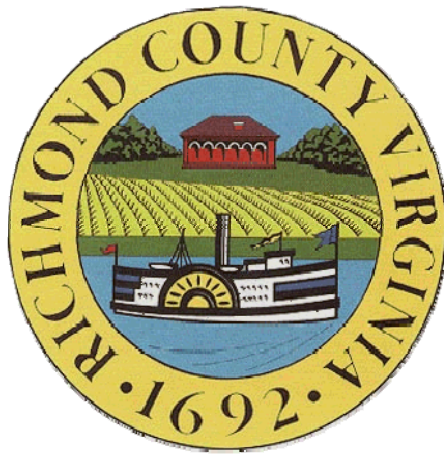


COUNTY OF RICHMOND, VIRGINIA



ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

COUNTY OF RICHMOND, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

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COUNTY OF RICHMOND, VIRGINIA

BOARD OF SUPERVISORS

F. Lee Sanders, Chair

John David Parr
JR Fidler

Robert B. Pemberton
Richard E. Thomas, Sr., Vice-Chair

COUNTY SCHOOL BOARD

Boyd K. Blackley, II, Chair

Frank Johnson
Vivian G. Wood, Vice-Chair

Kathleen F. Beane
Patricia P. Pugh

SOCIAL SERVICES BOARD

Robert B. Pemberton, Chairperson

Tim Davis
Bea Sanders
Cassandra Jackson

Carol Motley
Vivian Davis

OTHER OFFICIALS

Judge of the Circuit Court.....	Victoria A. B. Willis
Clerk of the Circuit Court	Cheryl B. Pierson
Judge of the General District Court	Richard T. McGrath
Judge of the Juvenile and Domestic Relations Court	Andrea M. Stewart
Commonwealth's Attorney.....	Elizabeth Tribble
Commissioner of the Revenue	Jennifer W. Delano
Treasurer	Kristie S. Brann
Sheriff	Stephan B. Smith
Superintendent of Schools.....	Bernard S. "Trey" Davis III, Ed.D.
Director of Social Services.....	Vanessa Livingstone
County Administrator	Hope Mothershead

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COUNTY OF RICHMOND, VIRGINIA
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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Richmond
Warsaw, Virginia**

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Richmond, Virginia, 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 County of Richmond, Virginia'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.

Auditors' 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 auditors' 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 for Audits of Counties, Cities, and Towns* 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 for Audits of Counties, Cities, and Towns*, 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 County of Richmond, Virginia'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 County of Richmond, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Richmond, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and our auditors' 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 January 16, 2025, on our consideration of County of Richmond, Virginia'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 County of Richmond, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Richmond, Virginia's internal control over financial reporting and compliance.

Robinson, Fournier, Cox Associates

Richmond, Virginia
January 16, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

**To the Honorable Members of the Board of Supervisors
To the Citizens of Richmond County
County of Richmond, Virginia**

As management of the County of Richmond, Virginia, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024. Please read it in conjunction with the County's basic financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,619,821 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing uses in excess of revenues and other financing sources of \$1,126,606 (Exhibit 5) after making contributions totaling \$4,631,392 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$2,558,173, a decrease of \$1,126,606 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,692,587, or 8.27% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$1,169,820 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to 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 County's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the County'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 in the statement 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 County 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 governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Richmond, Virginia itself (known as the primary government), but also a legally separate school district, and industrial development authority and for which the County of Richmond, Virginia is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Richmond, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Overview of the Financial Statements (Continued)

Governmental funds - *Governmental funds* are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has three major governmental funds – the General Fund, the Capital Projects Fund and the Sheriff's Fund.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's custodial funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Custodial funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component units - School Board, and Industrial Development Authority. The Component Units do not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,619,821 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net position:

County of Richmond, Virginia's Net Position			
	Governmental Activities		
	2023	2022	
Current and other assets	\$ 6,768,220	\$ 6,218,341	
Capital assets	<u>21,748,761</u>	<u>22,114,040</u>	
Total assets	\$ <u>28,516,981</u>	\$ <u>28,332,381</u>	
Deferred outflows of resources	\$ <u>859,546</u>	\$ <u>1,095,473</u>	
Current liabilities	\$ 2,769,857	\$ 1,650,054	
Long-term liabilities outstanding	<u>15,907,118</u>	<u>17,243,045</u>	
Total liabilities	\$ <u>18,676,975</u>	\$ <u>18,893,099</u>	
Deferred inflows of resources	\$ <u>881,214</u>	\$ <u>2,192,797</u>	
Net position:			
Net investment in capital assets	\$ 6,573,391	\$ 5,627,927	
Restricted	218,121	984,242	
Unrestricted	<u>3,026,826</u>	<u>1,729,789</u>	
Total net position	\$ <u><u>9,818,338</u></u>	\$ <u><u>8,341,958</u></u>	

Government-wide Financial Analysis (Continued)

The County's net position increased by \$801,483 during the current fiscal year. The following table summarizes the County's Statement of Activities.

County of Richmond, Virginia's Changes in Net Position			
		Governmental Activities	
		2023	2022
Charges for services	\$	753,019	\$ 698,476
Operating grants and contributions		5,571,808	4,899,054
General property taxes		9,673,222	9,274,101
Other local taxes		1,886,236	1,782,508
Grants and other contributions not restricted		1,149,591	1,685,258
Other general revenues		368,162	59,101
Total revenues	\$	19,402,038	\$ 18,398,498
General government administration	\$	2,319,783	\$ 1,644,874
Judicial administration		863,534	810,671
Public safety		4,166,137	4,415,169
Public works		1,164,594	1,110,140
Health and welfare		1,730,951	1,676,140
Education		4,802,075	5,175,333
Parks, recreation, and cultural		166,080	156,251
Community development		2,195,905	1,700,927
Interest and other fiscal charges		516,599	532,201
Total expenses	\$	17,925,658	\$ 17,221,706
Change in net position	\$	1,476,380	\$ 1,176,792
Net position, beginning of year		8,341,958	7,165,166
Net position, end of year	\$	9,818,338	\$ 8,341,958

Financial Analysis of the County's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$2,558,173, a decrease of \$1,126,606 in comparison with the prior year. Approximately 66.2% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

During the year, revenues and other sources exceeded budgetary estimates by \$1,644,369. Budgetary estimates exceeded expenditures and other uses by \$696,043, resulting in a positive variance of \$2,340,412 for net change in fund balance.

Capital Asset and Debt Administration

< **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2024 amounts to \$22,125,945 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

Additional information on the County's capital assets can be found in the notes of this report.

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$12,636,127. Of this amount, \$10,364,317 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds, lease liabilities, capital financing activities, and notes).

The County's total debt decreased by \$1,169,820 during the current fiscal year.

Additional information on the County of Richmond, Virginia's long-term debt can be found in the notes of this report.

Economic Factors and Next Year's Budgets and Rates

< Inflationary trends in the region compare to national indexes.

All of these factors were considered in preparing the County's budget for the 2025 fiscal year.

The fiscal year 2025 budget increased by approximately 3.43% and tax rates for all property taxes remained the same except for the real estate tax rate was reduced from \$0.70 to \$0.60.

Requests for Information

This financial report is designed to provide a general overview of the County of Richmond, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 1000, Warsaw, Virginia 22572.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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County of Richmond, Virginia
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental	Component Units	
	Activities	School Board	IDA
ASSETS			
Cash and cash equivalents	\$ 4,288,024	\$ 1,816,221	\$ 32,446
Receivables (net of allowance for uncollectibles):			
Taxes receivable	345,509	-	-
Accounts receivable	126,664	-	-
Lease receivable	-	-	55,198
Interest receivable	-	-	184
Due from component unit	79,738	-	-
Due from other governmental units	955,292	889,969	-
Net pension asset	-	77,892	-
Capital assets (net of accumulated depreciation):			
Land	1,437,492	28,062	149,907
Construction in progress	2,337,394	1,611,300	-
Buildings and improvements	16,545,150	6,996,839	226,060
Machinery, equipment, and vehicles	1,053,860	1,645,918	15,674
Subscriptions	98,565	-	-
Lease buildings and improvements	575,928	-	-
Lease improvements other than buildings	42,161	-	-
Lease machinery, equipment, and vehicles	35,395	-	-
Total assets	\$ 27,921,172	\$ 13,066,201	\$ 479,469
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 653,514	\$ 2,810,830	\$ -
OPEB related items	154,046	592,598	-
Total deferred outflows of resources	\$ 807,560	\$ 3,403,428	\$ -
LIABILITIES			
Accounts payable	\$ 2,563,452	\$ 39,013	\$ -
Accrued liabilities	-	712,161	-
Retainage payable	70,719	-	-
Accrued interest payable	134,768	-	-
Bonds held for others	63,623	-	-
Due to other governmental units	-	79,738	-
Unearned revenue	36,400	-	-
Long-term liabilities:			
Due within one year	1,315,534	8,713	-
Due in more than one year	13,421,764	11,358,008	-
Total liabilities	\$ 17,606,260	\$ 12,197,633	\$ -
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 60,420	\$ -	\$ -
Lease related	-	-	50,552
Pension related items	300,183	946,110	-
OPEB related items	142,048	254,798	-
Total deferred inflows of resources	\$ 502,651	\$ 1,200,908	\$ 50,552
NET POSITION			
Net investment in capital assets	\$ 8,249,805	\$ 10,282,119	\$ 391,641
Restricted for:			
Net pension asset	-	77,892	-
Construction	-	771,085	-
Drug enforcement	21,615	-	-
Debt service reserve	198,355	-	-
Unrestricted (deficit)	2,150,046	(8,060,008)	37,276
Total net position	\$ 10,619,821	\$ 3,071,088	\$ 428,917

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

County of Richmond, Virginia
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary	Component Units	
				Governmental Activities	School Board	IDA
PRIMARY GOVERNMENT:						
Governmental activities:						
General government administration	\$ 2,527,589	\$ 7,492	\$ 375,468	\$ (2,144,629)		
Judicial administration	837,447	3,729	468,136	(365,582)		
Public safety	4,639,264	866,768	2,501,024	(1,271,472)		
Public works	1,405,427	-	-	(1,405,427)		
Health and welfare	1,764,822	-	1,203,439	(561,383)		
Education	6,416,110	-	-	(6,416,110)		
Parks, recreation, and cultural	111,136	-	-	(111,136)		
Community development	1,638,952	-	1,520,644	(118,308)		
Interest on long-term debt	582,758	-	221,005	(361,753)		
Total governmental activities	<u>\$ 19,923,505</u>	<u>\$ 877,989</u>	<u>\$ 6,289,716</u>	<u>\$ (12,755,800)</u>		
Total primary government	<u>\$ 19,923,505</u>	<u>\$ 877,989</u>	<u>\$ 6,289,716</u>	<u>\$ (12,755,800)</u>		
COMPONENT UNITS:						
School Board	\$ 19,984,803	\$ 55	\$ 15,617,098	\$ (4,367,650)	\$ -	
IDA	42,611	14,366	-	-	(28,245)	
Total component units	<u>\$ 20,027,414</u>	<u>\$ 14,421</u>	<u>\$ 15,617,098</u>	<u>\$ (4,367,650)</u>	<u>\$ (28,245)</u>	
General revenues:						
General property taxes				\$ 10,134,963	\$ -	\$ -
Other local taxes:						
Local sales and use taxes				1,598,543	-	-
Other local taxes				237,550	-	-
Unrestricted revenues from use of money and property				371,027	25,980	4,698
Miscellaneous				87,677	1,254,418	-
Grants and contributions not restricted to specific programs				1,127,523	1,047,680	-
Contributions from Richmond County				-	5,214,108	-
Total general revenues				<u>\$ 13,557,283</u>	<u>\$ 7,542,186</u>	<u>\$ 4,698</u>
Change in net position				\$ 801,483	\$ 3,174,536	\$ (23,547)
Net position - beginning				9,818,338	(103,448)	452,464
Net position - ending				<u>\$ 10,619,821</u>	<u>\$ 3,071,088</u>	<u>\$ 428,917</u>

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

FUND FINANCIAL STATEMENTS

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County of Richmond, Virginia
Balance Sheet
Governmental Funds
June 30, 2024

	<u>General Fund</u>	<u>Sheriff's Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 4,266,409	\$ 21,615	\$ 4,288,024
Receivables (net of allowance for uncollectibles):			
Taxes receivable	345,509	-	345,509
Accounts receivable	126,664	-	126,664
Due from component unit	79,738	-	79,738
Due from other governmental units	955,292	-	955,292
Total assets	<u>\$ 5,773,612</u>	<u>\$ 21,615</u>	<u>\$ 5,795,227</u>
LIABILITIES			
Accounts payable	\$ 2,563,452	\$ -	\$ 2,563,452
Retainage payable	70,719	-	70,719
Bonds held for others	63,623	-	63,623
Unearned revenue	36,400	-	36,400
Total liabilities	<u>\$ 2,734,194</u>	<u>\$ -</u>	<u>\$ 2,734,194</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 365,218	\$ -	\$ 365,218
Unavailable revenue - opioid settlement	137,642	-	137,642
Total deferred inflows of resources	<u>\$ 502,860</u>	<u>\$ -</u>	<u>\$ 502,860</u>
FUND BALANCES			
Restricted	\$ 198,355	\$ 21,615	\$ 219,970
Committed	19,030	-	19,030
Assigned	626,586	-	626,586
Unassigned	1,692,587	-	1,692,587
Total fund balances	<u>\$ 2,536,558</u>	<u>\$ 21,615</u>	<u>\$ 2,558,173</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,773,612</u>	<u>\$ 21,615</u>	<u>\$ 5,795,227</u>

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

County of Richmond, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	2,558,173
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 36,102,117	
Accumulated depreciation	<u>(13,976,172)</u>	22,125,945

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Unavailable revenue - property taxes	\$ 304,798	
Unavailable revenue - opioid settlement	<u>137,642</u>	442,440

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 653,514	
OPEB related items	<u>154,046</u>	807,560

Long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Lease revenue bonds	\$ (2,123,000)	
General obligations bonds	(10,364,317)	
USDA loan	(34,644)	
Subscription liability	(99,090)	
Lease liabilities	(677,181)	
Note payable	(114,166)	
Compensated absences	(207,293)	
Deferred issuance premium	(463,742)	
Net OPEB liabilities	(394,178)	
Net pension liability	(259,687)	
Accrued interest payable	<u>(134,768)</u>	(14,872,066)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$ (300,183)	
OPEB related items	<u>(142,048)</u>	(442,231)

Net position of governmental activities	\$	<u><u>10,619,821</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Richmond, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Workforce Investment Act Fund	Sheriff's Fund	Total
REVENUES				
General property taxes	\$ 10,155,663	\$ -	\$ -	\$ 10,155,663
Other local taxes	1,836,093	-	-	1,836,093
Permits, privilege fees, and regulatory licenses	327,773	-	-	327,773
Fines and forfeitures	48,432	-	-	48,432
Revenue from the use of money and property	371,027	-	-	371,027
Charges for services	501,784	-	-	501,784
Miscellaneous	87,677	-	-	87,677
Recovered costs	155,938	-	-	155,938
Intergovernmental:				
Commonwealth	3,610,114	-	-	3,610,114
Federal	2,222,905	1,520,644	-	3,743,549
Total revenues	\$ 19,317,406	\$ 1,520,644	\$ -	\$ 20,838,050
EXPENDITURES				
Current:				
General government administration	\$ 3,739,552	\$ -	\$ -	\$ 3,739,552
Judicial administration	841,407	-	-	841,407
Public safety	5,414,820	-	-	5,414,820
Public works	1,380,772	-	-	1,380,772
Health and welfare	1,771,905	-	-	1,771,905
Education	4,720,777	-	-	4,720,777
Parks, recreation, and cultural	156,500	-	-	156,500
Community development	290,290	1,520,644	-	1,810,934
Nondepartmental	234,232	-	-	234,232
Capital projects	-	-	-	-
Debt service:				
Principal retirement	1,274,291	-	-	1,274,291
Interest and other fiscal charges	641,005	-	-	641,005
Total expenditures	\$ 20,465,551	\$ 1,520,644	\$ -	\$ 21,986,195
Excess (deficiency) of revenues over (under) expenditures	\$ (1,148,145)	\$ -	\$ -	\$ (1,148,145)
OTHER FINANCING SOURCES (USES)				
Issuance of assets under lease	\$ 21,539	\$ -	\$ -	\$ 21,539
Total other financing sources (uses)	\$ 21,539	\$ -	\$ -	\$ 21,539
Net change in fund balances	\$ (1,126,606)	\$ -	\$ -	\$ (1,126,606)
Fund balances - beginning	3,663,164	-	21,615	3,684,779
Fund balances - ending	\$ 2,536,558	\$ -	\$ 21,615	\$ 2,558,173

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

County of Richmond, Virginia
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds \$ (1,126,606)

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. This is the amount by which the depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 1,922,067	
Depreciation expense	(962,167)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Government	(582,716)	377,184

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ (20,700)	
Opioid settlement	63,576	42,876

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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 discounts, 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 differences in the treatment of long-term obligations and related items. The following is a summary of items supporting this adjustment:

Principal retirement on lease revenue bonds	\$ 151,000	
Principal retirement on general obligation bonds	899,558	
Principal retirement on note payable	114,167	
Principal retirement on USDA loans	8,708	
Principal retirement on subscription liability	14,691	
Principal retirement on lease liabilities	86,167	
Issuance of lease liability	(21,539)	1,252,752

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 following is a summary of items supporting this adjustment:

Amortization of bond premium	\$ 46,478	
Pension expense	183,031	
OPEB expense	20,570	
Change in compensated absences	(6,571)	
Change in accrued interest payable	11,769	255,277

Change in net position of governmental activities	\$	801,483
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The notes to the financial statements are an integral part of this statement.

