752,624	30,088,250,673	31,253,557,594	35,703,646,223	38,913,919,002
Real Property Estimated Actual Value ¹	28,910,752,624	30,088,250,673	31,253,557,594	35,703,646,223	38,913,919,002
Personal Property Assessed Value ¹	2,449,445,877	2,685,732,144	2,931,747,383	3,437,161,568	3,294,968,646
Personal Property Estimated Actual Value ¹	2,449,445,877	2,685,732,144	2,931,747,383	3,437,161,568	3,294,968,646
Total Assessed Value	31,360,198,501	32,773,982,817	34,185,304,977	39,140,807,791	42,208,887,648
Total Direct Tax Rate ²	1.27	1.28	1.29	1.30	1.23
Estimated Actual Value	31,360,198,501	32,773,982,817	34,185,304,977	39,140,807,791	42,208,887,648
Ratio of Total Assessed Value to Total Estimated Actual Value	100.00%	100.00%	100.00%	100.00%	100.00%

¹ Source: City of Chesapeake Commissioner of the Revenue

² The Direct Tax Rate is calculated using a formula that includes the City's actual current tax rates which are \$1.00 per \$100 for real property and \$4.00 per \$100 for personal property.

CITY OF CHESAPEAKE, VIRGINIA

Table 6

Direct and Overlapping Property Tax Rates ^{2 3}
 Last Ten Fiscal Years - Unaudited
 (rate per hundred)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Real Estate ^{1 2}	\$ 1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.00
Motor Vehicles ^{3 4}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Motor Vehicles Disabled Vets ⁸	0.01	0.01	0.01	0.01	0.01	0.01	0.01	-	-	-
Motor Carriers	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12
Recreation Vehicles ⁴	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Handicap Vehicles ⁴	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Boats ⁴	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Business Personal Property ^{3 4}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Mobile Homes ^{2 5}	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.00
Machinery & Tools ⁴	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12
Farm ^{3 4}	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Airplanes ⁴	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Data Center Computers ⁷	-	-	-	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Total Direct Rate ⁶	1.27	1.28	1.27	1.27	1.27	1.27	1.28	1.29	1.30	1.23

¹ Assessment of Real Estate is 100 percent of fair market value.

² The general City real estate tax levy is currently \$1.00 per \$100 assessed value. An additional \$0.01 per \$100 assessed value is imposed for mosquito control services.

³ The general City personal property tax levy is currently \$4.00 per \$100 assessed value. An additional \$0.08 per \$100 assessed value is imposed for mosquito control services.

⁴ Boats and vehicles are assessed using 100% of the loan value from a recognized pricing guide. Boats and vehicles that are not found in a recognized pricing guide are assessed as a percentage of their original cost. Airplanes, business personal property, and machinery and tools are assessed at 20% of their original cost. Farm equipment is assessed at 12% of its original cost.

⁵ Mobile home assessments are based on per square foot values provided by a recognized pricing guide.

⁶ The Direct tax rate is calculated using a weighted formula that includes the current tax rates of \$1.00 for real property and \$4.00 for personal property.

⁷ Data Center Computer equipment is currently \$.40 per \$100 assessed value. Added February 2018.

⁸ Motor Vehicle Disable Vet Assessment changed on January 1, 2021 from \$.01 to \$.00. for their primary vehicle and \$.01 for additional vehicles.

SOURCE: City of Chesapeake, Ordinances

CITY OF CHESAPEAKE, VIRGINIA

Table 7

Principal Property Taxpayers
Current Year and Nine Years Ago - Unaudited

Principal Taxpayer	Type of Business	Fiscal Year 2024		Fiscal Year 2015	
		Real Property Assessed Value	Percent of Total Assessed Value	Real Property Assessed Value	Percent of Total Assessed Value
Dominion Virginia Power	Electric Utility	\$ 926,071,523	2.38%	\$ 693,372,187	2.90%
Dollar Tree Distribution Inc	Retail, Distribution	182,095,000	0.47%	-	-
VA Coastal Logistics DST	Industrial Properties	112,541,500	0.29%	-	-
CP Venture Two, LLC	Shopping Mall	79,770,700	0.20%	55,260,200	0.23%
Lithia VA Real Estate LLC	Automotive Dealership	63,733,900	0.16%	-	-
JLP Chesapeake LLC	Retail and Vacant Land	63,510,500	0.16%	-	-
Wal-Mart Stores East LP	Shopping Center	60,058,200	0.15%	64,849,400	0.27%
DH VA Owner LLC	Real Estate Investment & Management	48,407,800	0.12%	-	-
Walsh FBI Chesapeake LLC	Real Estate Investment & Management	47,779,700	0.12%	-	-
Greenbrier Square Chesapeake LLC	Shopping Center	46,463,900	0.12%	-	-
Greenbrier Mall II, LLC	Shopping Mall & Vacant Land	-	-	90,250,800	0.38%
Verizon South Inc	Telecommunications Utility	-	-	65,646,249	0.27%
Chesapeake Mall LLC	Shopping Mall	-	-	57,764,400	0.24%
Woodlake Co. Limited Partnership	Apartment Complex	-	-	52,552,900	0.22%
Chesapeake CVSD LN Apt Prop Own	Apartment Complex	-	-	51,078,800	0.21%
Virginia Natural Gas	Natural Gas Utility	-	-	47,996,066	0.20%
USMC Four Inc	Apartment Complex	-	-	46,848,000	0.20%
Total Top Ten Principal Taxpayers ¹		\$ 1,630,432,723	4.17%	\$ 1,225,619,002	5.12%
Total Assessed Valuation ²		<u>\$ 38,913,919,002</u>		<u>\$ 23,905,386,600</u>	

Source: ¹ City of Chesapeake Real Estate Assessor² City of Chesapeake Commissioner of Revenue

CITY OF CHESAPEAKE, VIRGINIA

Table 8

Property Tax Levies
Last Ten Fiscal Years - Unaudited

		2015	2016	2017	2018	2019
Real Property ¹	\$	240,400,500	246,824,270	254,741,865	265,497,154	279,719,056
Motor Vehicles		61,865,858	65,747,073	65,520,521	69,393,003	71,566,602
Motor Carriers		1,231,613	1,487,378	1,551,850	1,692,336	1,652,944
Recreation Vehicles		495,862	564,838	579,382	666,676	723,342
Boats		19,677	28,080	17,996	23,607	28,021
Business		11,588,129	11,514,150	12,497,273	12,786,377	13,667,431
Motor Homes		133,987	135,097	89,304	132,888	132,617
Machinery & Tools		2,697,358	2,803,960	2,666,692	2,855,192	2,995,448
Farm		145,217	160,854	150,138	141,963	146,680
Airplanes		45,349	51,958	45,729	41,117	27,457
		2020	2021	2022	2023	2024
Real Property ¹	\$	292,702,992	304,517,552	316,931,213	348,825,912	380,593,367
Motor Vehicles		74,753,543	84,851,001	94,733,749	109,409,565	104,544,240
Motor Carriers		1,706,075	1,578,821	1,594,613	1,673,396	1,699,713
Recreation Vehicles		737,332	895,690	1,234,341	1,129,897	1,088,016
Boats		27,332	25,224	20,523	43,341	39,724
Business		14,177,862	14,365,029	13,890,092	17,469,709	16,364,253
Motor Homes		137,225	143,559	145,136	150,975	141,143
Machinery & Tools		2,907,802	3,295,136	3,205,853	3,598,703	3,890,752
Farm		146,624	138,153	129,343	143,127	145,808
Airplanes		27,529	26,051	20,285	31,955	44,999

¹ Public service corporation property is not included

Source: City of Chesapeake Commissioner of the Revenue

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CITY OF CHESAPEAKE, VIRGINIA