County of Richmond, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

**Custodial
Funds**

ASSETS

Cash and cash equivalents

\$ 1,941,167

Total assets

\$ 1,941,167**NET POSITION**

Restricted for:

Individuals, organizations, and other governments

\$ 1,941,167

Total net position

\$ 1,941,167

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

County of Richmond, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Contributions	\$ 4,979,844
Investment earnings:	
Interest and dividends	102,979
Revenue from the Commonwealth	46,510
Total additions	\$ <u>5,129,333</u>
DEDUCTIONS	
Recipient payments	\$ 1,305
Operations	4,423,388
Total deductions	\$ <u>4,424,693</u>
Net increase (decrease) in fiduciary net position	\$ <u>704,640</u>
Net position - beginning	\$ <u>1,236,527</u>
Net position - ending	\$ <u><u>1,941,167</u></u>

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies:

The County of Richmond, Virginia (the "County") is governed by an elected five-member Board of Supervisors. The County provides a full range of services for its citizens. These services include police, refuse disposal, recreational activities, cultural events, education, and social services.

The financial statements of the County of Richmond, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia and accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit(s). All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the primary government (governmental activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies: (Continued)

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the governmental funds.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Richmond (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is both legally and substantively separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit.

The County has no blended component units at June 30, 2024.

Discretely Presented Component Units.

The Richmond County School Board members are appointed by the Richmond County School Board Selection Commission. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2024.

The Richmond County Industrial Development Authority is responsible for industrial and commercial development in the County. The Board of Supervisors appoints the Authority board members. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2024. The Authority does not issue a separate financial report.

C. Other Related Organizations Included in the County's Financial Report

None

Note 1—Summary of Significant Accounting Policies: (Continued)

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB). The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide 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.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, 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 and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the following governmental funds.

a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund.

b. Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only two special revenue funds are the Sheriff's Fund and the Workforce Investment Act Fund, which are considered major funds.

2. Fiduciary Fund - (Custodial Fund)

Fiduciary Fund (Custodial Fund) accounts for assets held by the County unit in a trustee capacity or custodian for individuals, private organizations, other governmental units, or other funds. This fund includes amounts held for Special Welfare, Richmond County Public Library, Northern Neck Regional Technical Center, Menokin Foundation, and Northern Neck Regional Special Education Program.

Note 1—Summary of Significant Accounting Policies: (Continued)

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government’s proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Restricted cash consists of reserve accounts established as required by Rural Development bond covenants.

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$92,551 at June 30, 2024 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

Note 1—Summary of Significant Accounting Policies: (Continued)

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

As the County and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, subscription assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	50
Vehicles	5
Buses	10
Equipment	10
Lease buildings	10
Lease equipment	2-4
Lease land improvements	8
Subscriptions	10

I. Leases and Subscription-Based IT Arrangements

The County has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity’s nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Note 1—Summary of Significant Accounting Policies: (Continued)

I. Leases and Subscription-Based IT Arrangements (Continued)

Lessee

The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lessor

The County recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Subscriptions

The County recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$5,000, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Key Estimates and Judgments

Lease and subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease and subscription payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

- The County uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.

Note 1—Summary of Significant Accounting Policies: (Continued)

I. Leases and Subscription-Based IT Arrangements (Continued)

Key Estimates and Judgments (Continued)

- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

The County monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The County will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- 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 net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Note 1—Summary of Significant Accounting Policies: (Continued)

L. Net Position

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

M. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, Teacher HIC and HIC (School Board nonprofessional) OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

P. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The County's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);

Note 1—Summary of Significant Accounting Policies: (Continued)

P. Fund Balance (Continued)

- Restricted fund balance - amounts that can be spent only 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 providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors 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 Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies: (Continued)

P. Fund Balance (Continued)

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	<u>General</u>	<u>Sheriff's Fund</u>	<u>Total</u>
Fund balances:			
Restricted:			
Drug seizure	\$ -	\$ 21,615	\$ 21,615
Debt service reserve	198,355	-	198,355
Total restricted fund balance	<u>\$ 198,355</u>	<u>\$ 21,615</u>	<u>\$ 219,970</u>
Committed:			
Courthouse maintenance	\$ 19,030	\$ -	\$ 19,030
Total committed fund balance	<u>\$ 19,030</u>	<u>\$ -</u>	<u>\$ 19,030</u>
Assigned:			
Reassessment fund	\$ 1,570	\$ -	\$ 1,570
Asset forfeiture	16	-	16
Central accounting system	160,589	-	160,589
Capital improvement fund	232,405	-	232,405
Animal shelter	40,389	-	40,389
RCPS CIP fund	191,617	-	191,617
Total assigned fund balance	<u>\$ 626,586</u>	<u>\$ -</u>	<u>\$ 626,586</u>
Unassigned	\$ 1,692,587	\$ -	\$ 1,692,587
Total fund balances	<u><u>\$ 2,536,558</u></u>	<u><u>\$ 21,615</u></u>	<u><u>\$ 2,558,173</u></u>

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 1—Summary of Significant Accounting Policies: (Continued)

Q. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and prepaid amounts on next year's taxes and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the next year's taxes are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, opioid settlement, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

Note 2—Stewardship, Compliance, and Accounting:

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund of the primary government and the School Operating Fund and School Cafeteria Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations
Expenditures did not exceed appropriations in any funds at June 30, 2024.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 3—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. Seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of 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 in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, 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, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2024 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Rating
	AAAm
Local Government Investment Pool	\$ 23,784
Virginia Investment Pool	69,684
Total	\$ 93,468

Note 3—Deposits and Investments: (Continued)

Interest Rate Risk

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>	
	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$ 23,784	\$ 23,784
Virginia Investment Pool	69,684	69,684
Total	<u>\$ 93,468</u>	<u>\$ 93,468</u>

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool) is the same as the value of pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the VML/VACO Virginia Investment Pool investment at the net asset value (NAV).

Redemption Restrictions

VML/VACO Virginia Investment Pool allows the authority to have the option to have access to withdrawal funds twice a month with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 4—Due from/to Other Governments:

At June 30, 2024, amounts due from other governments are as follows:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Mobile home titling tax	15,592	-
Motor vehicle carriers' tax	4,617	-
Rolling stock tax	1,556	-
Welfare	27,757	-
State sales Tax	-	258,117
Local sales tax	290,020	-
Constitutional officer reimbursements	131,083	-
Emergency services grant	19,627	-
Victim witness	4,534	-
Clerk records preservation	10,980	-
Children's services act	30,866	-
Communications tax	31,538	-
Wireless grant	8,881	-
School resource officer	12,959	-
Opioid settlement	137,642	-
Juror	560	-
Federal Government:		
School fund grants	-	615,048
School food grants	-	16,804
Victim witness	9,521	-
ARPA law enforcement	171,000	-
Welfare	46,559	-
Total due from other governments	<u>\$ 955,292</u>	<u>\$ 889,969</u>

At June 30, 2024, amounts due to other local governments are as follows:

	Primary Government	Component Unit School Board
Other Local Governments:		
Richmond County School Board	<u>\$ -</u>	<u>\$ 79,738</u>
Total	<u>\$ -</u>	<u>\$ 79,738</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Primary Government:</i>				
Capital assets not subject to depreciation:				
Land	\$ 1,437,492	\$ -	\$ -	\$ 1,437,492
Construction in Progress	814,905	2,342,205	819,716	2,337,394
Total capital assets not subject to depreciation	\$ 2,252,397	\$ 2,342,205	\$ 819,716	\$ 3,774,886
Capital assets subject to depreciation:				
Buildings and improvements	\$ 9,687,237	\$ -	\$ -	\$ 9,687,237
Machinery, equipment, and vehicles	4,033,133	378,039	62,043	4,349,129
Subscriptions	130,105	-	-	130,105
Lease buildings and improvements	792,963	-	-	792,963
Lease improvements other than buildings	61,620	-	-	61,620
Lease machinery, equipment, and vehicles	44,188	21,539	-	65,727
Jointly owned assets	18,209,766	-	969,316	17,240,450
Total capital assets subject to depreciation	\$ 32,959,012	\$ 399,578	\$ 1,031,359	\$ 32,327,231
Accumulated depreciation:				
Buildings and improvements	\$ 3,289,148	\$ 217,256	\$ -	\$ 3,506,404
Machinery, equipment, and vehicles	3,037,916	319,396	62,043	3,295,269
Subscriptions	15,770	15,770	-	31,540
Lease buildings and improvements	143,491	73,544	-	217,035
Lease improvements other than buildings	12,972	6,487	-	19,459
Lease machinery, equipment, and vehicles	17,460	12,872	-	30,332
Jointly owned assets	6,945,891	316,842	386,600	6,876,133
Total accumulated depreciation	\$ 13,462,648	\$ 962,167	\$ 448,643	\$ 13,976,172
Total capital assets subject to depreciation, net	\$ 19,496,364	\$ (562,589)	\$ 582,716	\$ 18,351,059
Governmental activities capital assets, net	\$ 21,748,761	\$ 1,779,616	\$ 1,402,432	\$ 22,125,945

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 5—Capital Assets: (Continued)

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Component Unit-School Board:</i>				
Capital assets not subject to depreciation:				
Land	\$ 28,062	\$ -	\$ -	\$ 28,062
Construction in progress	-	2,154,821	543,521	1,611,300
Total capital assets not subject to depreciation	\$ 28,062	\$ 2,154,821	\$ 543,521	\$ 1,639,362
Capital assets subject to depreciation:				
Buildings and improvements	\$ 1,372,331	\$ 570,516	\$ -	\$ 1,942,847
Machinery, equipment, and vehicles	4,825,893	562,218	12,480	5,375,631
Jointly owned assets	8,038,979	-	(969,316)	9,008,295
Total capital assets subject to depreciation	\$ 14,237,203	\$ 1,132,734	\$ (956,836)	\$ 16,326,773
Accumulated depreciation:				
Buildings and improvements	\$ 272,014	\$ 89,445	\$ -	\$ 361,459
Machinery, equipment, and vehicles	3,308,899	433,294	12,480	3,729,713
Jointly owned assets	3,066,369	139,875	(386,600)	3,592,844
Total accumulated depreciation	\$ 6,647,282	\$ 662,614	\$ (374,120)	\$ 7,684,016
Total capital assets subject to depreciation, net	\$ 7,589,921	\$ 470,120	\$ (582,716)	\$ 8,642,757
Governmental activities capital assets, net	\$ 7,617,983	\$ 2,624,941	\$ (39,195)	\$ 10,282,119

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 5—Capital Assets: (Continued)

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Component Unit-Industrial Development Authority:</i>				
Capital assets not subject to depreciation:				
Land	\$ 149,907	\$ -	\$ -	\$ 149,907
Total capital assets not subject to depreciation	\$ 149,907	\$ -	\$ -	\$ 149,907
Capital assets subject to depreciation:				
Buildings and improvements	\$ 598,470	\$ -	\$ -	\$ 598,470
Machinery, equipment, and vehicles	27,285	19,593	-	46,878
Total capital assets subject to depreciation	\$ 625,755	\$ 19,593	\$ -	\$ 645,348
Accumulated depreciation:				
Buildings and improvements	\$ 360,440	\$ 11,970	\$ -	\$ 372,410
Machinery, equipment, and vehicles	27,285	3,919	-	31,204
Total accumulated depreciation	\$ 387,725	\$ 15,889	\$ -	\$ 403,614
Total capital assets subject to depreciation, net	\$ 238,030	\$ 3,704	\$ -	\$ 241,734
Business-type activities capital assets, net	\$ 387,937	\$ 3,704	\$ -	\$ 391,641

Depreciation expense was charged to functions/programs as follows:

Primary Government:	
Governmental activities:	
General government administration	\$ 90,721
Judicial administration	137,588
Public safety	316,031
Public works	35,001
Health and welfare	53,742
Education	316,842
Parks, recreation and cultural	4,022
Community development	8,220
Total Governmental activities	\$ 962,167
Component Unit - School Board	\$ 662,614
Component Unit - Industrial Development Authority	\$ 15,889

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 6—Long-Term Obligations:

Primary Government:

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2024:

	Balance at July 1, 2023	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 200,722	\$ 26,643	\$ 20,072	\$ 207,293	\$ 20,729
Lease revenue bonds	2,274,000	-	151,000	2,123,000	169,000
Subscription liability	113,781	-	14,691	99,090	16,049
Lease liabilities	741,809	21,539	86,167	677,181	86,133
Add deferred amounts:	\$ -			-	
Issuance premium	313,367	-	31,336	282,031	-
Direct borrowings:	-			-	
USDA loans	43,352	-	8,708	34,644	8,931
Note payable	228,333	-	114,167	114,166	114,166
Net pension liability	135,743	1,944,922	1,820,978	259,687	-
Net OPEB liabilities	395,283	133,729	134,834	394,178	-
Total incurred by County	\$ 4,446,390	\$ 2,126,833	\$ 2,381,953	\$ 4,191,270	\$ 415,008
Incurred by School Board:					
General obligation bonds	\$11,263,875	\$ -	\$ 899,558	\$10,364,317	\$ 900,526
Add deferred amounts:					
Issuance premium	196,853	-	15,142	181,711	-
Total incurred by School Board	\$11,460,728	\$ -	\$ 914,700	\$10,546,028	\$ 900,526
Total Governmental Activities Obligations	\$15,907,118	\$ 2,126,833	\$ 3,296,653	\$14,737,298	\$ 1,315,534

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30	Governmental Activities						Direct Borrowings			
	Lease Liabilities		Subscription Liability		Lease Revenue Bonds		USDA Loan		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 86,133	\$ 13,992	\$ 16,049	\$ 3,034	\$ 169,000	\$ 78,698	\$ 8,931	\$ 765	\$ 114,166	\$ 2,521
2026	88,292	12,106	13,942	2,543	176,000	71,413	9,157	539	-	-
2027	87,233	10,184	15,193	2,116	183,000	63,812	9,388	308	-	-
2028	86,982	8,279	16,524	1,651	246,000	54,468	7,168	104	-	-
2029	87,036	6,349	17,939	1,145	258,000	43,255	-	-	-	-
2030	88,875	4,251	19,443	595	271,000	31,453	-	-	-	-
2031	77,002	2,510	-	-	195,000	20,403	-	-	-	-
2032	75,628	929	-	-	200,000	12,281	-	-	-	-
2033	-	-	-	-	425,000	4,578	-	-	-	-
Total	\$ 677,181	\$ 58,600	\$ 99,090	\$ 11,084	\$ 2,123,000	\$ 380,361	\$ 34,644	\$ 1,716	\$ 114,166	\$ 2,521

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Annual requirements to amortize long-term obligations and related interest are as follows: (Continued)

Year Ending June 30	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2025	\$ 900,526	\$ 424,226
2026	910,526	414,324
2027	920,526	403,629
2028	883,467	386,478
2029	903,467	365,583
2030	923,467	346,979
2031	943,467	327,763
2032	963,467	307,939
2033	983,467	287,503
2034	1,003,467	266,459
2035	1,028,470	127,891
Total	<u>\$ 10,364,317</u>	<u>\$ 3,658,774</u>

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations:

	Total Amount
<u>Incurring by County:</u>	
<u>Lease Revenue Bonds:</u>	
\$1,880,000 lease revenue bond issued November 12, 2020, due in annual principal installments through April 1, 2033, interest payable semi-annually at 5.125%.	\$ 1,645,000
\$750,000 lease revenue bond issued July 2, 2019, due in annual principal installments through July 15, 2029, interest payable monthly at 3.05%.	478,000
Total Lease Revenue Bonds	\$ 2,123,000
Bond issuance premium	\$ 282,031
<u>Direct Borrowings:</u>	
<u>USDA Loans:</u>	
\$45,500 USDA loan issued March 15, 2023, due in monthly installments of \$808 through February 15, 2028 with interest due at 2.5%.	\$ 34,644
Total USDA loans	\$ 34,644
<u>Note Payable:</u>	
\$342,500 real estate purchase agreement issued August 17, 2021, due in annual installments through August 15, 2024. Interest at 1.1%.	\$ 114,166
<u>Subscription Liability:</u>	
\$130,105 software subscription, due in annual installments of \$15,700-\$16,485 through September 2025 at 3.02% interest	\$ 99,090
<u>Lease Liabilities:</u>	
\$530,857 office lease, due in monthly installments of \$4,620 through May 2032 at 2% interest	\$ 398,523
\$154,260 office lease, due in monthly installments of \$1,310 through May 2032 at 2% interest	115,805
\$107,847 office lease, due in monthly installments of 1,000 through October 2031 at 2% interest	81,211
\$17,603 office equipment lease, due in quarterly installments of \$932 through November 2028 at 2.43% interest	15,841
\$11,992 office equipment lease, due in monthly installments of \$205 through December 2026 at 2% interest	6,179
\$12,352 office equipment lease, due in monthly installments of 210 through December 2026 at 2% interest	6,013
\$8,993 office equipment lease, due in monthly installments of \$153 through December 2026 at 3.5% interest	4,509
\$4,724 office equipment lease, due in monthly installments of \$105 through October 2027 at 2.54% interest	3,065
\$61,620 land improvement lease, due in variable monthly installments through December 2030 at 2%	46,035
Total lease liabilities	\$ 677,181
Compensated absences (payable by General Fund)	\$ 207,293
Net pension liability (payable by General Fund)	\$ 259,687
Net OPEB liabilities (payable by General Fund)	\$ 394,178
Total incurred by County	\$ 4,191,270

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

The County's outstanding direct borrowings related to governmental activities of \$34,644 contain a provision that in the event of default, outstanding amounts become immediately due if the County is unable to make payment.

Incurred by School Board:

General Obligation Bonds:

\$2,500,000 School bonds issued September 1, 2010, due in annual principal installments of \$147,059 through September 1, 2026. This bond is interest-free.	\$ 441,177
\$6,085,183 School bonds issued October 31, 2012, due in varying annual installments of principal and interest through December 1, 2034, interest payable semi-annually at the rate of 3.84% per annum.	3,338,140
\$8,770,000 School bonds issued November 15, 2012, due in varying annual installments of principal and interest through July 15, 2034, interest payable semi-annually ranges from 2.05% to 5.05%.	6,585,000
Total General Obligation Bonds	\$ 10,364,317
Bond issuance premium	\$ 181,711
Total incurred by School Board	\$ 10,546,028
Total Long-Term Obligations, Primary Government	\$ 14,737,298

Component Unit-School Board:

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2024:

	Balance at July 1, 2023	Increases	Decreases	Balance at June 30, 2024	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	\$ 94,560	\$ 2,023	\$ 9,456	\$ 87,127	\$ 8,713
Capital financing activities	38,585	-	38,585	-	-
Net pension liabilities	8,263,880	4,123,935	3,609,708	8,778,107	-
Net OPEB liabilities	2,550,677	500,583	549,773	2,501,487	-
Total Component Unit-School Board	\$10,947,702	\$ 4,626,541	\$ 4,207,522	\$11,366,721	\$ 8,713

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 6—Long-Term Obligations: (Continued)

Component Unit-School Board: (Continued)

Details of Long-Term Obligations:

	Total Amount
<u>Incurring by School Board:</u>	
Compensated absences	\$ 87,127
Net pension liability	\$ 8,778,107
Net OPEB liabilities	\$ 2,501,487
Total incurred by School Board	\$ 11,366,721

Note 7-Postclosure Costs:

Old County Landfill

The County demonstrated financial assurance requirements for postclosure care and corrective action costs, if any, through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA20-70 of the Virginia Administrative Code. In addition, the County closed its landfill in August 1996 and is liable for the postclosure monitoring for a period of ten years. The County’s ten-year period has expired but they are still required to complete an annual landfill assurance calculation. The amount reported as landfill postclosure liability on June 30, 2024 represents the estimated liability for postclosure monitoring of \$0 over a period of one year. This amount is based on what it would cost to perform all postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Note 8—Unearned and Deferred/Unavailable Revenue:

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future reporting periods are deferred. Unearned and unavailable/deferred revenue is comprised of the following:

Unavailable Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$304,788 at June 30, 2024.

Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2024 but paid in advance by the taxpayers totaled \$60,420 at June 30, 2024.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 9—Commitments and Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Note 10—Litigation:

At June 30, 2024, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

Note 11—Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the VACO Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays VACO contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 12—Pension Plans:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) 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 military service, certain periods of leave, and previously refunded service.

Note 12—Pension Plans: (Continued)

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	56	7
Inactive members:		
Vested inactive members	11	1
Non-vested inactive members	25	6
Inactive members active elsewhere in VRS	54	2
Total inactive members	90	9
Active members	74	2
Total covered employees	220	18

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. Employees are required to contribute 5.00% of their compensation toward their retirement.

The County's contractually required employer contribution rate for the year ended June 30, 2024 was 13.29% 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 employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$577,876 and \$534,273 for the years ended June 30, 2024 and June 30, 2023, respectively.

Note 12—Pension Plans: (Continued)

Contributions (Continued)

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 0.38% 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 employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$375 and \$357 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability (Asset)

The net pension liability (asset) (NPL(A)) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The County’s and Component Unit School Board’s (nonprofessional) net pension liability (asset) were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 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

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

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
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

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County’s Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (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 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:

All Others (Non-10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

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%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year expected 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 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%.

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

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; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions 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 (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 17,014,398	\$ 16,878,655	\$ 135,743
Changes for the year:			
Service cost	\$ 662,504	\$ -	\$ 662,504
Interest	1,158,671	-	1,158,671
Differences between expected and actual experience	112,898	-	112,898
Contributions - employer	-	534,252	(534,252)
Contributions - employee	-	199,212	(199,212)
Net investment income	-	1,087,077	(1,087,077)
Benefit payments, including refunds of employee contributions	(1,022,826)	(1,022,826)	-
Administrative expenses	-	(10,849)	10,849
Other changes	-	437	(437)
Net changes	\$ 911,247	\$ 787,303	\$ 123,944
Balances at June 30, 2023	\$ 17,925,645	\$ 17,665,958	\$ 259,687

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 841,189	\$ 972,514	\$ (131,325)
Changes for the year:			
Service cost	\$ 9,355	\$ -	\$ 9,355
Interest	55,886	-	55,886
Differences between expected and actual experience	54,163	-	54,163
Contributions - employer	-	356	(356)
Contributions - employee	-	4,699	(4,699)
Net investment income	-	61,525	(61,525)
Benefit payments, including refunds of employee contributions	(45,197)	(45,197)	-
Administrative expenses	-	(634)	634
Other changes	-	25	(25)
Net changes	\$ 74,207	\$ 20,774	\$ 53,433
Balances at June 30, 2023	\$ 915,396	\$ 993,288	\$ (77,892)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (asset) 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 2,559,436	\$ 259,687	\$ (1,573,261)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 7,683	\$ (77,892)	\$ (150,820)

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$394,824 and \$40,102, respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,638	\$ 30,757	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	-	269,426	-	16,404
Employer contributions subsequent to the measurement date	577,876	-	375	-
Total	\$ 653,514	\$ 300,183	\$ 375	\$ 16,404

\$577,876 and \$375 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of (increase to) the Net Pension Liability (Asset) in the fiscal year ending 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 in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2025	\$ (186,764)	\$ (11,501)
2026	(289,447)	(19,490)
2027	243,243	14,038
2028	8,423	549
2029	-	-

Pension Plan Data

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

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 provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which 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 earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,395,118 and \$1,370,946 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the grants and contributions not restricted to specific programs line of the financial statements.

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

At June 30, 2024, the school division reported a liability of \$8,778,107 for its proportionate share of the Net Pension Liability. 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 performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's 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, the school division's proportion was 0.08685% as compared to 0.08680% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$1,003,672. 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 the June 30, 2023 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	754,047	\$ 342,559
Change of assumptions	397,942	-
Net difference between projected and actual earnings on pension plan investments	-	570,754
Changes in proportion and differences between employer contributions and proportionate share of contributions	263,348	16,393
Employer contributions subsequent to the measurement date	<u>1,395,118</u>	<u>-</u>
Total	<u>\$ 2,810,455</u>	<u>\$ 929,706</u>

\$1,395,118 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending 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 in future reporting periods as follows:

<u>Year ended June 30</u>	
2025	\$ (51,540)
2026	(410,397)
2027	775,613
2028	171,955
2029	-

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Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

Pub-2010 Amount Weighted Teachers 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 standard rates

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (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 the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 57,574,609
Plan Fiduciary Net Position	47,467,405
Employers' Net Pension Liability (Asset)	<u>\$ 10,107,204</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.45%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

The long-term expected rate of return and discount rate information previously described also apply to this plan.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the 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:

		Rate		
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$	15,560,453	\$ 8,778,107	\$ 3,202,461

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
			Net Pension				Net Pension	
	Deferred Outflows	Deferred Inflows	Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 653,514	\$ 300,183	\$ 259,687	\$ 394,824	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	375	16,404	(77,892)	40,102
School Board Professional	-	-	-	-	2,810,455	929,706	8,778,107	1,003,672
Totals	\$ 653,514	\$ 300,183	\$ 259,687	\$ 394,824	\$ 2,810,830	\$ 946,110	\$ 8,700,215	\$ 1,043,774

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. 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 GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for the GLI Plan 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 GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which 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 to the GLI Plan from the County were \$24,356 and \$22,430 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$47,398 and \$46,159 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$533 and \$507 for the years ended June 30, 2024 and June 30, 2023, respectively.

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. The entity's proportionate share is reflected in the grants and contributions not restricted to specific programs of the financial statements.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2024, the County reported a liability of \$211,439 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$435,231 and \$4,797, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program 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, the County's proportion was 0.01763% as compared to 0.01660% at June 30, 2022. At June 30, 2023, the Component Unit School Board professional and nonprofessional groups' proportion were 0.03629% and 0.00040%, respectively as compared to 0.03680% and 0.00040%, respectively at June 30, 2022.

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$16,737. For the year ended June 30, 2024, the Component Unit School Board professional group recognized GLI OPEB expense of \$21,760. For the year ended June 30, 2024, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$372. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,118	6,418	\$ 43,469	13,211	\$ 479	146
Net difference between projected and actual earnings on GLI OPEB plan investments	-	8,497	-	17,490	-	193
Change of assumptions	4,520	14,649	9,303	30,155	103	332
Changes in proportionate share	28,211	2,915	18,253	10,028	680	478
Employer contributions subsequent to the measurement date	24,356	-	47,398	-	533	-
Total	\$ 78,205	\$ 32,479	\$ 118,423	\$ 70,884	\$ 1,795	\$ 1,149

\$24,356, \$47,398 and \$533, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
2025	4,565	\$ -	\$ 122
2026	(2,847)	(15,577)	(158)
2027	10,252	9,828	152
2028	5,208	2,700	(33)
2029	4,192	3,190	30
Thereafter	-	-	-

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers (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 the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (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 the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (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 the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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
Discount Rate	No change

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	<u>1,199,313</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's 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 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)	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%		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. 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 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%.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan				
Net OPEB Liability	\$	313,419	\$ 211,439	\$ 128,988
Component School Board (professional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	645,148	\$ 435,231	\$ 265,511
Component School Board (nonprofessional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	7,111	\$ 4,797	\$ 2,927

GLI Plan Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. 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. 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.

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	1
Vested inactive members	-
Active members	<u>4</u>
Total covered employees	<u>5</u>

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements 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 options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2024 was 0.52% 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 was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$513 and \$489 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The School Board’s net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB 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.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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, and disabled)	Update to Pub-2010 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
Discount Rate	No change

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's 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 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)	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%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year expected 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 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%.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 16,189	\$ 1,004	\$ 15,185
Changes for the year:			
Service cost	\$ 57	\$ -	\$ 57
Interest	1,078	-	1,078
Differences between expected and actual experience	(5,325)	-	(5,325)
Contributions - employer	-	818	(818)
Net investment income	-	73	(73)
Benefit payments	(540)	(540)	-
Administrative expenses	-	(2)	2
Net changes	\$ (4,730)	\$ 349	\$ (5,079)
Balances at June 30, 2023	\$ 11,459	\$ 1,353	\$ 10,106

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Sensitivity of the School Board's HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Component School Board (nonprofessional):			
Net HIC OPEB Liability	\$ 11,047	\$ 10,106	\$ 9,287

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2024, the School Board recognized HIC Plan OPEB expense of \$508. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	4,861
Net difference between projected and actual earnings on HIC OPEB plan investments	17	-
Change in assumptions	3,323	-
Employer contributions subsequent to the measurement date	\$ 513	\$ -
Total	\$ 3,853	\$ 4,861

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Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB: Continued)

\$513 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2025	\$ (593)
2026	(941)
2027	13
2028	-
2029	-
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 15—Teacher Employee Health Insurance Credit (HIC) Program (OPEB Plan):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Plan Description (Continued)

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits is described below:

Eligible Employees

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$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.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Contributions

The contribution requirements for active employees is governed by §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 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$106,206 and \$103,431 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The school division's proportionate share is reflected in the grants and contributions not restricted to specific programs of the financial statements.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Teacher Employee HIC OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB

At June 30, 2024, the school division reported a liability of \$1,038,548 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC was 0.08570% as compared to 0.08595% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$85,858. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 45,712
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	521	-
Change of assumptions	24,176	1,047
Changes in proportionate share and differences between actual and expected contributions	40,498	13,110
Employer contributions subsequent to the measurement date	106,206	-
Total	\$ 171,401	\$ 59,869

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Teacher Employee HIC OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB (Continued)

\$106,206 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ 179
2026	1,205
2027	4,904
2028	488
2029	64
Thereafter	(1,514)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation:	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (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 the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,475,471
Plan Fiduciary Net Position		264,054
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,211,417</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		17.90%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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%		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. 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 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%.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 1,174,714	\$ 1,038,548	\$ 923,159

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 16—Medical and Dental Pay-as-You-Go (OPEB Plan):

County and School Board

Plan Description

In addition to the pension and OPEB benefits described in Notes 12-14, the County administers a single-employer defined benefit healthcare plan, The County of Richmond Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

In addition to the pension and OPEB benefits described in Notes 12-15, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Richmond County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits that are provided to eligible County retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	74	139
Total retirees and spouses with coverage	3	6
Total	77	145

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amounts paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2024 were \$26,930 and \$68,138, respectively.