Table 9

Property Tax Levies and Collections
Last Ten Fiscal Years - Unaudited

Fiscal Years	Original Levy	Adjusted Levy ³	Collected in Initial Period ^{1 2}	Percent of Levy Collected Within Fiscal Year of Levy	Collections in Subsequent Years ¹	Cumulative Tax Collections	Cumulative Collections as a Percent of Adjusted Tax Levy ⁴
2015	\$ 329,262,203	331,910,156	315,733,576	96%	16,318,385	332,051,961	100%
2016	338,408,560	340,880,764	323,578,869	96%	16,852,174	340,431,043	100%
2017	347,470,586	351,863,685	333,495,476	96%	17,509,944	351,005,420	100%
2018	363,286,184	365,728,582	347,048,456	96%	19,471,809	366,520,265	100%
2019	381,019,427	384,440,496	362,170,574	95%	19,012,900	381,183,474	99%
2020	398,276,635	399,444,448	347,427,397	87%	30,374,317	377,801,714	95%
2021	421,264,210	423,013,242	367,218,571	87%	25,689,444	392,908,015	93%
2022	443,144,672	446,313,624	384,385,069	87%	33,329,607	417,714,676	94%
2023	487,555,079	495,968,908	420,408,815	86%	35,325,593	455,734,408	92%
2024	520,997,599	523,541,476	448,318,476	86%	-	448,318,476	86%

¹ Includes tax collections recorded by Chesapeake Mosquito Control Commission, a component unit, and the Tax Increment Financing Funds.

² Collections include amount reimbursed by the State for Personal Property Tax under the Personal Property Tax Relief Act (PPTRA) of 1998.

³ Adjusted Levy reflects residual amount after exonerations and reassessments.

⁴ For FY2020 property tax due dates were moved from June 5 to June 30 which impacted the timing of tax collections.

Source: City of Chesapeake Commissioner of the Revenue



CITY OF CHESAPEAKE, VIRGINIA

Ratios of Outstanding Debt by Type Last Ten Fiscal Years - Unaudited

	Governmental Activities			
	2015	2016	2017	2018
General Obligation Bonds and Direct Placement ⁵	\$ 289,178,539	274,392,374	336,429,602	305,469,994
School Literary Loans	997,681	798,144	598,607	399,070
Installment Purchase Agreement	1,342,284	1,342,284	1,342,284	1,342,284
Edinburgh Loan Payable	2,546,285	1,946,273	1,226,520	485,413
Supplemental Payments Agreement	12,885,000	10,100,000	8,615,000	7,055,000
Leases and Subscriptions	-	-	-	-
Total Governmental Activities ¹	\$ 306,949,789	288,579,075	348,212,013	314,751,761

	Business-type Activities			
	2015	2016	2017	2018
General Obligation Bonds ^{2 5}	\$ 90,125,836	83,545,253	78,431,500	72,228,594
Revenue Bonds ⁵	249,214,950	300,932,845	313,548,582	320,618,478
Notes & Loans Payable	-	-	-	-
Due to the Commonwealth of Virginia	65,044,115	65,859,760	66,700,057	67,971,480
Leases and Subscriptions	-	-	-	-
Total Business-type Activities	404,384,901	450,337,858	458,680,139	460,818,552
Total Primary Government Activities	\$ 711,334,690	738,916,933	806,892,152	775,570,313

Percent of Personal Income ³ 6.46% 6.57% 6.91% 6.36%

All Debt Per Capita ^{3 4} 3,041 3,124 3,370 3,200

¹ Represents total long-term debt.

² In addition to the City's general obligation pledge, the bonds are secured on a junior lien basis by the pledge of water and sewer system revenues.

³ See Table 17 Demographic and Economic Statistics for personal income and population data.

⁴ All Debt Per Capita is calculated by [sum of governmental activities + business-type activities] / population

⁵ General obligation bonds and revenue bonds for governmental and business-type activities include any premium or discount associated with the debt.

Table 10

2019	2020	2021	2022	2023	2024
278,226,151	320,201,841	289,671,302	321,390,665	305,508,280	274,022,897
199,533	-	-	-	-	-
1,342,284	1,342,284	1,342,284	1,342,284	1,342,284	1,342,284
-	-	-	-	-	-
5,415,000	3,695,000	1,895,000	-	-	-
-	-	-	3,886,026	11,736,707	11,879,729
285,182,968	325,239,125	292,908,586	326,618,975	318,587,271	287,244,910

2019	2020	2021	2022	2023	2024
65,861,260	59,615,171	52,911,325	46,448,856	48,669,769	36,231,867
328,407,940	337,883,008	332,554,040	322,495,388	305,004,044	297,445,704
-	-	-	8,355,895	7,984,695	7,984,695
68,875,605	69,807,056	70,766,661	71,755,269	72,773,759	73,823,033
-	-	-	30,522	86,913	65,930
463,144,805	467,305,235	456,232,026	449,085,930	434,519,180	415,551,229
748,327,773	792,544,360	749,140,612	775,704,905	753,106,451	702,796,139
5.89%	5.98%	5.25%	5.25%	n/a	n/a
3,059	3,210	3,002	3,081	2,989	2,784

CITY OF CHESAPEAKE, VIRGINIA

Table 11

Ratios of Outstanding General Obligation Debt
Last Ten Fiscal Years - Unaudited

General Obligation Debt Outstanding									
Fiscal Year	Governmental Activities General Obligation Bonds ¹	Business-type Activities General Obligation Bonds ^{1 4}	Total General Obligation Bonds	School Literary Loans	Installment Purchase Agreement ⁵	Leases and Subscriptions	Total	% of Actual Taxable Value of Property ²	Per Capita ³
2015	\$ 289,178,539	90,125,836	379,304,375	997,681	1,342,284	-	381,644,340	1.47%	1,632
2016	274,392,374	83,545,253	357,937,627	798,144	1,342,284	-	360,078,055	1.36%	1,522
2017	336,429,602	78,431,500	414,861,102	598,607	1,342,284	-	416,801,993	1.53%	1,741
2018	305,469,994	72,228,594	377,698,588	399,070	1,342,284	-	379,439,942	1.33%	1,566
2019	278,226,151	65,861,260	344,087,411	199,533	1,342,284	-	345,629,228	1.15%	1,413
2020	320,201,841	59,615,171	379,817,012	-	1,342,284	-	381,159,296	1.22%	1,544
2021	289,671,302	52,911,325	342,582,627	-	1,342,284	-	343,924,911	1.05%	1,375
2022	321,390,665	46,448,856	367,839,521	-	1,342,284	3,916,548	373,098,353	1.09%	1,482
2023	305,508,280	48,669,768	354,178,048	-	1,342,284	11,823,620	367,343,952	0.93%	1,437
2024	274,022,897	41,431,328	315,454,225	-	1,342,284	11,945,659	328,742,168	0.78%	1,302

¹ Outstanding Bonds for Governmental and Business-type Activities include premiums and discounts.

² Refer to Table 5 Assessed and Estimated Actual Value of Taxable Property for assessed value data.

³ Refer to Table 17 Demographic and Economic Statistics for population information.

⁴ In addition to the City's general obligation pledge, the bonds are secured on a junior lien basis by the pledge of water and sewer system revenues.

⁵ The Installment Purchase Agreement provides for the payment of the principal balance in a single installment due in 2032 that will be repaid from maturing zero coupon Treasury securities.

Debt Affordability Indicators
Last Ten Fiscal Years - Unaudited

The City's overall net debt to assessed value of taxable real property will not exceed 3.5% nor will the City's overall net debt per capita exceed \$3,000. The City's tax-supported debt service shall be limited to 10% of budgeted general governmental revenues. ¹

Fiscal Year	Overall Net Debt ^{2 6}	Assessed Value of Taxable Real Property ³	Overall Net Debt to Assessed Value of Taxable Real Property	Population ⁴	Overall Net Debt Per Capita	Budgeted General Revenues ⁵	Tax-supported Debt Service	Tax-supported Debt Service to Budgeted General Governmental Revenues
2015	\$ 295,259,842	23,905,386,600	1.24%	233,908	1,262	542,235,502	56,086,868	10.34%
2016	276,830,385	24,370,701,634	1.14%	236,538	1,170	552,192,580	42,008,224	7.61%
2017	327,984,560	25,174,589,034	1.30%	239,399	1,370	571,599,873	36,853,676	6.45%
2018	297,005,670	26,241,692,929	1.13%	242,336	1,226	589,122,079	44,704,137	7.59%
2019	277,277,671	27,624,978,340	1.00%	244,657	1,133	612,166,942	40,841,869	6.67%
2020	299,327,195	28,910,752,624	1.04%	246,912	1,212	637,644,657	37,961,781	5.95%
2021	270,462,260	30,088,250,673	0.90%	249,521	1,084	611,290,886	41,983,287	6.87%
2022	294,716,000	31,253,557,594	0.94%	251,811	1,170	665,247,489	41,605,461	6.25%
2023	283,913,991	35,703,853,767	0.80%	251,959	1,127	734,613,051	48,701,628	6.63%
2024	256,067,013	38,913,919,002	0.66%	252,478	1,014	785,203,512	46,890,323	5.97%

¹ Policy adopted by resolution on February 27, 2007 and amended on May 12, 2015, commencing FY 2016 to include overall net debt service to budgeted general governmental revenues.

² Overall net debt is the sum of the total bonded debt, short term debt, and overlapping debt less all self-supporting enterprise debt.

³ Source: City of Chesapeake Commissioner of Revenue.

⁴ Population figures acquired from City of Chesapeake Planning Department estimates.

⁵ General Governmental revenues include General Fund, Greenbrier TIF Fund, South Norfolk TIF Fund, Conference Center Fund, Debt Service Fund, E-911 Operations Fund, Parks and Recreation Fund and Mosquito Control Fund.

⁶ Beginning FY 2019 includes 2018 EDA Taxable Facility Revenue Bond supported by Greenbrier TIF revenues.

CITY OF CHESAPEAKE, VIRGINIA

Table 13

Ratio of Annual Debt Expenditures for General Obligation
Debt to Total General Governmental Expenditures
Last Ten Fiscal Years - Unaudited

Fiscal Year	Total General Governmental Expenditures ¹	General Obligation Debt Expenditures ²	Ratio of General Obligation Debt Expenditures to General Governmental Expenditures
2015	\$ 827,830,607	52,540,073	6.35%
2016	815,582,062	39,459,982	4.84%
2017	840,174,358	36,648,650	4.36%
2018	871,770,408	42,002,854	4.82%
2019	898,432,498	37,801,120	4.21%
2020	926,146,293	43,147,254 ³	4.66%
2021	972,623,596	39,041,098	4.01%
2022	1,063,411,200	41,048,442	3.86%
2023	1,152,226,463	41,799,628	3.63%
2024	1,517,460,522	39,705,277	2.62%

¹ This table includes the expenditures from the following funds: General, Special Revenue, Permanent, Chesapeake Mosquito Control Commission - component unit, Debt Service and Chesapeake Public Schools - component unit. Excluded are Capital Projects - Primary Government and Public Schools Capital Projects - component unit.

² Expenditures for general obligation bonds, excluding those reported in Business-type Activities.

³ Includes \$7.5 million in bonded expenditure for the redemption of bonds that were refunded in March 2020.

CITY OF CHESAPEAKE, VIRGINIA**Table 14**

Ratio of Debt Expenditures to Local Revenues
Last Ten Fiscal Years - Unaudited

Fiscal Year	Local Revenues ¹	Tax and Revenue Supported Debt Expenditures ²	Ratio of Debt Expenditures To Local Revenues
2015	\$ 588,067,951	65,684,722	11.17%
2016	604,791,609	49,316,405	8.15%
2017	630,347,714	48,814,491	7.74%
2018	657,210,227	65,807,468	10.01%
2019	688,187,136	63,956,762	9.29%
2020	708,745,165	21,324,471 ³	3.01%
2021	738,435,699	69,326,885	9.39%
2022	775,039,788 ³	75,130,074	9.69%
2023	897,003,799	76,007,049	8.47%
2024	1,214,448,397	73,601,712	6.06%

¹ Includes local revenues of the following funds: General, Special Revenue, Permanent, Debt Service, Chesapeake Public Schools - component unit, Chesapeake Mosquito Control Commission - component unit, Public Utilities, Chesapeake Transportation System, Stormwater and beginning in FY 2019 the Economic Development Authority - component unit. Excluded are Capital Projects - Primary Government, Chesapeake Public Schools Capital Projects - component unit, and transfers/expenditures/revenues between the City, Chesapeake Public Schools, and Elizabeth River Properties of Chesapeake.

² Includes debt expenditures for governmental and business-type activities.

³ Restated

CITY OF CHESAPEAKE, VIRGINIA
Legal Debt Margin Information
Last Ten Fiscal Years - Unaudited

Table 15

Fiscal Year	Debt Limit ¹	Total net debt applicable to limit	Legal Debt Margin available	Total net debt applicable to the limit as a % of debt limit
2015	\$ 2,390,538,660	299,396,296	2,091,142,364	12.5%
2016	2,437,070,163	286,138,466	2,150,931,697	11.7%
2017	2,517,458,903	340,363,489	2,177,095,414	13.5%
2018	2,624,169,293	311,267,004	2,312,902,289	11.9%
2019	2,762,497,834	284,886,193	2,477,611,641	10.3%
2020	2,891,075,262	310,440,524	2,580,634,738	10.7%
2021	3,008,825,067	249,993,929	2,758,831,138	8.3%
2022	3,125,355,759	283,500,480	2,841,855,279	9.1%
2023	3,570,364,622	259,032,638	3,311,331,984	7.3%
2024	3,891,391,900	220,813,682	3,670,578,218	5.7%

¹ Under state law, the City's outstanding general obligation debt should not exceed 10 % of total assessed real property value. However, the City has adopted three affordability ratios that further restrict the debt below the amount indicated by the Legal Debt Margin.

Revenue Bond Coverage (Pledged-Revenue)
Last Ten Fiscal Years - Unaudited

Water and Sewer Systems

Fiscal Year	Revenues ¹	Operating Expenses ²	Net Revenue Available for Debt Service	SENIOR BONDS DEBT SERVICE REQUIREMENTS			Coverage ³
				Principal	Interest	Total	
2015	\$ 70,193,594	40,046,910	30,146,684	815,000	1,887,618	2,702,618	11.15
2016	72,939,176	40,362,445	32,576,731	835,000	1,865,206	2,700,206	12.06
2017	77,077,017	43,585,633	33,491,384	860,000	1,833,308	2,693,308	12.44
2018	78,917,902	43,610,138	35,307,764	880,000	1,799,002	2,679,002	13.18
2019	78,001,428	42,764,707	35,236,721	910,000	1,760,820	2,670,820	13.19
2020	81,405,526	45,761,466	35,644,060	935,000	1,719,041	2,654,041	13.43
2021	82,051,956	47,542,711	34,509,245	965,000	1,674,713	2,639,713	13.07
2022	82,390,701	45,676,808	36,713,893	935,000	914,113	1,849,113	19.85
2023	88,764,513	50,368,861	38,395,652	780,000	736,150	1,516,150	25.32
2024	90,989,870 -	56,256,378	34,733,492	815,000	697,150	1,512,150	22.97