Note 16—Medical and Dental Pay-as-You-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Total OPEB Liability

The County and School Board’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	The salary increase rate was 3.50% to 5.35% per annum.
Discount Rate	3.93% based on the Bond Buyer 20-Year Bond GO Index
Healthcare Trend Data	The healthcare trend assumption used in this valuation (which covers medical, dental, and vision) is based on long-term healthcare trend rates generated by the Getzen Trend Model.

Mortality rates for the County were based on the following actuarial assumptions:

- Pre-Retirement: RP-2014 General Employee Mortality Tables projected to 2023 using Scale BB with Males and Females setback 1 year.
- Pre-Retirement: RP-2014 Public Safety Employer Mortality Tables projected to 2023 using Scale BB with Females set forward 1 year.
- Post-Retirement: RP-2014 General Employees Mortality Tables projected to 2023 using Scale BB with females setback 1 year.
- Post Retirement: RP-2014 Public Safety Mortality Tables projected to 2023 using Scale BB with males set forward 2 year and females set forward 3 years.
- Post-Disablement: RP-2014 General Employee Disabled Life Mortality Tables projected to 2023 using Scale BB.
- Post-Disablement: RP-2014 Public Safety Employees Disabled Life Mortality Tables projected to 2023 using Scale BB with males set forward 2 years.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 16—Medical and Dental Pay-as-You-Go (OPEB Plan): (Continued)

County and School Board: Continued)

Mortality rates for the School Board were based on the following actuarial assumptions:

Pre-Retirement: RP-2014 General Employee Mortality Tables projected to 2023 using Scale BB with Males and Females setback 1 year.

Post-Retirement: RP-2014 General Employees Mortality Tables projected to 2023 using Scale BB with females setback 1 year.

Post-Disablement: RP-2014 General Employee Disabled Life Mortality Tables projected to 2023 using Scale BB.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Go Index as of June 30, 2024.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2023	\$ 195,162	\$ 1,013,652
Changes for the year:		
Service cost	11,561	49,390
Interest	7,058	37,569
Changes of assumptions	(4,112)	(19,668)
Benefit payments	(26,930)	(68,138)
Net changes	\$ (12,423)	\$ (847)
Balances at June 30, 2024	<u>\$ 182,739</u>	<u>\$ 1,012,805</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 16—Medical and Dental Pay-as-You-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

		Rate		
		1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Primary Government:				
Total OPEB liability	\$	197,879	\$ 182,739	\$ 168,904
Component Unit School Board:				
Total OPEB liability	\$	1,084,509	\$ 1,012,805	\$ 945,323

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

		Rates		
		1% Decrease	Healthcare Cost Trend	1% Increase
Primary Government:				
Total OPEB liability	\$	159,813	\$ 182,739	\$ 210,350
Component Unit School Board:				
Total OPEB liability	\$	906,693	\$ 1,012,805	\$ 1,137,457

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2024

Note 16—Medical and Dental Pay-as-You-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the County and the School Board recognized OPEB expense in the amount of \$15,770 and \$105,065. At June 30, 2024, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,387	\$ 71,944	\$ 225,987	\$ 6,256
Changes in assumptions	11,454	37,625	71,139	111,779
Total	<u>\$ 75,841</u>	<u>\$ 109,569</u>	<u>\$ 297,126</u>	<u>\$ 118,035</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board
2025	\$ (657)	\$ 27,929
2026	194	38,811
2027	(14,213)	38,811
2028	(19,052)	38,811
2029	-	29,599
Thereafter	-	5,130

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 17—Summary of Other Postemployment Benefit Plans:

Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 13):								
County	\$ 78,205	\$ 32,479	\$ 211,439	\$ 16,737	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	1,795	1,149	4,797	372
School Board Professional	-	-	-	-	118,423	70,884	435,231	21,760
Health Insurance Credit Plan (Note 14)	-	-	-	-	3,853	4,861	10,106	508
Teacher Health Insurance Credit Plan (Note 15)	-	-	-	-	171,401	59,869	1,038,548	85,858
County Stand-Alone Plan (Note 16)	75,841	109,569	182,739	15,770	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	297,126	118,035	1,012,805	105,065
Totals	\$ 154,046	\$ 142,048	\$ 394,178	\$ 32,507	\$ 592,598	\$ 254,798	\$ 2,501,487	\$ 213,563

Note: The plans should be customized and organized to agree to the ordering of each report's OPEB notes.

Note 18-Surety Bonds:

	Amount
Fidelity and Deposit Company of Maryland - Surety:	
Cheryl B. Pierson, Clerk of the Circuit Court	\$ 103,000
Kristie S. Brann, Treasurer	300,000
Jennifer W. Delano, Commissioner of the Revenue	3,000
Stephan B. Smith, Sheriff	30,000
The above constitutional officer's employee - blanket bond	50,000
The Cincinnati Insurance Company - Surety:	
John David Parr, Supervisor	2,000
JR Fidler, Supervisor	2,000
Richard E. Thomas, Sr., Supervisor	2,000
Robert B. Pemberton, Supervisor	2,000
F. Lee Sanders, Supervisor	2,000
Bernard S. "Trey" Davis, III, Ed.D., Superintendent of Schools	10,000
Whitney Barrack, Director of Finance, School Board	10,000
All Department of Social Services Employees-blanket bond	100,000

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2024

Note 19-Line of Duty Act (LODA) (OPEB Benefits):

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VACORP. VACORP assumes all liability for the County's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2024 was \$19,737.

Note 20-Upcoming Pronouncements:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

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County of Richmond, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
General property taxes	\$ 9,104,000	\$ 9,104,000	\$ 10,155,663	\$ 1,051,663
Other local taxes	2,196,000	2,196,000	1,836,093	(359,907)
Permits, privilege fees, and regulatory licenses	124,100	124,100	327,773	203,673
Fines and forfeitures	42,000	42,000	48,432	6,432
Revenue from the use of money and property	234,850	234,850	371,027	136,177
Charges for services	480,000	480,000	501,784	21,784
Miscellaneous	963,500	963,500	87,677	(875,823)
Recovered costs	25,500	25,500	155,938	130,438
Intergovernmental:				
Commonwealth	3,759,379	3,759,379	3,610,114	(149,265)
Federal	665,247	665,247	2,222,905	1,557,658
Total revenues	<u>\$ 17,594,576</u>	<u>\$ 17,594,576</u>	<u>\$ 19,317,406</u>	<u>\$ 1,722,830</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,535,243	\$ 3,467,574	\$ 3,739,552	\$ (271,978)
Judicial administration	858,622	858,622	841,407	17,215
Public safety	4,250,708	5,186,004	5,414,820	(228,816)
Public works	1,209,749	1,351,644	1,380,772	(29,128)
Health and welfare	2,570,764	2,572,264	1,771,905	800,359
Education	4,893,703	4,995,553	4,720,777	274,776
Parks, recreation, and cultural	166,629	166,629	156,500	10,129
Community development	369,373	471,160	290,290	180,870
Nondepartmental	290,579	326,338	234,232	92,106
Capital projects	-	-	-	-
Debt service:				
Principal retirement	-	-	1,274,291	(1,274,291)
Interest and other fiscal charges	1,765,806	1,765,806	641,005	1,124,801
Total expenditures	<u>\$ 17,911,176</u>	<u>\$ 21,161,594</u>	<u>\$ 20,465,551</u>	<u>\$ 696,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (316,600)</u>	<u>\$ (3,567,018)</u>	<u>\$ (1,148,145)</u>	<u>\$ 2,418,873</u>
OTHER FINANCING SOURCES (USES)				
Issuance of USDA loan	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Issuance of assets under lease	-	-	21,539	21,539
Total other financing sources (uses)	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 21,539</u>	<u>\$ (78,461)</u>
Net change in fund balances	\$ (216,600)	\$ (3,467,018)	\$ (1,126,606)	\$ 2,340,412
Fund balances - beginning	216,600	3,467,018	3,663,164	196,146
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,536,558</u>	<u>\$ 2,536,558</u>

County of Richmond, Virginia
 Sheriff's Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	21,615	21,615
Fund balances - ending	\$ -	\$ -	\$ 21,615	\$ 21,615

County of Richmond, Virginia
 Workforce Investment Act Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental:				
Federal	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Total revenues	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
EXPENDITURES				
Current:				
Community development	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Total expenditures	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

County of Richmond, Virginia
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021
Total pension liability			
Service cost	\$ 662,504	\$ 490,599	\$ 409,513
Interest	1,158,671	1,112,599	1,027,695
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	524,309
Differences between expected and actual experience	112,898	(113,883)	(232,306)
Benefit payments	(1,022,826)	(934,524)	(989,424)
Net change in total pension liability	\$ 911,247	\$ 554,791	\$ 739,787
Total pension liability - beginning	17,014,398	16,459,607	15,719,820
Total pension liability - ending (a)	\$ 17,925,645	\$ 17,014,398	\$ 16,459,607
Plan fiduciary net position			
Contributions - employer	\$ 534,252	\$ 440,688	\$ 390,697
Contributions - employee	199,212	174,034	154,436
Net investment income	1,087,077	(16,912)	3,767,863
Benefit payments	(1,022,826)	(934,524)	(989,424)
Administrator charges	(10,849)	(10,756)	(9,553)
Other	437	397	353
Net change in plan fiduciary net position	\$ 787,303	\$ (347,073)	\$ 3,314,372
Plan fiduciary net position - beginning	16,878,655	17,225,728	13,911,356
Plan fiduciary net position - ending (b)	\$ 17,665,958	\$ 16,878,655	\$ 17,225,728
County's net pension liability (asset) - ending (a) - (b)	\$ 259,687	\$ 135,743	\$ (766,121)
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.55%	99.20%	104.65%
Covered payroll	\$ 4,153,680	\$ 3,614,544	\$ 3,204,359
County's net pension liability (asset) as a percentage of covered payroll	6.25%	3.76%	-23.91%

	2020	2019	2018	2017	2016	2015	2014
\$	440,289	\$ 403,911	\$ 382,865	\$ 373,373	\$ 310,165	\$ 312,395	\$ 312,258
	967,490	926,566	934,448	895,648	863,095	823,735	785,883
	-	-	-	160,091	-	-	-
	-	403,203	-	(107,924)	-	-	-
	377,564	131,371	(703,238)	(29,684)	37,278	72,953	-
	(797,428)	(739,603)	(713,742)	(760,700)	(730,291)	(563,297)	(551,499)
\$	987,915	\$ 1,125,448	\$ (99,667)	\$ 530,804	\$ 480,247	\$ 645,786	\$ 546,642
	14,731,905	13,606,457	13,706,124	13,175,320	12,695,073	12,049,287	11,502,645
\$	15,719,820	\$ 14,731,905	\$ 13,606,457	\$ 13,706,124	\$ 13,175,320	\$ 12,695,073	\$ 12,049,287
\$	307,494	\$ 293,415	\$ 305,935	\$ 283,832	\$ 279,196	\$ 286,796	\$ 295,531
	147,098	140,056	143,277	132,401	127,498	131,462	129,721
	265,774	888,497	940,117	1,407,834	198,131	524,724	1,575,513
	(797,428)	(739,603)	(713,742)	(760,700)	(730,291)	(563,297)	(551,499)
	(9,190)	(8,905)	(8,182)	(8,296)	(7,489)	(7,222)	(8,508)
	(314)	(559)	(833)	(1,247)	(86)	(115)	83
\$	(86,566)	\$ 572,901	\$ 666,572	\$ 1,053,824	\$ (133,041)	\$ 372,348	\$ 1,440,841
	13,997,922	13,425,021	12,758,449	11,704,625	11,837,666	11,465,318	10,024,477
\$	13,911,356	\$ 13,997,922	\$ 13,425,021	\$ 12,758,449	\$ 11,704,625	\$ 11,837,666	\$ 11,465,318
\$	1,808,464	\$ 733,983	\$ 181,436	\$ 947,675	\$ 1,470,695	\$ 857,407	\$ 583,969
	88.50%	95.02%	98.67%	93.09%	88.84%	93.25%	95.15%
\$	3,020,649	\$ 2,941,892	\$ 2,914,636	\$ 2,693,648	\$ 2,602,804	\$ 2,663,210	\$ 2,597,287
	59.87%	24.95%	6.22%	35.18%	56.50%	32.19%	22.48%

County of Richmond, Virginia
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021
Total pension liability			
Service cost	\$ 9,355	\$ 8,903	\$ 10,341
Interest	55,886	55,047	52,692
Changes of assumptions	-	-	6,135
Differences between expected and actual experience	54,163	(7,573)	169
Benefit payments	(45,197)	(43,607)	(43,077)
Net change in total pension liability	\$ 74,207	\$ 12,770	\$ 26,260
Total pension liability - beginning	841,189	828,419	802,159
Total pension liability - ending (a)	\$ 915,396	\$ 841,189	\$ 828,419
 Plan fiduciary net position			
Contributions - employer	\$ 356	\$ 2,390	\$ 2,282
Contributions - employee	4,699	4,475	4,274
Net investment income	61,525	(509)	222,097
Benefit payments	(45,197)	(43,607)	(43,077)
Administrator charges	(634)	(637)	(573)
Other	25	23	21
Net change in plan fiduciary net position	\$ 20,774	\$ (37,865)	\$ 185,024
Plan fiduciary net position - beginning	972,514	1,010,379	825,355
Plan fiduciary net position - ending (b)	\$ 993,288	\$ 972,514	\$ 1,010,379
 School Division's net pension liability (asset) - ending (a) - (b)	\$ (77,892)	\$ (131,325)	\$ (181,960)
 Plan fiduciary net position as a percentage of the total pension liability	108.51%	115.61%	121.96%
 Covered payroll	\$ 93,981	\$ 89,506	\$ 85,480
 School Division's net pension liability (asset) as a percentage of covered payroll	-82.88%	-146.72%	-212.87%