Chesapeake Expressway/Chesapeake Transportation System

Fiscal Year	Toll Revenues	Operating Expenses ²	Net Toll Revenue Available for Debt Service	SENIOR BONDS DEBT SERVICE REQUIREMENTS ⁴			Coverage ⁵
				Principal	Interest	Total	
2015	\$ 11,024,004	3,165,665	7,858,338	-	724,250	724,250	10.85
2016	11,835,168	3,452,690	8,382,478	-	724,250	724,250	11.57
2017	17,334,638	5,612,099	11,722,539	-	1,296,320	1,296,320	9.04
2018	24,638,185	8,943,040	15,695,145	445,000	4,995,667	5,440,667	2.88
2019	26,215,490	9,390,213	16,825,277	1,575,000	4,830,101	6,405,101	2.63
2020	25,505,079	9,355,031	16,150,048	2,435,000	4,890,350	7,325,350	2.20
2021	29,267,552	9,821,967	19,445,585	3,300,000	4,989,260	8,289,260	2.35
2022	33,572,463	9,929,050	23,643,413	4,130,000	4,810,191	8,940,191	2.64
2023	34,457,488	10,946,305	23,511,183	4,975,000	4,117,368	9,092,368	2.59
2024	35,745,804	12,495,043	23,250,761	2,185,000	7,117,185	9,302,185	2.50

¹ The definition of revenues for the Water and Sewer System includes interest, 100% of connection fees and the Build America Bonds subsidy reimbursement. Capital grants and revenues transferred to the rate stabilization fund have been excluded from the calculation.

² Operating expenses are exclusive of depreciation and amortization and renewal and replacement costs.

³ Per the Indenture of Trust for Revenue Bonds issued in 2010, net revenues shall be sufficient in each fiscal year to equal 120% (or 1.2) of annual debt service for senior debt.

⁴ Beginning with fiscal year 2013, debt payments made July 15 are treated as due the previous fiscal year. Additionally, debt service shall not include the principal and interest on outstanding bonds to the extent that they are paid from bond proceeds or investment earnings on such proceeds.

⁵ Beginning in fiscal year 2013, net toll revenues shall be sufficient in each fiscal year to equal 130% (or 1.3 times) annual debt service.

CITY OF CHESAPEAKE, VIRGINIA

Table 17

Demographic and Economic Statistics
Last Ten Fiscal Years - Unaudited

Fiscal Year	Population ¹	Personal Income ² (in thousands)	Per Capita Income ²	School Enrollment ³	Chesapeake Unemployment Rate ⁴	Virginia Unemployment Rate ⁴
2015	233,908	\$ 11,010,828	46,769	38,678	5.0%	4.9%
2016	236,538	11,254,969	47,302	38,935	4.3%	4.1%
2017	239,399	11,675,805	48,569	39,153	4.2%	4.0%
2018	242,336	12,196,879	50,326	39,497	3.5%	3.4%
2019	244,657	12,700,597	51,874	40,898	3.0%	2.9%
2020	246,912	13,245,152	53,622	41,597	4.4%	4.4%
2021	249,521	14,257,488	56,742	39,673	5.5%	5.6%
2022	251,811	14,764,927	58,478	40,478	3.1%	3.1%
2023	251,959	n/a	n/a	40,821	2.8%	2.8%
2024	252,478	n/a	n/a	40,640	3.0%	3.0%

n/a - Information not yet available

Sources:

¹ Beginning in 2023, the City uses the population estimates developed by the University of Virginia's Weldon Cooper Center for Public Service. Before 2023, the City's Planning Department developed estimates based on the the most current Census counts and issued Certificates of Occupancy.

² Bureau of Economic Analysis an agency of the U.S. Department of Commerce

³ Chesapeake Public Schools

⁴ U. S. Department of Labor Bureau of Labor Statistics (average for fiscal year, not seasonally adjusted)

CITY OF CHESAPEAKE, VIRGINIA

Table 18

Principal Employers

Current Year and Nine Years Ago - unaudited

Principal Employers	Type of Business	Fiscal Year 2024		Fiscal Year 2015	
		Employees	Percent of Total City Employment	Employees	Percent of Total City Employment
City of Chesapeake Public Schools ¹	Government	6,837	5.44%	5,649	5.07%
City of Chesapeake ⁴	Government	3,628	2.89%	3,636	3.26%
Chesapeake Regional Medical Center	Hospital and healthcare services	2,038	1.62%	2,130	1.91%
Walmart Associates, Inc.	Warehouse Clubs and Supercenters	1,754	1.40%	-	0.00%
Dollar Tree	Corporate, Subsidiary, and Regional Managing Offices	1,704	1.36%	850	0.76%
Amazon.com Services, Inc.	Local Messengers and Local Delivery	1,271	1.01%	-	0.00%
Sentara Healthcare	Other Technical and Trade Schools	833	0.66%	-	0.00%
Cox Communications	Media Streaming Distribution Services, Social Networks, and Other Media Networks and Content Providers	825	0.66%	1,250	1.12%
Food Lion, LLC	Grocery store company	811	0.65%	-	0.00%
U S A A	Direct Property and Casualty Insurance Carriers	695	0.55%	-	0.00%
Tidewater Staffing, Inc.	Temporary Help Services	669	0.53%	-	0.00%
QVC Chesapeake, Inc.	Telemarketing Bureaus and Other Contact Centers	605	0.48%	690	0.62%
Fiserv Solutions, LLC	Data Processing, Hosting, and Related Services	530	0.42%	-	0.00%
Home Depot U S A, Inc.	Home Centers	522	0.42%	-	0.00%
U.S. Department of Homeland Security	Government agency	469	0.37%	-	0.00%
Sentara Healthcare	Home Health Care Services	443	0.35%	1,200	1.08%
International Marine and Indus	Ship Building and Repairing	441	0.35%	-	0.00%
Target	Department Stores	439	0.35%	-	0.00%
Family Dollar Stores, Inc.	Clothing and Clothing Accessories Retailers	438	0.35%	-	0.00%
General Dynamics	Engineering Services	404	0.32%	-	0.00%
Capital One	Credit intermediation and related activities	-	0.00%	1,000	0.90%
Cannon Information Technology Service, Inc	Technical and consumer support	-	0.00%	560	0.50%
Total Employment ^{2 3}		125,596		111,376	

Source: City of Chesapeake Economic Development Department unless otherwise noted.

¹ Source is Chesapeake Public Schools' Budget Office² Source is Virginia Employment Commission, Local Area Unemployment Statistics (2023)³ Source is Bureau of Economic Analysis, an agency of the U.S. Department of Commerce⁴ Source is Budget Department - Data provided is the budgeted full time equivalents and includes part-time employee equivalents. Total employees tie to the approved Operating Budget documents.

CITY OF CHESAPEAKE, VIRGINIA

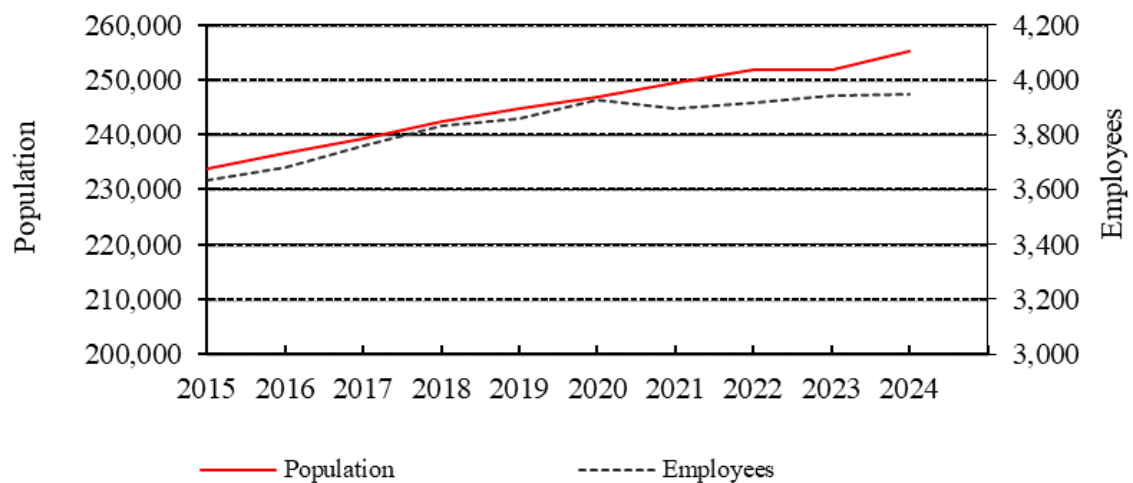
Table 19

Municipal Employment Statistics Last Ten Fiscal Years - Unaudited

Fiscal Year	Population ¹	Total Employees ²	Employees
			Per 1,000 Population
2015	233,908	3,636	15.5
2016	236,538	3,680	15.6
2017	239,399	3,758	15.7
2018	242,336	3,831	15.8
2019	244,657	3,860	15.8
2020	246,912	3,927	15.9
2021	249,521	3,898	15.6
2022	251,811	3,917	15.6
2023	251,959	3,944	15.7
2024	252,478	3,930	15.6