2020	2019	2018	2017	2016	2015	2014
\$ 7,642	\$ 7,380	\$ 7,885	\$ 10,704	\$ 18,893	\$ 22,347	\$ 29,025
50,477	49,199	43,248	42,697	44,386	43,291	39,965
-	19,420	-	7,790	-	-	-
17,385	10,731	74,734	(6,389)	(13,893)	8,918	-
(42,311)	(41,216)	(40,488)	(53,372)	(93,647)	(24,197)	(18,758)
\$ 33,193	\$ 45,514	\$ 85,379	\$ 1,430	\$ (44,261)	\$ 50,359	\$ 50,232
768,966	723,452	638,073	636,643	680,904	630,545	580,313
<u>\$ 802,159</u>	<u>\$ 768,966</u>	<u>\$ 723,452</u>	<u>\$ 638,073</u>	<u>\$ 636,643</u>	<u>\$ 680,904</u>	<u>\$ 630,545</u>
\$ 576	\$ 294	\$ 20	\$ 95	\$ 3,660	\$ 9,175	\$ 19,067
3,642	3,701	3,021	3,308	4,457	11,112	10,737
16,010	54,086	59,097	90,633	12,840	37,184	110,415
(42,311)	(41,216)	(40,488)	(53,372)	(93,647)	(24,197)	(18,758)
(568)	(563)	(531)	(561)	(538)	(506)	(579)
(19)	(34)	(52)	(79)	(6)	(8)	6
\$ (22,670)	\$ 16,268	\$ 21,067	\$ 40,024	\$ (73,234)	\$ 32,760	\$ 120,888
848,025	831,757	810,690	770,666	843,900	811,140	690,252
<u>\$ 825,355</u>	<u>\$ 848,025</u>	<u>\$ 831,757</u>	<u>\$ 810,690</u>	<u>\$ 770,666</u>	<u>\$ 843,900</u>	<u>\$ 811,140</u>
\$ (23,196)	\$ (79,059)	\$ (108,305)	\$ (172,617)	\$ (134,023)	\$ (162,996)	\$ (180,595)
102.89%	110.28%	114.97%	127.05%	121.05%	123.94%	128.64%
\$ 74,126	\$ 81,627	\$ 64,888	\$ 72,168	\$ 94,878	\$ 230,452	\$ 214,727
-31.29%	-96.85%	-166.91%	-239.19%	-141.26%	-70.73%	-84.10%

County of Richmond, Virginia
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
Component Unit School Board
For the Measurement Dates of June 30, 2014 through June 30, 2023

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
				Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4)	
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.08685%	\$ 8,778,107	\$ 8,548,026	102.69%	82.45%
2022	0.08680%	8,263,880	8,010,229	103.17%	82.61%
2021	0.08384%	6,508,581	7,339,714	88.68%	85.46%
2020	0.08340%	12,141,256	7,236,109	167.79%	71.47%
2019	0.08397%	11,050,930	6,990,664	158.08%	73.51%
2018	0.08141%	9,574,000	6,626,525	144.48%	74.81%
2017	0.08353%	10,272,000	6,599,563	155.65%	72.92%
2016	0.08270%	11,590,000	6,305,596	183.80%	68.28%
2015	0.08415%	10,591,000	6,256,592	169.28%	70.68%
2014	0.08403%	10,155,000	6,145,391	165.25%	70.88%

County of Richmond, Virginia
Schedule of Employer Contributions - Pension Plans
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
(1)	(2)	(3)	(4)	(5)	
Primary Government					
2024	\$ 577,876	\$ 577,876	\$ -	\$ 4,510,378	12.81%
2023	534,273	534,273	-	4,153,680	12.86%
2022	440,688	440,688	-	3,614,544	12.19%
2021	390,697	390,697	-	3,204,359	12.19%
2020	307,373	307,373	-	3,020,649	10.18%
2019	300,679	300,679	-	2,941,892	10.22%
2018	305,935	305,935	-	2,914,636	10.50%
2017	283,832	283,832	-	2,693,648	10.54%
2016	279,196	279,196	-	2,602,804	10.73%
2015	286,796	286,796	-	2,663,210	10.77%
Component Unit School Board (nonprofessional)					
2024	\$ 375	\$ 375	\$ -	\$ 98,680	0.38%
2023	357	357	-	93,981	0.38%
2022	2,892	2,892	-	89,506	3.23%
2021	2,282	2,282	-	85,480	2.67%
2020	566	566	-	74,126	0.76%
2019	314	314	-	81,627	0.38%
2018	212	212	-	64,888	0.33%
2017	95	95	-	72,168	0.13%
2016	3,660	3,660	-	94,878	3.86%
2015	9,175	9,175	-	230,452	3.98%
Component Unit School Board (professional)					
2024	\$ 1,395,118	\$ 1,395,118	\$ -	\$ 8,777,365	15.89%
2023	1,370,946	1,370,946	-	8,548,026	16.04%
2022	1,289,462	1,289,462	-	8,010,229	16.10%
2021	1,186,096	1,186,096	-	7,339,714	16.16%
2020	1,108,639	1,108,639	-	7,236,109	15.32%
2019	1,075,614	1,075,614	-	6,990,664	15.39%
2018	1,053,012	1,053,012	-	6,626,525	15.89%
2017	950,449	950,449	-	6,599,563	14.40%
2016	981,446	981,446	-	6,305,596	15.56%
2015	907,206	907,206	-	6,256,592	14.50%

*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

County of Richmond, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
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

All Others (Non-10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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 Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees:

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

County of Richmond, Virginia
Schedule of County and Component Unit School Board's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
				(3)/(4)	
(1)	(2)	(3)	(4)	(5)	(6)
Primary Government:					
2023	0.01763% \$	211,439 \$	4,153,680	5.09%	69.30%
2022	0.01660%	200,121	3,614,544	5.54%	67.21%
2021	0.01550%	180,695	3,204,359	5.64%	67.45%
2020	0.01470%	244,985	3,020,649	8.11%	52.64%
2019	0.01501%	244,253	2,941,892	8.30%	52.00%
2018	0.01533%	233,000	2,914,636	7.99%	51.22%
2017	0.01460%	220,000	2,693,648	8.17%	48.86%
Component Unit School Board (nonprofessional):					
2023	0.00040% \$	4,797 \$	93,981	5.10%	69.30%
2022	0.00040%	4,937	89,506	5.52%	67.21%
2021	0.00040%	4,890	85,480	5.72%	67.45%
2020	0.00040%	6,008	74,126	8.11%	52.64%
2019	0.00041%	6,672	81,627	8.17%	52.00%
2018	0.00034%	6,000	64,888	9.25%	51.22%
2017	0.00039%	5,000	72,168	6.93%	48.86%
Component Unit School Board (professional):					
2023	0.03629% \$	435,231 \$	8,548,026	5.09%	69.30%
2022	0.03680%	443,348	8,010,229	5.53%	67.21%
2021	0.03550%	413,898	7,339,714	5.64%	67.45%
2020	0.03520%	586,763	7,236,109	8.11%	52.64%
2019	0.03573%	581,422	7,003,694	8.30%	52.00%
2018	0.03470%	527,000	6,598,082	7.99%	51.22%
2017	0.03578%	539,000	6,599,563	8.17%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Richmond, Virginia
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2015 through June 30, 2024

		Contributions in Relation to					Contributions
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll		
Date	(1)	(2)	(3)	(4)	(5)		
Primary Government:							
2024	\$ 24,356	\$ 24,356	\$ -	\$ 4,510,378	0.54%		
2023	22,430	22,430	-	4,153,680	0.54%		
2022	19,519	19,519	-	3,614,544	0.54%		
2021	17,304	17,304	-	3,204,359	0.54%		
2020	15,707	15,707	-	3,020,649	0.52%		
2019	15,298	15,298	-	2,941,892	0.52%		
2018	15,156	15,156	-	2,914,636	0.52%		
2017	14,007	14,007	-	2,693,648	0.52%		
2016	12,493	12,493	-	2,602,804	0.48%		
2015	12,783	12,783	-	2,663,210	0.48%		
Component Unit School Board (nonprofessional):							
2024	\$ 533	\$ 533	\$ -	\$ 98,680	0.54%		
2023	507	507	-	93,981	0.54%		
2022	483	483	-	89,506	0.54%		
2021	462	462	-	85,480	0.54%		
2020	385	385	-	74,126	0.52%		
2019	424	424	-	81,627	0.52%		
2018	337	337	-	64,888	0.52%		
2017	375	375	-	72,168	0.52%		
2016	455	455	-	94,878	0.48%		
2015	1,106	1,106	-	230,452	0.48%		
Component Unit School Board (professional):							
2024	\$ 47,398	\$ 47,398	\$ -	\$ 8,777,365	0.54%		
2023	46,159	46,159	-	8,548,026	0.54%		
2022	43,255	43,255	-	8,010,229	0.54%		
2021	39,634	39,634	-	7,339,714	0.54%		
2020	37,628	37,628	-	7,236,109	0.52%		
2019	36,419	36,419	-	7,003,694	0.52%		
2018	34,574	34,574	-	6,598,082	0.52%		
2017	34,318	34,318	-	6,599,563	0.52%		
2016	30,267	30,267	-	6,305,596	0.48%		
2015	30,032	30,032	-	6,256,592	0.48%		

County of Richmond, Virginia
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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
Discount Rate	No change

County of Richmond, Virginia
Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability				
Service cost	\$ 57	\$ 40	\$ 47	\$ -
Interest	1,078	553	497	-
Changes in benefit terms	-	3,536	-	7,366
Differences between expected and actual experience	(5,325)	(3,042)	-	-
Changes of assumptions	-	7,192	495	-
Benefit payments	(540)	(495)	-	-
Net change in total HIC OPEB liability	<u>\$ (4,730)</u>	<u>\$ 7,784</u>	<u>\$ 1,039</u>	<u>\$ 7,366</u>
Total HIC OPEB Liability - beginning	<u>16,189</u>	<u>8,405</u>	<u>7,366</u>	<u>-</u>
Total HIC OPEB Liability - ending (a)	<u><u>\$ 11,459</u></u>	<u><u>\$ 16,189</u></u>	<u><u>\$ 8,405</u></u>	<u><u>\$ 7,366</u></u>
 Plan fiduciary net position				
Contributions - employer	\$ 818	\$ 913	\$ 521	\$ -
Net investment income	73	(6)	76	-
Benefit payments	(540)	(495)	-	-
Administrator charges	(2)	(3)	(2)	-
Net change in plan fiduciary net position	<u>\$ 349</u>	<u>\$ 409</u>	<u>\$ 595</u>	<u>\$ -</u>
Plan fiduciary net position - beginning	<u>1,004</u>	<u>595</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 1,353</u></u>	<u><u>\$ 1,004</u></u>	<u><u>\$ 595</u></u>	<u><u>\$ -</u></u>
 School Board's net HIC OPEB liability - ending (a) - (b)	 <u>\$ 10,106</u>	 <u>\$ 15,185</u>	 <u>\$ 7,810</u>	 <u>\$ 7,366</u>
 Plan fiduciary net position as a percentage of the total HIC OPEB liability	 13.39%	 6.61%	 7.62%	 0.00%
 Covered payroll	 \$ 93,981	 \$ 89,506	 \$ 85,480	 \$ -
 School Board's net HIC OPEB liability as a percentage of covered payroll	 10.75%	 16.97%	 9.14%	 0.00%

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

County of Richmond, Virginia
Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2021 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 513	\$ 513	\$ -	\$ 98,680	0.52%
2023	489	489	-	93,981	0.52%
2022	546	546	-	89,506	0.61%
2021	521	521	-	85,480	0.61%

Schedule is intended to show information for 10 years. However, the program was not utilized until the year ended June 30, 2021.

County of Richmond, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 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
Discount Rate	No change

County of Richmond, Virginia
Schedule of Component Unit School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.08570% \$	1,038,548 \$	8,548,026	12.15%	17.90%
2022	0.08595%	1,073,555	8,010,229	13.40%	15.08%
2021	0.08299%	1,065,234	7,339,714	14.51%	13.15%
2020	0.08254%	1,076,748	7,236,109	14.88%	9.95%
2019	0.08334%	1,091,002	6,990,664	15.61%	8.97%
2018	0.08134%	1,033,000	6,578,062	15.70%	8.08%
2017	0.08362%	1,061,000	6,599,563	16.08%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Richmond, Virginia
Schedule of Employer Contributions - Component Unit School Board
Teacher Employee Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)		
	(1)	(2)	(3)	(4)	(5)
2024	\$ 106,206	\$ 106,206	\$ -	\$ 8,777,365	1.21%
2023	103,431	103,431	-	8,548,026	1.21%
2022	96,924	96,924	-	8,010,229	1.21%
2021	88,811	88,811	-	7,339,714	1.21%
2020	86,833	86,833	-	7,236,109	1.20%
2019	83,888	83,888	-	6,990,664	1.20%
2018	80,910	80,910	-	6,578,062	1.23%
2017	73,255	73,255	-	6,599,563	1.11%
2016	66,839	66,839	-	6,305,596	1.06%
2015	66,320	66,320	-	6,256,592	1.06%

County of Richmond, Virginia
Notes to Required Supplementary Information -Component Unit School Board
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County of Richmond, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Primary Government
For the Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 11,561	\$ 13,816	\$ 17,450	\$ 15,527	\$ 8,311	\$ 7,912	\$ 9,704
Interest	7,058	11,635	7,967	3,716	5,108	6,543	6,179
Effect of economic/demographic gains or losses	-	(109,281)	-	171,699	-	(7,271)	-
Changes of assumptions	(4,112)	(23,902)	(38,982)	28,193	15,531	(29,129)	(6,057)
Benefit payments	(26,930)	(23,715)	(22,337)	(18,390)	(9,600)	(8,082)	(8,370)
Net change in total OPEB liability	\$ (12,423)	\$ (131,447)	\$ (35,902)	\$ 200,745	\$ 19,350	\$ (30,027)	\$ 1,456
Total OPEB liability - beginning	195,162	326,609	362,511	161,766	142,416	172,443	170,987
Total OPEB liability - ending	\$ 182,739	\$ 195,162	\$ 326,609	\$ 362,511	\$ 161,766	\$ 142,416	\$ 172,443
 Covered-employee payroll	 \$ 4,015,725	 \$ 4,015,725	 \$ 3,269,443	 \$ 3,269,443	 \$ 2,985,128	 \$ 2,985,128	 \$ 2,541,300
 County's total OPEB liability as a percentage of covered-employee payroll	 4.55%	 4.86%	 9.99%	 11.09%	 5.42%	 4.77%	 6.79%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

County of Richmond, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Component Unit School Board
For the Years Ended June 30, 2018 through June 30, 2023

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 49,390	\$ 58,829	\$ 67,962	\$ 48,507	\$ 26,960	\$ 32,999	\$ 38,500
Interest	37,569	28,734	18,990	13,678	18,348	24,008	24,705
Effect of economic/demographic gains or losses	-	250,369	-	87,180	-	(68,794)	-
Changes of assumptions	(19,668)	(42,800)	(91,376)	125,887	55,275	(112,610)	(21,945)
Benefit payments	(68,138)	(68,055)	(40,140)	(28,799)	(26,076)	(42,782)	(61,983)
Net change in total OPEB liability	\$ (847)	\$ 227,077	\$ (44,564)	\$ 246,453	\$ 74,507	\$ (167,179)	\$ (20,723)
Total OPEB liability - beginning	1,013,652	786,575	831,139	584,686	510,179	677,358	698,081
Total OPEB liability - ending	\$ 1,012,805	\$ 1,013,652	\$ 786,575	\$ 831,139	\$ 584,686	\$ 510,179	\$ 677,358
 Covered-employee payroll	 \$ 7,736,743	 \$ 7,736,743	 \$ 7,150,416	 \$ 7,150,416	 \$ 6,522,584	 \$ 6,522,584	 \$ 5,904,727
 School Board's total OPEB liability (asset)							
as a percentage of covered-employee payroll	13.09%	13.10%	11.00%	11.62%	8.96%	7.82%	11.47%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

County of Richmond, Virginia
Notes to Required Supplementary Information - Primary Government OPEB
For the Year Ended June 30, 2022

Valuation Date: 7/1/2022
Measurement Date: 6/30/2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.93% based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates.
Inflation	2.50% per year
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.30% graded down to 3.90% over 50 years
Salary Increase Rates	The salary increase rate was 3.50% to 5.35% per annum for non-law officers and 3.50% to 4.75% per annum for law officers.
Retirement Age	The average age of retirement is 65
Mortality Rates	<p>Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p>