Sources: ¹City of Chesapeake Planning Department Estimates (2014 - 2022) Beginning 2023, population estimates are provided by University of Virginia's Weldon Cooper Center.
²Data provided is the budgeted full-time equivalents and includes part-time employee equivalents. Total employees tie to the approved Operating Budget documents.

Population and Employee Figures



CITY OF CHESAPEAKE, VIRGINIA

Table 20

Authorized Full-Time Equivalent City Government Employee Positions by Department
Last Ten Fiscal Years - Unaudited

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Department</u>										
General Government										
Management Services	43	45	48	47	47	50	50	50	50	50
Economic Development	34	34	35	36	37	38	37	37	47	47
Finance	28	28	29	29	29	29	29	29	30	30
Information Technology	57	57	54	55	56	57	55	65	74	77
Human Resources	23	24	23	22	23	23	23	23	24	26
Budget	6	6	6	6	6	7	7	7	7	7
Agriculture ¹	2	2	2	2	2	2	2	2	2	2
Development & Permits	80	80	75	76	76	80	76	76	76	76
Other	246	245	251	254	256	256	255	253	254	249
Police	552	552	564	577	581	583	584	580	580	582
Sheriff	400	404	417	428	433	451	442	442	442	442
Fire	446	446	447	449	449	454	452	461	462	471
Integrated Behavioral Health	245	246	266	291	297	299	306	299	301	303
Community Programs	11	11	11	11	11	13	13	13	13	14
Public Works	463	468	476	478	484	489	487	500	511	511
Parks, Recreation & Tourism	230	236	242	245	245	251	242	242	242	241
Library	125	125	125	126	127	127	126	126	126	126
Public Utilities	212	222	233	246	253	260	261	262	266	266
Justice	84	83	83	84	84	86	90	90	91	92
Health & Human Services	345	362	367	365	360	368	361	360	346	318
Total	3,632	3,676	3,754	3,827	3,856	3,923	3,898	3,917	3,944	3,930

Source: Authorized full time equivalent positions per approved fiscal year Operating Budgets for the year indicated.

¹ The Department of Agriculture currently has 2 City employees and 4 State employees. Effective fiscal year 2021, the State employees are no longer shown in the FTE complement for budget purposes (restated FY15 through FY20)

CITY OF CHESAPEAKE, VIRGINIA

Operating Indicators by Function/Program

Last Ten Fiscal Years - Unaudited

	Fiscal Year				
	2015	2016	2017	2018	2019
Function/Program					
General Government					
Building Permits Issued	3,900	4,758	4,758	4,551	4,830
Building Inspections Conducted	9,414	8,780	13,311	12,573	10,885
Electrical Permits Issued	2,846	3,181	3,148	3,039	3,136
Electrical Inspections Performed	8,586	9,283	8,641	7,889	7,639
Plumbing Permits Issued	1,722	2,312	1,869	1,765	1,992
Plumbing Inspections Performed	6,298	9,275	8,377	7,499	7,095
Mechanical/Gas Permits Issued	5,279	6,945	5,713	5,626	5,378
Mechanical/Gas Inspections Performed	9,767	11,145	10,832	10,781	9,812
Code Compliance Inspections	16,500	12,875	14,678	17,195	16,418
Police					
Calls for Police Service ²	130,371	129,340	102,041	104,092	148,388
Part I Law Violations	7,375	6,203	6,439	6,423	6,871
Total Criminal Charges (primary and secondary)	14,358	15,363	16,894	13,939	11,406
Total Traffic Charges (moving/ non-moving/excludes DUI)	35,310	33,201	32,627	29,750	25,220
DUI Arrests	622	638	606	530	551
Fire					
Calls answered for Fire Protection Services	27,838	30,072	29,914	29,559	30,021
Public Works					
Refuse Collected (tons per year)	95,950	95,309	94,148	91,239	109,574
Street Resurfacing (miles)	38.10	67.00	45.67	31.00	31.00
Potholes Repaired	13,463	11,765	10,438	13,008	12,440
Water					
Active Service Accounts	63,491	64,171	66,249	67,983	69,133
Daily Average Consumption in Gallons (in mgd)	15.27	14.64	14.83	15.23	14.97
Daily Average Water Provided by Chesapeake (in mgd)	9.06	8.66	8.55	9.57	9.73
Daily Average Water Purchased from other localities (in mgd)	6.21	5.98	6.13	5.65	5.23
Wastewater					
Active Service Accounts	61,822	62,514	64,422	66,693	67,329
Parks and Recreation					
Youth Athletics - Participants ⁵	4,314	4,780	5,351	5,391	5,856
Youth Athletics - Teams ⁵	379	433	473	482	413
Youth Athletics - Coaches ⁵	487	708	838	835	811
Adult Athletics - Participants ⁵	2,363	2,947	2,230	2,094	2,145
Adult Athletics - Teams ⁵	162	164	149	141	143
Special Programs Athletics - Programs ⁵	4	5	4	5	5
Leisure Classes - Youth Participants ⁵	1,025	1,272	1,588	1,529	2,396
Leisure Classes - Adult Participants	619	609	287	238	344
Leisure Classes - Community Program Participants ⁵	1,955	1,794	1,225	1,235	1,721
Special Events - PR&T Sponsored Attendance ^{1 5}	44,525	83,141	101,350	105,350	102,400
Community Center Attendance ⁵	410,657	408,274	413,252	449,729	462,634
Community Center ID Sales ⁵	6,499	6,927	6,409	6,234	6,309
Community Center Rentals ⁵	1,590	1,546	1,455	1,737	1,994
Senior Program Participants ⁵	15,030	13,686	10,786	11,672	16,916
Therapeutic Program Participants ⁵	3,493	3,716	3,611	3,595	1,029
Library					
Items Checked Out ⁵	2,021,708	1,954,756	1,782,003	1,625,698	1,558,711
Interlibrary Loans - Borrowed ⁵	252	226	204	278	258
Interlibrary Loans - Loans ⁵	145	101	174	324	313
Library Collection	471,183	451,422	429,825	478,315	444,622
Patron Visits ⁵	1,176,510	1,124,284	1,150,782	1,054,839	1,029,251
Website Visits ⁴	408,087	603,517	699,502	556,423	382,888
Registered Patrons	163,502	186,336	185,417	188,511	205,982
Total Programming ⁵	4,220	3,810	3,852	2,854	3,149
Total Programming - Participants ⁵	133,221	64,031	103,252	72,089	92,294
Typewriter Use ⁵	144	82	117	76	57
Public Computer Use ⁵	462,942	374,827	309,202	282,288	253,397
Bookmobile - Patrons ^{3 5}	6,718	6,649	n/a	11,227	9,146
Bookmobile - Number of Stops ^{3 5}	862	323	n/a	414	203
Bookmobile - Miles Driven ³	1,478	1,487	n/a	3,610	2,023
Schools					
Student Enrollment	38,678	38,935	39,153	39,497	40,898

Source: Various City Departments

n/a - Information not available

¹ Beginning in FY16, the Parks, Recreation and Tourism greatly increased their involvement in City Special Events.