County of Richmond, Virginia
Notes to Required Supplementary Information - Component Unit School Board OPEB
For the Year Ended June 30, 2023

Valuation Date: 7/1/2022
Measurement Date: 6/30/2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.93% based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates.
Inflation	2.50% per year
Healthcare Trend Rate	6.30% for fiscal year end 2024, decreasing yearly to an ultimate rate of 3.90% in 2072
Salary Increase Rates	The salary increase rate was 3.50% to 5.35% per annum.
Retirement Age	The average age of retirement is 65
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

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OTHER SUPPLEMENTARY INFORMATION

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County of Richmond, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds					
	Richmond County Public <u>Library</u>	Special <u>Welfare</u>	Menokin <u>Foundation</u>	Northern Neck Regional Technical <u>Center</u>	Northern Neck Regional Special Education <u>Program</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 14,248	\$ 26,213	\$ -	\$ 326,181	\$ 1,574,525	\$ 1,941,167
Total assets	\$ 14,248	\$ 26,213	\$ -	\$ 326,181	\$ 1,574,525	\$ 1,941,167
NET POSITION						
Restricted for:						
Individuals, organizations, and other governments	\$ 14,248	\$ 26,213	\$ -	\$ 326,181	\$ 1,574,525	\$ 1,941,167
Total net position	\$ 14,248	\$ 26,213	\$ -	\$ 326,181	\$ 1,574,525	\$ 1,941,167

County of Richmond, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds					Total
	Richmond County Public Library	Special Welfare	Menokin Foundation	Northern Neck Regional Technical Center	Northern Neck Regional Special Education Program	
ADDITIONS						
Contributions	\$ 128,400	\$ 4,296	\$ -	\$ 2,747,798	\$ 2,099,350	\$ 4,979,844
Investment earnings:						
Interest and dividends	2,420	1,264	-	26,873	72,422	102,979
Revenue from the Commonwealth	46,510	-	-	-	-	46,510
Total additions	\$ 177,330	\$ 5,560	\$ -	\$ 2,774,671	\$ 2,171,772	\$ 5,129,333
DEDUCTIONS						
Recipient payments	\$ -	\$ 1,305	\$ -	\$ -	\$ -	\$ 1,305
Operations	171,913	-	-	2,710,925	1,540,550	4,423,388
Total deductions	\$ 171,913	\$ 1,305	\$ -	\$ 2,710,925	\$ 1,540,550	\$ 4,424,693
Net increase (decrease) in fiduciary net position	\$ 5,417	\$ 4,255	\$ -	\$ 63,746	\$ 631,222	\$ 704,640
Net position, beginning	8,831	21,958	-	262,435	943,303	1,236,527
Net position, ending	\$ 14,248	\$ 26,213	\$ -	\$ 326,181	\$ 1,574,525	\$ 1,941,167

County of Richmond, Virginia
Combining Balance Sheet - Governmental Funds
Discretely Presented Component Unit - School Board
June 30, 2024

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 712,161	\$ 586,374	\$ 517,686	\$ 1,816,221
Due from other governmental units	873,165	16,804	-	889,969
Advances to other funds	16,671	-	-	16,671
Total assets	<u>\$ 1,601,997</u>	<u>\$ 603,178</u>	<u>\$ 517,686</u>	<u>\$ 2,722,861</u>
LIABILITIES				
Accounts payable	\$ 39,013	\$ -	\$ -	\$ 39,013
Accrued liabilities	712,161	-	-	712,161
Due to other funds	-	16,671	-	16,671
Due to primary government	79,738	-	-	79,738
Total liabilities	<u>\$ 830,912</u>	<u>\$ 16,671</u>	<u>\$ -</u>	<u>\$ 847,583</u>
FUND BALANCES				
Reserved for:				
Education	\$ 771,085	\$ -	\$ -	\$ 771,085
Committed:				
School Cafeteria Fund	-	586,507	-	586,507
School Activity Funds	-	-	517,686	517,686
Total fund balances	<u>\$ 771,085</u>	<u>\$ 586,507</u>	<u>\$ 517,686</u>	<u>\$ 1,875,278</u>
Total liabilities and fund balances	<u>\$ 1,601,997</u>	<u>\$ 603,178</u>	<u>\$ 517,686</u>	<u>\$ 2,722,861</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Total fund balances per above				\$ 1,875,278
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Capital assets, cost			\$ 17,966,135	
Accumulated depreciation			<u>(7,684,016)</u>	10,282,119
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				
Net pension asset				77,892
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.				
Pension related items			\$ 2,810,830	
OPEB related items			<u>592,598</u>	3,403,428
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.				
Compensated absences			\$ (87,127)	
Net pension liability			(8,778,107)	
Net OPEB liabilities			<u>(2,501,487)</u>	(11,366,721)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items			\$ (946,110)	
OPEB related items			<u>(254,798)</u>	(1,200,908)
Net position of governmental activities				<u>\$ 3,071,088</u>

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County of Richmond, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ -	\$ 25,980	\$ -	\$ 25,980
Charges for services	-	55	-	55
Miscellaneous	414,877	48,432	791,109	1,254,418
Recovered costs	207,484	-	-	207,484
Intergovernmental:				
Local government	4,631,392	-	-	4,631,392
Commonwealth	13,670,058	29,798	-	13,699,856
Federal	1,893,305	943,551	-	2,836,856
Total revenues	\$ 20,817,116	\$ 1,047,816	\$ 791,109	\$ 22,656,041
EXPENDITURES				
Current:				
Education	\$ 20,946,426	\$ 1,089,998	\$ 611,704	\$ 22,648,128
Debt service:				
Principal retirement	38,585	-	-	38,585
Interest and other fiscal charges	1,441	-	-	1,441
Total expenditures	\$ 20,986,452	\$ 1,089,998	\$ 611,704	\$ 22,688,154
Excess (deficiency) of revenues over (under) expenditures	\$ (169,336)	\$ (42,182)	\$ 179,405	\$ (32,113)
Net change in fund balances	\$ (169,336)	\$ (42,182)	\$ 179,405	\$ (32,113)
Fund balances - beginning	940,421	628,689	338,281	1,907,391
Fund balances - ending	\$ 771,085	\$ 586,507	\$ 517,686	\$ 1,875,278

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ (32,113)

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 2,744,034	
Depreciation expense	(662,614)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Gc	582,716	2,664,136

The issuance of long-term debt (e.g. bonds, leases) 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, discounts, 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 items.

Principal retirement on capital financing	38,585
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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.

Change in compensated absences	\$ 7,433	
Pension expense	479,785	
OPEB expense	16,710	503,928
Change in net position of governmental activities		\$ 3,174,536

County of Richmond, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	143,120	143,120	414,877	271,757
Recovered costs	61,500	61,500	207,484	145,984
Intergovernmental:				
Local government	6,319,330	6,319,330	4,631,392	(1,687,938)
Commonwealth	12,846,222	12,846,222	13,670,058	823,836
Federal	1,435,350	1,435,350	1,893,305	457,955
Total revenues	\$ 20,805,522	\$ 20,805,522	\$ 20,817,116	\$ 11,594
EXPENDITURES				
Current:				
Education	\$ 20,805,522	\$ 20,805,522	\$ 20,946,426	\$ (140,904)
Debt service:				
Principal retirement	-	-	38,585	(38,585)
Interest and other fiscal charges	-	-	1,441	(1,441)
Total expenditures	\$ 20,805,522	\$ 20,805,522	\$ 20,986,452	\$ (180,930)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (169,336)	\$ (169,336)
Net change in fund balances	\$ -	\$ -	\$ (169,336)	\$ (169,336)
Fund balances - beginning	-	-	940,421	940,421
Fund balances - ending	\$ -	\$ -	\$ 771,085	\$ 771,085

School Cafeteria Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ 25,980	\$	25,980
-	-	55		55
371,873	371,873	48,432		(323,441)
-	-	-		-
-	-	-		-
22,487	22,487	29,798		7,311
570,000	570,000	943,551		373,551
\$ 964,360	\$ 964,360	\$ 1,047,816	\$	83,456
\$ 964,360	\$ 964,360	\$ 1,089,998	\$	(125,638)
-	-	-		-
-	-	-		-
\$ 964,360	\$ 964,360	\$ 1,089,998	\$	(125,638)
\$ -	\$ -	\$ (42,182)	\$	(42,182)
\$ -	\$ -	\$ (42,182)	\$	(42,182)
-	-	628,689		628,689
\$ -	\$ -	\$ 586,507	\$	586,507

County of Richmond, Virginia
Statement of Net Position
Discretely Presented Component Unit - Industrial Development Authority
June 30, 2024

	Industrial Development Authority
ASSETS	
Cash and cash equivalents	\$ 32,446
Lease receivable	55,198
Interest receivable	184
Capital assets:	
Land	149,907
Buildings and improvements	598,470
Machinery, equipment and vehicles	46,878
Accumulated depreciation	(403,614)
Total assets	<u>\$ 479,469</u>
DEFERRED OUTFLOWS OF RESOURCES	
Lease related	<u>\$ 50,552</u>
NET POSITION	
Investment in capital assets	\$ 391,641
Unrestricted	37,276
Total net position	<u>\$ 428,917</u>

County of Richmond, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2024

	Industrial Development <u>Authority</u>
OPERATING REVENUES	
Charges for services:	
Rents	\$ 14,366
Total operating revenues	<u>\$ 14,366</u>
OPERATING EXPENSES	
Other charges	\$ 26,722
Depreciation	15,889
Total operating expenses	<u>\$ 42,611</u>
Operating income (loss)	<u>\$ (28,245)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 4,698
Total nonoperating revenues (expenses)	<u>\$ 4,698</u>
Changes in net position	\$ (23,547)
Net position - beginning	452,464
Net position - ending	<u><u>\$ 428,917</u></u>

County of Richmond, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 11,907
Other receipts (payments)	(26,722)
Net cash provided by (used for) operating activities	<u>\$ (14,815)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Additions to capital assets	\$ (19,593)
Net cash provided by (used for) capital and related financing activities	<u>\$ (19,593)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	\$ 4,740
Net cash provided by (used for) investing activities	<u>\$ 4,740</u>

Net increase (decrease) in cash and cash equivalents	\$ (29,668)
--	-------------

Cash and cash equivalents - beginning	62,114
Cash and cash equivalents - ending	<u><u>\$ 32,446</u></u>

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

Operating income (loss)	\$ (28,245)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	15,889
(Increase) decrease in lease receivable	12,706
Increase (decrease) in deferred inflows of resources - lease	(15,165)
Total adjustments	<u>\$ 13,430</u>
Net cash provided by (used for) operating activities	<u><u>\$ (14,815)</u></u>

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,902,000	\$ 5,902,000	\$ 6,430,998	\$ 528,998
Real and personal public service corporation taxes	645,000	645,000	537,685	(107,315)
Personal property taxes	2,294,500	2,294,500	2,838,369	543,869
Mobile home taxes	11,500	11,500	12,217	717
Merchant's capital taxes	95,000	95,000	122,522	27,522
Machinery and tools taxes	53,000	53,000	62,860	9,860
Penalties	67,000	67,000	104,102	37,102
Interest	36,000	36,000	46,910	10,910
Total general property taxes	\$ 9,104,000	\$ 9,104,000	\$ 10,155,663	\$ 1,051,663
Other local taxes:				
Local sales and use taxes	\$ 1,700,000	\$ 1,700,000	\$ 1,598,543	\$ (101,457)
Consumers' utility taxes	122,000	122,000	117,875	(4,125)
Consumption tax	20,000	20,000	23,742	3,742
Motor vehicle licenses	264,000	264,000	-	(264,000)
Taxes on recordation and wills	90,000	90,000	84,668	(5,332)
Tobacco	-	-	11,265	11,265
Total other local taxes	\$ 2,196,000	\$ 2,196,000	\$ 1,836,093	\$ (359,907)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 3,500	\$ 3,500	\$ 2,121	\$ (1,379)
Transfer fees	350	350	354	4
Permits and other licenses	120,250	120,250	325,298	205,048
Total permits, privilege fees, and regulatory licenses	\$ 124,100	\$ 124,100	\$ 327,773	\$ 203,673
Fines and forfeitures:				
Court fines and forfeitures	\$ 42,000	\$ 42,000	\$ 48,432	\$ 6,432
Revenue from use of money and property:				
Revenue from use of money	\$ 210,850	\$ 210,850	\$ 345,438	\$ 134,588
Revenue from use of property	24,000	24,000	25,589	1,589
Total revenue from use of money and property	\$ 234,850	\$ 234,850	\$ 371,027	\$ 136,177
Charges for services:				
Sheriff's fees	\$ 1,000	\$ 1,000	\$ 1,166	\$ 166
Charges for courthouse maintenance	4,000	4,000	2,720	(1,280)
Charges for courthouse security	44,000	44,000	29,900	(14,100)
Charges for other court costs	-	-	4,559	4,559
Charges for Commonwealth's Attorney	500	500	1,009	509
Charges for EMS billings	405,000	405,000	448,353	43,353
Charges for correction and detention	-	-	728	728
Charges for other protection	-	-	10,416	10,416
Charges for postage	-	-	1,183	1,183
Charges for DMV fees	25,500	25,500	1,750	(23,750)
Total charges for services	\$ 480,000	\$ 480,000	\$ 501,784	\$ 21,784

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 963,500	\$ 963,500	\$ 87,677	\$ (875,823)
Recovered costs:				
Streetlights	\$ 4,150	\$ 4,150	\$ 2,186	\$ (1,964)
Solar project	-	-	128,105	128,105
Court services unit	15,750	15,750	14,242	(1,508)
Landfill	-	-	10,559	10,559
Other recovered costs	5,600	5,600	846	(4,754)
Total recovered costs	\$ 25,500	\$ 25,500	\$ 155,938	\$ 130,438
Total revenue from local sources	\$ 13,169,950	\$ 13,169,950	\$ 13,484,387	\$ 314,437
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	12,000	12,000	26,501	14,501
Rolling stock tax	1,000	1,000	1,556	556
Motor vehicle rental tax	-	-	1,504	1,504
Auto Rental	-	-	44,194	44,194
Communications tax	245,000	245,000	200,502	(44,498)
Opioid settlement	-	-	23,077	23,077
Personal property tax relief funds	803,954	803,954	803,955	1
Total noncategorical aid	\$ 1,061,954	\$ 1,061,954	\$ 1,101,289	\$ 39,335
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 204,000	\$ 204,000	\$ 206,958	\$ 2,958
Sheriff	830,000	830,000	871,625	41,625
Commissioner of revenue	100,000	100,000	108,738	8,738
Treasurer	117,500	117,500	122,258	4,758
Medical examiner	90	90	-	(90)
Registrar/electoral board	53,000	53,000	68,308	15,308
Clerk of the Circuit Court	236,000	236,000	261,178	25,178
Total shared expenses	\$ 1,540,590	\$ 1,540,590	\$ 1,639,065	\$ 98,475
Other categorical aid:				
Four for life grant	\$ 9,739	\$ 9,739	\$ 24,439	\$ 14,700
Fire program funds	31,000	31,000	32,805	1,805
Children's services act	268,000	268,000	220,486	(47,514)
Public assistance and welfare administration	611,840	611,840	323,148	(288,692)
Litter control grant	6,300	6,300	-	(6,300)