² Beginning in FY17, this number is based on reports from the new RMS system allowing the count to exclude services such as officers signing into court, traffic stops, etc.

³ Beginning in FY18, Public Libraries has two Mobile Edition Outreach vans for Bookmobile services.

⁴ Between FY18 and FY20, this number was restated to reflect the number of website sessions for consistency with other periods presented.

⁵ From FY20 - FY21, the Coronavirus (COVID-19) pandemic negatively impacted various programs and activities for Parks, Recreation and Tourism and Library.

Operating Indicators by Function/Program
Last Ten Fiscal Years - Unaudited

Function/Program	Fiscal Year				
	2020	2021	2022	2023	2024
General Government					
Building Permits Issued	5,946	6,587	6,823	6,149	5,196
Building Inspections Conducted	15,574	17,758	17,890	16,933	14,366
Electrical Permits Issued	3,495	4,144	4,339	4,042	3,244
Electrical Inspections Performed	8,296	9,331	9,956	9,295	7,200
Plumbing Permits Issued	1,873	2,258	2,012	1,432	1,309
Plumbing Inspections Performed	7,107	7,537	7,112	5,534	4,457
Mechanical/Gas Permits Issued	5,303	5,826	5,104	4,656	4,124
Mechanical/Gas Inspections Performed	10,162	9,975	9,464	8,729	7,233
Code Compliance Inspections	22,738	18,437	17,980	16,577	18,414
Police					
Calls for Police Service ²	140,668	117,547	115,080	123,225	124,710
Part I Law Violations	6,811	5,121	6,309	5,955	5,544
Total Criminal Charges (primary and secondary)	14,682	17,188	9,547	10,266	10,194
Total Traffic Charges (moving/ non-moving/excludes DUI)	18,116	10,508	6,764	5,326	6,698
DUI Arrests	635	656	613	492	450
Fire					
Calls answered for Fire/EMS Services	31,390	32,598	35,586	36,402	37,497
Public Works					
Refuse Collected (tons per year)	119,394	123,924	108,708	132,561	137,026
Street Resurfacing (miles)	68.54	73.62	46.27	94.09	128.00
Potholes Repaired	10,688	7,858	7,470	5,930	4,676
Water					
Active Service Accounts ⁶	69,141	68,173	69,999	70,985	70,628
Daily Average Consumption in Gallons (in mgd)	15.38	16.63	15.85	14.54	15.57
Daily Average Water Provided by Chesapeake (in mgd)	10.38	12.39	12.30	11.84	11.87
Daily Average Water Purchased from other localities (in mgd)	5.00	4.24	4.14	3.73	3.95
Wastewater					
Active Service Accounts ⁶	67,388	66,694	68,932	69,262	68,701
Parks and Recreation					
Youth Athletics - Participants ⁵	3,292	940	3,929	4,575	4,307
Youth Athletics - Teams ⁵	304	78	353	393	353
Youth Athletics - Coaches ⁵	532	156	706	786	706
Adult Athletics - Participants ⁵	570	2,047	3,325	2,950	2,300
Adult Athletics - Teams ⁵	38	111	133	118	92
Special Programs Athletics - Programs ⁵	3	-	-	-	-
Leisure Classes - Youth Participants ⁵	1,091	959	1,558	1,463	1,392
Leisure Classes - Adult Participants	300	492	319	621	786
Leisure Classes - Community Program Participants ⁵	1,029	306	288	345	346
Special Events - PR&T Sponsored Attendance ^{1 5}	63,500	17,000	59,270	61,500	55,600
Community Center Attendance ⁵	288,458	50,649	225,273	297,870	318,125
Community Center ID Sales ⁵	4,617	2,408	5,118	6,080	6,156
Community Center Rentals ⁵	1,434	181	640	979	1,053
Senior Program Participants ⁵	7,152	5,697	10,630	12,920	12,512
Therapeutic Program Participants ⁵	377	309	437	501	963
Library					
Items Checked Out ⁵	1,228,360	478,123	902,981	987,645	940,125
Interlibrary Loans - Borrowed ⁵	117	-	27	64	156
Interlibrary Loans - Loans ⁵	175	55	234	224	292
Library Collection	510,118	441,052	424,112	341,775	337,937
Patron Visits ⁵	737,153	392,802	619,346	660,716	660,776
Website Visits ⁴	325,581	509,269	531,253	582,755	193,420
Registered Patrons	149,434	144,238	158,374	151,484	178,253
Total Programming ⁵	1,486	353	598	1,367	2,078
Total Programming - Participants ⁵	44,182	12,758	11,780	36,371	55,316
Typewriter Use ⁵	10	12	27	7	8
Public Computer Use ⁵	150,470	61,931	55,876	131,943	90,638
Bookmobile - Patrons ^{3 5}	7,481	2,338	16,935	17,570	19,701
Bookmobile - Number of Stops ^{3 5}	196	33	607	2,197	577
Bookmobile - Miles Driven ³	2,225	320	7,111	11,090	7,859
Schools					
Student Enrollment	41,597	39,673	40,478	40,821	40,640

Source: Various City Departments

n/a - Information not available

¹ Beginning in FY16, the Parks, Recreation and Tourism greatly increased their involvement in City Special Events.² Beginning in FY17, this number is based on reports from the new RMS system allowing the count to exclude services such as officers signing into court, traffic stops, etc.³ Beginning in FY18, Public Libraries has two Mobile Edition Outreach vans for Bookmobile services.⁴ Between FY18 and FY20, this number was restated to reflect the number of website sessions for consistency with other periods presented.⁵ From FY20 - FY21, the Coronavirus (COVID-19) pandemic negatively impacted various programs and activities for Parks, Recreation and Tourism and Library.⁶ In FY24, Public Utilities went through a system conversion to Hampton Roads Sanitation District's (HRSD) Customer Care and Billing (CC&B) software. The old system report included new development premises in the overall active number of accounts. The new CC&B report excludes the new development premises from the count until the service is established at the premise. The difference is reflective in the reduction from FY23 to FY24

CITY OF CHESAPEAKE, VIRGINIA

Table 22

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years - Unaudited

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Function/Program</u>										
Police										
Precincts	5	5	5	5	5	5	6	6	6	6
Marked Patrol Units	213	206	221	229	226	212	211	205	201	197
Fire Stations	15	15	15	15	15	15	15	15	15	15
Public Works										
Refuse Collection										
Collection Trucks	60	57	57	56	57	58	58	65	67	72
Other Public Works										
Storm Sewers (miles) ²	1,650	1,684	1,730	1,544	1,550	1,565	1,572	1,575	1,581	1,612
Streets (miles)	2,372	2,376	2,364	2,378	2,395	2,395	2,395	2,395	2,394	2,396
Streetlights	24,045	24,457	24,785	25,106	25,665	26,026	26,324	26,500	26,700	26,675
Water										
Water Mains (miles)	840	844	853	859	872	879	949	955	967	973
Fire Hydrants ¹	5,508	5,592	5,681	5,765	5,821	5,913	5,999	6,044	6,158	6,209
Wastewater										
Sanitary Sewers (miles) ³	858	866	873	877	881	887	891	893	900	906
Sewage Pumping Stations	271	271	273	273	274	277	281	280	281	281
Parks and Recreation										
Park Acreage	2,450	2,450	2,454	2,454	2,458	2,733	2,852	3,231	3,246	3,482
Parks and Play Areas	71	72	77	77	79	77	80	85	86	89
Athletic Fields/Tennis Courts	228	239	239	239	245	192	192	192	263	267
Community Centers	8	8	8	8	8	8	8	8	8	8
Specialized Centers	5	5	5	5	5	5	5	5	5	5
Schools										
Elementary Schools	28	28	28	28	28	28	28	28	28	28
Secondary Schools	17	17	17	17	17	17	17	17	17	17
Educational Centers	2	2	2	2	2	2	2	2	2	2

Source: Various City Departments

¹ Updated in FY 2016 per Public Utilities GIS system (2015 and prior)

² Updated in FY 2020 per Public Works GIS system (restated FY 2018 - FY 2019).

³ Updated in FY 2022 per Public Utilities GIS system (restated FY 2013 - FY 2021)

COMPLIANCE SECTION



CITY OF CHESAPEAKE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period Ended June 30, 2024

Schedule T-1

Federal Granting Agency/Recipient State Agency/Grant Program	Grant or Project Number (Indirect Grants)	Assistance Listing Number	Federal Expenditures	Cluster Total	Pass-Through Total	Assistance Listing # Total
Department of Agriculture:						
Pass-through payments:						
Virginia Department of Education:						
School Breakfast Program (Child Nutrition Cluster)	N/A	10.553 \$	4,481,687			4,481,687
National School Lunch Program (Child Nutrition Cluster)	411080	10.555	10,145,272			
Child and Adult Care Food Program	700270, 700280	10.558	461,326			461,326
Summer Food Program for Children (Child Nutrition Cluster)	603020	10.559	112,106			112,106
CNP Team Nutrition	600720	10.574	3,850			3,850
Virginia Department of Agriculture and Consumer Services:						
Food Distribution - commodities value - Schools' Food Services (Child Nutrition Cluster)	N/A	10.555	1,484,504			
Food Distribution - commodities value - Detention Home (Child Nutrition Cluster)	N/A	10.555	25,694			
Food Distribution - monetary value - Detention Home (Child Nutrition Cluster)	N/A	10.555	65,420			
Virginia Department of Social Services:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	0010123, 0010124, 0030123, 0030124, 0040123, 0040124, 0050123, 0050124	10.561	3,365,312	16,314,683 3,365,312		3,365,312
Total Child Nutrition Cluster (10.553, 10.555, 10.559)						
Total SNAP Cluster (10.561)						
Total Department of Agriculture			20,145,171	19,679,995	-	20,145,171
Department of Defense:						
Direct payments - Navy:						
Department of Defense Impact Aid	N/A	12.558	2,386,086			2,386,086
Pass-through payments:						
Department of Education:						
Payments to States in Lieu of Real Estate Taxes	N/A	12.112	20,711			20,711
Total Department of Defense			2,406,797	-	-	2,406,797
Department of Housing and Urban Development:						
Direct payments:						
Community Development Block Grant (CDBG - Entitlement Grants Cluster):						
Passed through to CRHA (CDBG - Entitlement Grants Cluster)	B-21/22/23-MC-51-0010	14.218	402,472			
Passed through to Children's Harbor (CDBG - Entitlement Grants Cluster)	B-20/21/22-MC-51-0010	14.218	55,645		55,645	
Passed through to Boys and Girls Clubs of Southeast VA (CDBG - Entitlement Grants Cluster)	B-22/23-MC-51-0010	14.218	62,101		62,101	
Passed through to Chesapeake Homeless Response Center (CDBG - Entitlement Grants Cluster)	B-23-MC-51-0010	14.218	10,600		10,600	
Passed through to ForKids, Inc. (CDBG - Entitlement Grants Cluster)	B-20/21-MC-51-0010	14.218	35,204		35,204	
Passed through to Habitat for Humanity (CDBG - Entitlement Grants Cluster)	B-23-MC-51-0010	14.218	102,595		102,595	
Passed through to Heron's Landing (CDBG - Entitlement Grants Cluster)	B-22/23-MC-51-0010	14.218	221,873		221,873	
Passed through to ASI Supportive Housing (CDBG - Entitlement Grants Cluster)	B-22/23-MC-51-0010	14.218	98,460		98,460	
Passed through to Centerville Baptist Church (CDBG - Entitlement Grants Cluster)	B-22-MC-51-0010	14.218	59,690		59,690	
COVID-19 - Community Development Block Grant (CDBG - Entitlement Grants Cluster)	B-23-MC-51-0010	14.218	30,387		30,387	
HOME Investment Partnerships Program:	B-20-MW-51-0010	14.218	13			1,079,040
Passed through to CRHA	M-20/21/22-MC-51-0200	14.239	136,898		136,898	
Passed through to HRPDCHD	M-20/21/22-MC-51-0200	14.239	230,900		230,900	
Passed through to ForKids, Inc.	M-21/22/23-MC-51-0200	14.239	201,783		201,783	
Passed through to Habitat for Humanity	M-21-MC-51-0200	14.239	103,008		103,008	
HOME ARPA Investment Partnerships Program:	M-21-MP-51-0200	14.239	4,800			
Passed through to ForKids	M-21-MP-51-0200	14.239	346,924		346,924	
Passed through to Catholic Charities	M-21-MP-51-0200	14.239	78,570		78,570	
Passed through to We Care Homeless Shelter	M-21-MP-51-0200	14.239	20,150		20,150	

Schedule T-1, Continued

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CITY OF CHESAPEAKE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period Ended June 30, 2024

Federal Granting Agency/Recipient State Agency/Grant Program				Assistance Listing Number	Federal Expenditures	Cluster Total	Pass-Through Total	Assistance Listing # Total
Department of Treasury:								
Direct payments:								
Equitable Sharing funds								
American Rescue Plan Act - State and Local Fiscal Recovery Funds				21.016	4,949			4,949
Pass-through payments:				21.027	21,702,806			
Virginia Department of Emergency Management:								
CSLFRF Schools Capital Improvement Projects				21.027	4,415,549			
ARPA State bonuses				21.027	57,474			
Virginia Tourism Corporation:								
American Rescue Plan Act (ARPA) VTC Tourism Recovery Program				21.027	252,634			
Virginia Department of Behavioral Health and Developmental Services:								
ARPA - SUD State and Local Fiscal Recovery Fund				21.027	1,104,315			
Virginia Department of Social Services:								
Local Overtime				21.027	202,063			
Virginia Department of Criminal Justice Services:								
Le ARPA - Equipment and Technology				21.027	20,761			27,755,602
Total Department of Treasury					27,760,551	-	-	27,760,551
Department of Education:								
Direct payments:								
Impact Aid								
Pass-through payments:				84.041	8,001,320			8,001,320
Virginia Department of Education:								
Adult Education - State Grant Program				84.002	170,999			170,999
Title I Grants to Local Educational Agencies				84.010	7,837,563			7,837,563
School Improvement Grant				84.010A	42,719			42,719
Title I, Part D - Program for Neglected & Delinquent Children				N/A	5,585			5,585
Special Education - ARP IDEA 611 Title 6B (Special Education Cluster IDEA)				84.027	512,690			12,345,130
Special Education - Grants to States (Special Education Cluster IDEA)				84.027	11,832,440			536,743
Vocational Education - Basic Grants to States				84.048	536,743			362,227
Special Education - Preschool Grants (Special Education Cluster IDEA)				84.173	362,227			387,863
Part C Funds				84.181	387,863			86,377
School Based Mental Health Services				84.184	86,377			135,481
Title III, Part A - English Language Acquisition Grants				84.365	135,481			1,594,220
Title II, Part A - Improving Teacher Quality State Grants				84.367	1,594,220			881,375
Title IV, Part A - Student Support and Academic Enrichment Program				84.424	881,375			2,418,342
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund				84.425D	2,418,342			25,027,707
American Rescue Plan - Elementary and Secondary School Emergency Relief				510950				
Total Special Education Cluster IDEA (84.027, 84.173)				84.425U	25,027,707	12,707,357		
Total Department of Education					59,833,651	12,707,357	-	59,833,651
Department of Health and Human Services:								
Pass-through payments:								
Virginia Department of Behavioral Health and Developmental Services:								
Regional Opioid Treatment, Prevention, Recovery				93.788	296,350			296,350
Block Grants for Community Mental Health Services				93.958	137,885			137,885
Block Grants for Prevention and Treatment of Substance Abuse								
School Based Health (COVID-19 Public Health Workforce)				93.959	742,826			742,826
Title IV-E Prevention Program				93.354	4,244			4,244
Guardianship Assistance				93.472	41,087			41,087
Promoting Safe and Stable Families				93.090	2,764			2,764
				93.556	29,618			29,618