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Spay/neuter funds	\$ -	\$ -	\$ 48	\$ 48
Wireless grant	40,000	40,000	102,866	62,866
Forest	2,200	2,200	-	(2,200)
School resource officer	55,000	55,000	51,837	(3,163)
Victim witness grant	57,000	57,000	18,388	(38,612)
Circuit court records preservation grant	65,136	65,136	76,116	10,980
Law enforcement grant	10,620	10,620	-	(10,620)
Other state grants	-	-	19,627	19,627
Total other categorical aid	<u>\$ 1,156,835</u>	<u>\$ 1,156,835</u>	<u>\$ 869,760</u>	<u>\$ (287,075)</u>
Total categorical aid	<u>\$ 2,697,425</u>	<u>\$ 2,697,425</u>	<u>\$ 2,508,825</u>	<u>\$ (188,600)</u>
Total revenue from the Commonwealth	<u>\$ 3,759,379</u>	<u>\$ 3,759,379</u>	<u>\$ 3,610,114</u>	<u>\$ (149,265)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 26,000	\$ 26,000	\$ 26,234	\$ 234
Categorical aid:				
Emergency management plan grant	\$ -	\$ -	\$ 14,810	\$ 14,810
Law enforcement grant	-	-	13,652	13,652
State and community highway safety	22,400	22,400	44,997	22,597
Public assistance and welfare administration	400,000	400,000	637,513	237,513
Children's services act	-	-	22,292	22,292
QSCB interest rate subsidy	216,847	216,847	221,005	4,158
Victim witness grant	-	-	38,085	38,085
ARPA Act	-	-	1,203,004	1,203,004
Byrne Memorial assistance grant program	-	-	1,313	1,313
Total categorical aid	<u>\$ 639,247</u>	<u>\$ 639,247</u>	<u>\$ 2,196,671</u>	<u>\$ 1,557,424</u>
Total revenue from the federal government	<u>\$ 665,247</u>	<u>\$ 665,247</u>	<u>\$ 2,222,905</u>	<u>\$ 1,557,658</u>
Total General Fund	<u>\$ 17,594,576</u>	<u>\$ 17,594,576</u>	<u>\$ 19,317,406</u>	<u>\$ 1,722,830</u>

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds:				
Workforce Investment Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Workforce Investment Act	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Total revenue from the federal government	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Total Workforce Investment Act Fund	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Total Primary Government	\$ 17,594,576	\$ 19,115,220	\$ 20,838,050	\$ 1,722,830
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ 143,120	\$ 143,120	\$ 414,877	\$ 271,757
Total miscellaneous	\$ 143,120	\$ 143,120	\$ 414,877	\$ 271,757
Recovered costs:				
Other recovered costs	\$ 61,500	\$ 61,500	\$ 207,484	\$ 145,984
Total recovered costs	\$ 61,500	\$ 61,500	\$ 207,484	\$ 145,984
Total revenue from local sources	\$ 204,620	\$ 204,620	\$ 622,361	\$ 417,741
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Richmond, Virginia	\$ 6,319,330	\$ 6,319,330	\$ 4,631,392	\$ (1,687,938)

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,551,894	\$ 1,551,894	\$ 1,495,844	\$ (56,050)
Basic school aid	5,415,831	5,415,831	5,622,673	206,842
All in implementation	687,311	687,311	687,311	-
At risk payments	745,504	745,504	801,686	56,182
Compensation supplement	695,713	695,713	823,403	127,690
Early reading intervention	72,718	72,718	62,330	(10,388)
English as a second language	55,001	55,001	62,406	7,405
Fringe benefits	1,001,958	1,001,958	1,051,133	49,175
GED preparation assistance	-	-	8,173	8,173
Gifted and talented	48,961	48,961	51,364	2,403
Hold harmless	141,315	141,315	141,315	-
Homebound education	1,396	1,396	4,023	2,627
Industry certification	-	-	781	781
In lieu of sales tax	227,099	227,099	219,770	(7,329)
Jobs for VA graduates	-	-	30,000	30,000
Lottery/per pupil	362,021	362,021	371,400	9,379
Mentor teacher program	533	533	1,295	762
Primary class size	242,554	242,554	242,423	(131)
Project graduation	3,898	3,898	3,898	-
Regular foster care	-	-	9,387	9,387
Remedial education	201,966	201,966	211,878	9,912
Remedial summer education	56,011	56,011	71,841	15,830
School security	-	-	260,513	260,513
Special education	611,143	611,143	641,136	29,993
Special education - foster children	-	-	9,622	9,622
Special education - northern neck regional SPED	-	-	60,300	60,300
Special education - jails	-	-	2,032	2,032
SOL algebra readiness	26,346	26,346	29,042	2,696
CTE Equipment	-	-	5,413	5,413
Technology	102,000	102,000	-	(102,000)
Textbook payment	115,741	115,741	121,421	5,680
Vocational education	194,971	194,971	333,461	138,490
VPSI one time grant - Preschool	162,666	162,666	232,381	69,715
Workforce readiness	-	-	403	403
Other state funds	121,671	121,671	-	(121,671)
Total categorical aid	\$ 12,846,222	\$ 12,846,222	\$ 13,670,058	\$ 823,836
Total revenue from the Commonwealth	\$ 12,846,222	\$ 12,846,222	\$ 13,670,058	\$ 823,836

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title VI-B, special education flow-through	\$ 283,149	\$ 283,149	\$ 286,054	\$ 2,905
Preschool	-	-	18,697	18,697
Title V, rural and low income	-	-	879	879
Vocational education	24,748	24,748	22,747	(2,001)
Title I	329,493	329,493	272,339	(57,154)
Title II, Part A	45,937	45,937	58,219	12,282
Title III	7,982	7,982	3,972	(4,010)
JROTC	25,000	25,000	21,504	(3,496)
COVID 19 - ESSER funding	719,041	719,041	1,208,894	489,853
Total categorical aid	<u>\$ 1,435,350</u>	<u>\$ 1,435,350</u>	<u>\$ 1,893,305</u>	<u>\$ 457,955</u>
Total revenue from the federal government	<u>\$ 1,435,350</u>	<u>\$ 1,435,350</u>	<u>\$ 1,893,305</u>	<u>\$ 457,955</u>
Total School Operating Fund	<u><u>\$ 20,805,522</u></u>	<u><u>\$ 20,805,522</u></u>	<u><u>\$ 20,817,116</u></u>	<u><u>\$ 11,594</u></u>
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 25,980	\$ 25,980
Charges for services:				
Cafeteria sales	\$ -	\$ -	\$ 55	\$ 55
Miscellaneous:				
Other miscellaneous	\$ 371,873	\$ 371,873	\$ 48,432	\$ (323,441)
Total revenue from local sources	<u>\$ 371,873</u>	<u>\$ 371,873</u>	<u>\$ 74,467</u>	<u>\$ (297,406)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program	\$ 22,487	\$ 22,487	\$ 29,798	\$ 7,311
Total categorical aid	<u>22,487</u>	<u>22,487</u>	<u>29,798</u>	<u>7,311</u>
Total revenue from the Commonwealth	<u>22,487</u>	<u>22,487</u>	<u>29,798</u>	<u>7,311</u>
Revenue from the federal government:				
Categorical aid:				
School nutrition program	\$ 570,000	\$ 570,000	\$ 861,219	\$ 291,219
Commodities	-	-	53,735	53,735
Other categorical aid	-	-	28,597	28,597
Total categorical aid	<u>\$ 570,000</u>	<u>\$ 570,000</u>	<u>\$ 943,551</u>	<u>\$ 373,551</u>
Total School Cafeteria Fund	<u><u>\$ 964,360</u></u>	<u><u>\$ 964,360</u></u>	<u><u>\$ 1,047,816</u></u>	<u><u>\$ 83,456</u></u>

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
School Activity Funds:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 791,109	\$ 791,109
Total School Activity Funds	\$ -	\$ -	\$ 791,109	\$ 791,109
Total Discretely Presented Component Unit - School Board	\$ 21,769,882	\$ 21,769,882	\$ 22,656,041	\$ 886,159

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County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
Page 1 of 5

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 190,049	\$ 1,907,789	\$ 2,197,379	\$ (289,590)
General and financial administration:				
County administrator	\$ 259,494	\$ 259,494	\$ 248,093	\$ 11,401
Information technology	409,345	476,345	435,957	40,388
Commissioner of revenue	237,197	237,197	245,823	(8,626)
Assessor	25,000	120,217	120,277	(60)
Treasurer	293,043	293,043	311,552	(18,509)
Total general and financial administration	\$ 1,224,079	\$ 1,386,296	\$ 1,361,702	\$ 24,594
Board of elections:				
Electoral board and officials	\$ 18,175	\$ 48,039	\$ 50,434	\$ (2,395)
Registrar	102,940	125,450	130,037	(4,587)
Total board of elections	\$ 121,115	\$ 173,489	\$ 180,471	\$ (6,982)
Total general government administration	\$ 1,535,243	\$ 3,467,574	\$ 3,739,552	\$ (271,978)
Judicial administration:				
Courts:				
Circuit court	\$ 31,500	\$ 31,500	\$ 32,012	\$ (512)
General district court	4,585	4,585	1,772	2,813
Magistrate	47,509	47,509	35,229	12,280
Clerk of the circuit court	417,205	417,205	421,354	(4,149)
Total courts	\$ 500,799	\$ 500,799	\$ 490,367	\$ 10,432
Commonwealth's attorney:				
Commonwealth's attorney	\$ 357,823	\$ 357,823	\$ 351,040	\$ 6,783
Total judicial administration	\$ 858,622	\$ 858,622	\$ 841,407	\$ 17,215
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,344,746	\$ 2,552,306	\$ 2,655,789	\$ (103,483)
Fire and rescue services:				
Volunteer fire department	\$ 202,500	\$ 210,807	\$ 204,283	\$ 6,524
Volunteer rescue squad	1,337,594	1,474,635	1,484,985	(10,350)
Total fire and rescue services	\$ 1,540,094	\$ 1,685,442	\$ 1,689,268	\$ (3,826)
Correction and detention:				
Juvenile group home	\$ 13,125	\$ 13,125	\$ 13,125	\$ -

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 96,967	\$ 96,967	\$ 86,815	\$ 10,152
Other protection:				
Animal control	\$ 138,176	\$ 138,176	\$ 123,825	\$ 14,351
Medical examiner	400	400	60	340
E-911 system	117,200	699,588	845,938	(146,350)
Total other protection	\$ 255,776	\$ 838,164	\$ 969,823	\$ (131,659)
Total public safety	\$ 4,250,708	\$ 5,186,004	\$ 5,414,820	\$ (228,816)
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,150	\$ 4,150	\$ 5,118	\$ (968)
Sanitation and waste removal:				
Refuse collection and disposal	\$ 856,000	\$ 856,000	\$ 859,039	\$ (3,039)
Maintenance of general buildings and grounds:				
General properties	\$ 349,599	\$ 491,494	\$ 516,615	\$ (25,121)
Total public works	\$ 1,209,749	\$ 1,351,644	\$ 1,380,772	\$ (29,128)
Health and welfare:				
Health:				
Supplement of local health department	\$ 177,329	\$ 178,829	\$ 165,829	\$ 13,000
Mental health and mental retardation:				
Community services board	\$ 38,965	\$ 38,965	\$ 38,965	\$ -
Welfare:				
Area agency on aging	\$ 8,130	\$ 8,130	\$ 8,130	\$ -
Virginia public assistance	1,958,840	1,958,840	1,154,308	804,532
Tax relief for the elderly	-	-	54,053	(54,053)
Children's services act	387,500	387,500	337,620	49,880
NN free clinic	-	-	3,000	(3,000)
Tappahannock free clinic	-	-	7,000	(7,000)
Remote area medical	-	-	3,000	(3,000)
Total welfare	\$ 2,354,470	\$ 2,354,470	\$ 1,567,111	\$ 787,359
Total health and welfare	\$ 2,570,764	\$ 2,572,264	\$ 1,771,905	\$ 800,359
Education:				
Other instructional costs:				
Contributions to Rappahannock Community College	\$ 11,476	\$ 30,226	\$ 30,226	\$ -
Contribution to County School Board	4,882,227	4,965,327	4,631,392	333,935
Construction	-	-	59,159	(59,159)
Total education	\$ 4,893,703	\$ 4,995,553	\$ 4,720,777	\$ 274,776

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational programs	\$ 39,500	\$ 39,500	\$ 43,500	\$ (4,000)
Cultural enrichment:				
Richmond County museum	\$ 18,129	\$ 18,129	\$ 4,000	\$ 14,129
Library:				
Contribution to county library	\$ 109,000	\$ 109,000	\$ 109,000	\$ -
Total parks, recreation, and cultural	\$ 166,629	\$ 166,629	\$ 156,500	\$ 10,129
Community development:				
Planning and community development:				
Planning	\$ 283,201	\$ 365,443	\$ 198,662	\$ 166,781
Economic development	11,500	31,045	31,045	-
Northern Neck planning district commission	9,500	9,500	9,500	-
Total planning and community development	\$ 304,201	\$ 405,988	\$ 239,207	\$ 166,781
Environmental management:				
Contribution to soil and water conservation district	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Wetlands board	3,172	3,172	1,419	1,753
Total environmental management	\$ 18,172	\$ 18,172	\$ 16,419	\$ 1,753
Cooperative extension program:				
Extension office	\$ 47,000	\$ 47,000	\$ 34,664	\$ 12,336
Total community development	\$ 369,373	\$ 471,160	\$ 290,290	\$ 180,870
Nondepartmental:				
Other nondepartmental	\$ 290,579	\$ 326,338	\$ 233,152	\$ 93,186
Contingencies and miscellaneous	-	-	1,080	(1,080)
Total nondepartmental	\$ 290,579	\$ 326,338	\$ 234,232	\$ 92,106
Debt service:				
Principal retirement	\$ -	\$ -	\$ 1,274,291	\$ (1,274,291)
Interest and other fiscal charges	1,765,806	1,765,806	641,005	1,124,801
Total debt service	\$ 1,765,806	\$ 1,765,806	\$ 1,915,296	\$ (149,490)
Total General Fund	\$ 17,911,176	\$ 21,161,594	\$ 20,465,551	\$ 696,043

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds:				
Workforce Investment Act Fund:				
Community development:				
Bay Consortium Workforce Investment Board				
Other protection	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Total community development	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Total Workforce Investment Act Fund	\$ -	\$ 1,520,644	\$ 1,520,644	\$ -
Total Primary Government	\$ 17,911,176	\$ 22,682,238	\$ 21,986,195	\$ 696,043
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Instructional costs	\$ 15,658,972	\$ 15,658,972	\$ 15,357,780	\$ 301,192
Operating costs:				
Administration, attendance and health services	\$ 1,167,611	\$ 1,167,611	\$ 1,166,465	\$ 1,146
Pupil transportation	1,307,811	1,307,811	1,532,391	(224,580)
Operation and maintenance of school plant	2,671,128	2,671,128	2,889,790	(218,662)
Total operating costs	\$ 5,146,550	\$ 5,146,550	\$ 5,588,646	\$ (442,096)
Total education	\$ 20,805,522	\$ 20,805,522	\$ 20,946,426	\$ (140,904)
Debt service:				
Principal retirement	\$ -	\$ -	\$ 38,585	\$ (38,585)
Interest and other fiscal charges	-	-	1,441	(1,441)
Total debt service	\$ -	\$ -	\$ 40,026	\$ (40,026)
Total School Operating Fund	\$ 20,805,522	\$ 20,805,522	\$ 20,986,452	\$ (180,930)
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 964,360	\$ 964,360	\$ 1,089,998	\$ (125,638)
Total school food services	\$ 964,360	\$ 964,360	\$ 1,089,998	\$ (125,638)
Total education	\$ 964,360	\$ 964,360	\$ 1,089,998	\$ (125,638)
Total School Cafeteria Fund	\$ 964,360	\$ 964,360	\$ 1,089,998	\$ (125,638)