CITY OF CHESAPEAKE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period Ended June 30, 2024

Federal Granting Agency/Recipient State Agency/Grant Program	Grant or Project Number (Indirect Grants)	Assistance Listing Number	Federal Expenditures	Cluster Total	Pass-Through Total	Assistance Listing # Total
Temporary Assistance for Needy Families	0400123, 0400124	93.558	1,178,451			1,178,451
Refugee and Entrant Assistance State Administered Programs	0500123, 0500124	93.566	57,782			57,782
Low-Income Home Energy Assistance	0600423, 0600424	93.568	243,769			243,769
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	0760123, 0760124	93.596	288,972			288,972
Chafee Education and Training Vouchers Program	9160122, 9160123	93.599	4,878			4,878
Adoption and Legal Guardianship Incentive Payments	1130120, 1130122	93.603	5,000			5,000
Stephanie Tubbs Jones Child Welfare Services Program	0900122, 0900123	93.645	1,646			1,646
Foster Care Title IV-E	1100123, 1100124	93.658	1,223,706			1,223,706
Adoption Assistance	1120123, 1120124	93.659	1,048,521			1,048,521
Social Services Block Grant	1000123, 1000124	93.667	1,075,407			1,075,407
Chafee Foster Care Independence Program	9150122, 9150123	93.674	23,346			23,346
Elder Abuse Prevention Interventions Program	8000221, 8000321	93.747	21,993			21,993
Children's Health Insurance Program	0540123, 0540124	93.767	29,993			29,993
Medical Assistance Program (Medicaid Cluster)	1200123, 1200124	93.778	2,674,858			
Virginia Department of Education:						
Medical Assistance Program (Medicaid: Title XIX) (Medicaid Cluster)	N/A	93.778	1,292,836			3,967,694
Total CCDF Cluster (93.596)				288,972		
Total Medicaid Cluster (93.778)				3,967,694		
Total Department of Health and Human Services			10,425,932	4,256,666	-	10,425,932
Social Security Administration:						
Direct payments:						
Social Security-Work Incentives Planning and Assistance Program		96.008	22,000			22,000
Total Social Security Administration			22,000	-	-	22,000
Department of Homeland Security:						
Direct payments:						
Assistance to Firefighters Grant	EMW-2021-FG-10045	97.044	109,735			109,735
Port Security Grant Program	EMW-2023-PU-00480-S01	97.056	23,132			23,132
Pass-through payments:						
United Way of South Hampton Roads:	N/A	97.024	81,593			81,593
Emergency Food and Shelter Program						
Virginia Department of Emergency Management:						
FEMA Flood Mitigation	EMP-2020-FM-030-0012	97.029	21,679			21,679
FEMA Hazard Mitigation	FEMA-DR-4401-VA-0019	97.039	126,326			126,326
Emergency Management Performance Grant	N/A	97.042	68,799			68,799
SHSP Incident Management Team	5, 42	97.067	135,191			
SHSP Emerging Threats - Hazmat Foam Team Training	70	97.067	65,000			
SHSP Radio Cache Team	4, 40	97.067	70,068			
Hampton Roads Urban Area Security Initiative	8571, 22, 14	97.067	103,673			
Homeland Security Urban Area Security Initiative	8589	97.067	237,377			611,309
Total Department of Homeland Security			1,042,573	-	-	1,042,573
		\$	127,207,318	37,736,060	1,794,788	127,207,318

(1) General

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federally assisted programs of the City's Reporting Entity as defined in Note 1 to the City's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule.

(2) Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

(3) Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the Reporting Entity's basic financial statements as follows:

Intergovernmental revenues per the basic financial statements:

Primary Government:		
General Fund	\$	340,826
Capital Projects Fund		694,208
Debt Service		274,624
Special Revenue Funds:		
Virginia Public Assistance Fund		11,847,243
Grants Fund		2,512,335
Community Development Fund		2,177,121
Interagency Consortium		216,535
Integrated Behavioral Healthcare Fund		2,497,961
Enterprise Funds		88,333
Total primary government		20,649,186
Component unit - Public Schools:		
Schools Operating Fund		66,850,785
Schools Food Services Fund		16,688,746
Total component unit - Public Schools		83,539,531
Total federal expenditures from intergovernmental revenues		104,188,717
Federal bond subsidy (not subject to single audit)		(274,624)
Firm Fixed Price contract with US Navy		(88,333)
City ARPA funds expended, received in prior year		21,702,806
Central Services cost allocation received in current year for prior year expenses		(276,804)
Schools Federal funds expended in excess of revenue received		771,903
Economic Development Initiative Grant, current year expenses, no revenue		1,301,000
Other reconciling items		(117,347)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	127,207,318

(4) Subrecipients

The Chesapeake Redevelopment and Housing Authority, Children's Harbor, ForKids, Boys and Girls Clubs of Southeast VA, Chesapeake Homeless Response Center, Habitat for Humanity, Heron's Landing, Chesapeake Supportive Housing, and Centerville Baptist Church are the subrecipients for federal awards of \$676,555 from the Community Development Block Grant Program. Chesapeake Redevelopment and Housing Authority, The Hampton Roads Planning District Commission (Housing Division), ForKids, Catholic Charities, We Care Homeless Shelter, and Habitat for Humanity are the subrecipients of \$1,118,233 from the HOME Investment Program received from the U.S. Department of Housing and Urban Development.

(5) Indirect Cost Rate

The City did not elect to use a 10% de minimis indirect cost rate allowed under section 2 CFR 200.331(a)(4).

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Members of the City Council
City of Chesapeake, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the “Specifications”), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Chesapeake, Virginia (the “City”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 9, 2024. Our report includes a reference to other auditors who audited the financial statements of the Chesapeake Airport Authority. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Specifications.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Virginia Beach, Virginia
December 9, 2024

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Members of the City Council
City of Chesapeake, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Chesapeake, Virginia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Virginia Beach, Virginia
December 9, 2024

**City of Chesapeake, Virginia
Schedule of Findings and Questioned Costs
for the Fiscal Year Ended June 30, 2024**

A. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards:

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

<u>Program Description</u>	<u>AL #</u>
U.S. Department of Agriculture: Child Nutrition Cluster	10.553/10.555/10.559
U.S. Department of Treasury: Coronavirus State and Local Fiscal Recovery Funds	21.027
U.S. Department of Education: Title I Grants to Local Educational Agencies	84.010

Dollar threshold to distinguish between Types A and B Programs:	\$3,000,000
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The City of Chesapeake qualified as a low risk auditee?	Yes
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B. Findings Relating to Financial Statements Reported in Accordance with *Government Auditing Standards*

None.

C. Findings and Questioned Costs Related to Federal Awards

None.

D. Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts, and Grants

None.

E. Resolution of Prior Year Findings

None.

*End of Annual Comprehensive Financial Report
Of the City of Chesapeake, Virginia
For the Fiscal Year Ended
June 30, 2024*



This Annual
Comprehensive
Financial Report for the
fiscal year ended
June 30, 2024
is a publication of the
Chesapeake Finance
Department.

Front Cover Pictures:

Fire Station 8 Groundbreaking Ceremony
Joint City/Schools Fleet Facility Ribbon Cutting Ceremony
Chesapeake Public Library Robot



Chesapeake
VIRGINIA

CityOfChesapeake.net/ACFR