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 2
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Activity Funds:				
Education:				
Instruction	\$ -	\$ -	\$ 611,704	\$ (611,704)
Total education	\$ -	\$ -	\$ 611,704	\$ (611,704)
Total School Activity Funds	\$ -	\$ -	\$ 611,704	\$ (611,704)
Total Discretely Presented Component Unit - School Board	\$ 21,769,882	\$ 21,769,882	\$ 22,688,154	\$ (918,272)

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STATISTICAL INFORMATION

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Table 1

County of Richmond, Virginia
Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2024	\$ 2,527,589	\$ 837,447	\$ 4,639,264	\$ 1,405,427	\$ 1,764,822	\$ 6,416,110	\$ 111,136	\$ 1,638,952	\$ 582,758	\$ 19,923,505
2023	2,319,783	863,534	4,166,137	1,164,594	1,730,951	4,802,075	166,080	2,195,905	516,599	17,925,658
2022	1,644,874	810,671	4,415,169	1,110,140	1,676,140	5,175,333	156,251	1,700,927	532,201	17,221,706
2021	2,612,721	780,515	3,459,679	1,168,914	1,596,157	5,331,834	162,210	1,423,998	692,900	17,228,928
2020	1,615,192	737,081	2,966,810	1,155,898	1,514,695	5,210,228	158,884	2,158,471	692,599	16,209,858
2019	1,115,970	676,827	2,692,882	1,366,630	1,712,735	5,482,484	150,976	2,035,917	612,099	15,846,520
2018	1,156,714	702,259	2,810,860	1,200,647	1,655,037	5,093,707	142,795	2,181,334	676,629	15,619,982
2017	1,199,922	679,860	2,565,301	1,001,652	1,553,210	5,561,858	128,334	2,336,174	546,455	15,572,766
2016	1,201,406	670,488	2,493,259	1,023,874	1,630,672	7,274,186	88,765	229,255	583,898	15,195,803
2015	1,010,419	672,506	2,387,427	895,848	1,570,764	5,215,355	115,768	233,541	589,396	12,691,024

Table 2

County of Richmond, Virginia
Government-Wide Revenues
Last Ten Fiscal Years

PROGRAM REVENUES			GENERAL REVENUES						
Fiscal Year	Charges for Services	Operating Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions		
							Not Restricted to Specific Programs	Contributions from Richmond IDA	Total
2024	\$ 877,989	\$ 6,289,716	\$ 10,134,963	\$ 1,836,093	\$ 371,027	\$ 87,677	\$ 1,127,523	\$ -	\$ 20,724,988
2023	753,019	5,571,808	9,673,222	1,886,236	262,575	105,587	1,149,591	-	19,402,038
2022	698,476	4,899,054	9,274,101	1,782,508	14,047	45,054	1,685,258	-	18,398,498
2021	508,706	5,242,855	9,016,703	1,976,648	39,202	312,974	1,246,390	-	18,343,478
2020	440,318	4,689,466	8,518,390	1,813,034	95,099	339,758	1,196,507	10,000	17,102,572
2019	502,285	4,597,607	8,475,342	1,712,840	95,241	56,022	1,133,335	-	16,572,672
2018	496,099	4,946,946	8,298,459	1,504,943	46,929	165,675	1,145,684	-	16,604,735
2017	464,313	4,775,138	8,097,044	1,595,454	22,904	80,301	1,118,371	-	16,153,525
2016	436,188	2,933,962	7,682,309	1,508,226	16,539	149,040	1,144,085	-	13,870,349
2015	413,529	2,600,508	7,360,601	1,323,118	31,078	184,290	1,204,750	75,000	13,192,874

Table 3

County of Richmond, Virginia
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Total
2024	\$ 3,739,552	\$ 841,407	\$ 5,414,820	\$ 1,380,772	\$ 1,771,905	\$ 22,737,513	\$ 156,500	\$ 1,810,934	\$ 234,232	\$ 1,955,322	\$ 40,042,957
2023	2,242,119	758,571	4,175,451	1,169,295	1,766,119	20,963,258	166,080	2,297,628	181,163	2,115,210	35,834,894
2022	2,476,801	692,990	3,952,740	1,081,888	2,590,050	19,404,489	156,251	1,796,368	47,500	1,739,272	33,938,349
2021	2,530,108	643,211	3,181,384	1,128,221	2,408,671	16,943,328	161,520	1,534,561	111,441	3,831,992	32,474,437
2020	1,477,139	623,833	2,987,688	1,127,992	2,304,703	15,848,844	159,179	2,158,112	81,861	1,845,363	28,614,714
2019	1,129,077	594,757	3,137,698	1,029,423	2,546,282	15,250,992	152,620	2,045,011	68,228	1,810,162	27,764,250
2018	1,076,488	571,533	3,006,303	1,034,255	2,505,914	14,751,040	142,532	2,177,947	49,128	1,808,739	27,123,879
2017	1,138,798	557,419	2,661,534	991,323	2,174,990	14,691,720	128,386	2,334,403	67,957	1,718,644	26,465,174
2016	1,221,390	629,439	2,732,816	1,041,407	2,222,780	14,466,568	167,886	217,722	66,227	1,633,827	24,400,062
2015	1,001,344	654,643	2,564,027	904,524	2,170,967	13,961,741	146,032	242,690	43,544	1,597,674	23,287,186

(1) Includes general and special revenue funds of the Primary Government, and its Discretely Presented Component Unit-School Board; excludes capital projects expenditures.

Table 4

County of Richmond, Virginia
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2024	\$ 10,155,663	\$ 1,836,093	\$ 327,773	\$ 48,432	\$ 397,007	\$ 501,839	\$ 1,342,095	\$ 363,422	\$ 23,890,375	\$ 38,862,699
2023	9,669,669	1,886,236	184,342	57,438	265,071	511,514	1,012,690	298,434	22,997,183	36,882,577
2022	9,206,194	1,782,508	207,310	53,780	14,090	452,089	766,572	1,134,780	20,836,281	34,453,604
2021	9,080,147	1,976,648	71,301	48,578	39,228	393,257	766,512	1,415,505	18,346,373	32,137,549
2020	8,425,987	1,813,034	74,400	25,433	95,126	372,732	477,651	908,436	16,844,920	29,037,719
2019	8,449,105	1,712,840	57,859	42,323	99,632	438,830	222,081	904,762	16,080,401	28,007,833
2018	8,369,159	1,504,943	80,149	50,298	47,622	455,063	336,932	992,723	16,069,022	27,905,911
2017	8,196,389	1,595,454	46,744	42,184	37,418	472,121	302,813	688,818	15,389,005	26,770,946
2016	7,647,553	1,508,226	54,875	41,110	20,598	460,271	555,726	829,382	13,047,621	24,165,362
2015	7,431,289	1,323,118	58,390	37,152	25,025	436,648	275,897	946,669	12,554,441	23,088,629

(1) Includes general and special revenue funds of the Primary Government and its Discretely Presented Component Unit-School Board; excludes capital projects funds.

Table 5

County of Richmond, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1,2)	Total Tax Collections	Percent of	
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1, 2)
							Percent of Delinquent Taxes to Tax Levy
2024	\$ 11,112,256	\$ 10,563,262	95.06%	\$ 245,344	10,808,606	97.27%	\$ 345,509 3.11%
2023	10,846,709	10,115,224	93.26%	222,910	10,338,134	95.31%	347,713 3.21%
2022	9,989,882	9,948,145	99.58%	164,297	10,112,442	101.23%	330,480 3.31%
2021	9,425,511	9,301,600	98.69%	446,688	9,748,288	103.42%	281,200 2.98%
2020	9,174,934	8,866,262	96.64%	187,327	9,053,589	98.68%	335,685 3.66%
2019	9,132,382	8,815,793	96.53%	203,967	9,019,760	98.77%	267,301 2.93%
2018	8,965,692	8,739,107	97.47%	248,563	8,987,670	100.25%	254,106 2.83%
2017	8,808,383	8,427,059	95.67%	358,576	8,785,635	99.74%	292,770 3.32%
2016	8,357,577	7,995,339	95.67%	244,771	8,240,110	98.59%	410,884 4.92%
2015	8,129,588	7,772,456	95.61%	294,468	8,066,924	99.23%	385,381 4.74%

Table 6

County of Richmond, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile				Public Utility (2)			Total
		Homes	Machinery and Tools	Merchant's Capital	Real Estate		Personal		
2024	\$ 900,166,399	\$ 103,057,640	\$ 17,314,800	\$ 3,476,380	\$ 70,636,542	\$ 1,152,775	\$ 1,095,804,536		
2023	856,642,787	107,241,566	13,917,050	3,014,050	83,836,715	1,705,168	1,066,357,336		
2022	842,831,910	82,066,680	14,043,010	2,679,000	84,211,938	1,930,469	1,027,763,007		
2021	826,222,795	77,798,108	11,370,210	2,264,830	75,161,362	2,010,857	994,828,162		
2020	806,371,551	70,823,970	10,771,210	1,990,350	69,092,906	1,556,117	960,606,104		
2019	803,825,024	70,041,071	4,721,940	1,947,780	75,657,362	1,686,879	957,880,056		
2018	802,339,284	66,559,619	4,711,590	1,879,500	73,189,440	1,786,937	950,466,370		
2017	795,835,664	64,488,034	4,049,620	1,827,220	63,132,163	1,614,273	930,946,974		
2016	791,569,124	61,822,591	3,405,019	1,798,680	59,110,301	1,499,177	919,204,892		
2015	782,102,928	60,970,573	3,317,151	1,769,910	61,611,846	1,384,915	911,157,323		

Table 7

County of Richmond, Virginia
Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital	Public Utility	
					Real Estate	Personal Property
2024	\$ 0.70	\$ 3.75	\$ 0.40	\$ 3.50	\$ 0.70	\$ 3.75
2023	0.70	3.75	0.40	3.50	0.70	3.75
2022	0.70	3.75	0.40	3.50	0.70	3.75
2021	0.70	3.75	0.40	3.50	0.70	3.75
2020	0.70	3.75	0.40	3.50	0.70	3.75
2019	0.70	3.75	0.40	3.50	0.70	3.75
2018	0.70	3.75	0.40	3.50	0.70	3.75
2017	0.70	3.75	0.40	3.50	0.70	3.75
2016	0.67	3.75	0.40	3.50	0.67	3.75
2015	0.67	3.50	0.01	3.50	0.67	3.50

Table 8

County of Richmond, Virginia
Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands)(2)	Gross and Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2024	8,947	\$ 1,095,805	\$ 10,364,317	0.95%	\$ 1,158
2023	8,947	1,066,357	11,263,875	1.06%	1,259
2022	8,947	1,027,763	12,148,433	1.18%	1,358
2021	8,923	994,828	13,017,992	1.31%	1,459
2020	9,254	960,606	13,872,551	1.44%	1,499
2019	9,254	957,880	14,433,868	1.51%	1,560
2018	9,254	950,466	14,987,305	1.58%	1,620
2017	9,254	930,947	15,528,235	1.67%	1,678
2016	9,254	919,205	16,061,983	1.75%	1,736
2015	9,254	911,157	16,588,442	1.82%	1,793

COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**Independent Auditors' Report 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 Board of Supervisors
County of Richmond
Warsaw, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Richmond, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise County of Richmond, Virginia's basic financial statements and have issued our report thereon dated January 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Richmond, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Richmond, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Richmond, Virginia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Richmond, Virginia'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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Fennell, Cox Associates

Richmond, Virginia
January 16, 2025

**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

**To the Honorable Members of the Board of Supervisors
County of Richmond
Warsaw, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Richmond, Virginia's 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 County of Richmond, Virginia's major federal programs for the year ended June 30, 2024. County of Richmond, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Richmond, Virginia complied, in all material respects, with the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Richmond, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Richmond, Virginia'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 County of Richmond, Virginia's federal programs.

Auditors' 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 County of Richmond, Virginia'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 County of Richmond, Virginia'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 County of Richmond, Virginia'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 County of Richmond, Virginia'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 County of Richmond, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

Robinson, Fennell, Cox Associates

Richmond, Virginia
January 16, 2025

County of Richmond, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Page 1 of 2

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Pass-Through Payments:				
<i>Department of Social Services:</i>				
Guardianship Assistance	93.090	1110123/1110124		\$ 139
Title IV-E Prevention Program	93.472	1140123/1140124		1,970
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123		8,174
Temporary Assistance for Needy Families	93.558	0400123/0400124		85,512
Refugee and Entrant Assistance State/Replacement Designee				
Administered Programs	93.566	0500123/0500124		400
Low-Income Home Energy Assistance	93.568	0600423/0600424		20,395
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child				
Care and Development Fund	93.596	0760123/0760124		20,627
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123		94
Foster Care - Title IV-E	93.658	1100123/1100124		60,739
Adoption Assistance	93.659	1120123/1120124		18,036
Social Services Block Grant	93.667	1000123/1000124		100,313
John H. Chafee Foster Care Program for Successful Transition				
to Adulthood	93.674	9150122/9150123		883
Elder Abuse Prevention Interventions Program	93.747	8000321		751
Children's Health Insurance Program	93.767	0540123/0540124		1,683
Medicaid Cluster:				
Medical Assistance Program	93.778	1200123/1200124		146,917
Total Department of Health and Human Services				<u>\$ 466,633</u>
Department of Homeland Security:				
Pass Through Payments:				
<i>Department of Emergency Management:</i>				
Emergency Management Performance Grants	97.042	7750100-52740		<u>\$ 14,809</u>
Department of Agriculture:				
Pass-Through Payments:				
Child Nutrition Cluster:				
<i>Department of Agriculture:</i>				
Summer Food Service Programs for Children	10.559	202323N11994 1	\$ 22,074	
Food Distribution	10.555	17901-45707	53,735	
<i>Department of Education:</i>				
National School Lunch Program				
	10.555	202221N89034 1/202323N11994 1/202424N11994 1	599,887	
			<u>\$ 675,696</u>	
School Breakfast Program				
	10.553	202323N11994 1/202424N11994 1	<u>\$ 261,333</u>	937,029
<i>Department of Agriculture:</i>				
Child and Adult Care Food Program (CACFP)	10.558	202424N11994 1		6,523
<i>Department of Social Services:</i>				
SNAP Cluster:				
State Administrative Matching Grants for the		0010123/0010124/		
Supplemental Nutrition Assistance Program	10.561	0040123/0040124	186,268	186,268
Total Department of Agriculture				<u>\$ 1,129,820</u>

County of Richmond, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Page 2 of 2

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
Department of Labor:				
Pass Through Payments:				
<i>Virginia Community College System:</i>				
WIOA Cluster:				
WIOA Adult Program	17.258	Not Available	\$ 483,908	\$ 483,908
WIOA Youth Activities	17.259	Not Available	485,121	485,121
WIOA Dislocated Worker Formula Grants	17.278	Not Available	458,026	458,026
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Not Available		93,589
Total Department of Labor				\$ 1,520,644
Department of Justice:				
Pass Through Payments:				
<i>Department of Criminal Justice Services:</i>				
Crime Victim Assistance	16.575	24-01239VW20		\$ 38,085
Juvenile Justice and Delinquency Prevention	16.540	504159/521564		13,651
Edward Byrne Memorial Justice Assistance Grant Program	16.738	527818		1,313
Total Department of Justice				\$ 53,049
Department of Transportation:				
Pass-Through Payments:				
<i>Department of Motor Vehicles:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	605007		\$ 23,736
Alcohol Open Container Requirements	20.607	605007		21,261
Total Department of Transportation				\$ 44,997
Department of Education:				
Pass-Through Payments:				
<i>Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	S010A230046		\$ 265,240
Special Education Cluster:				
Special Education - Grants to States	84.027	H027A210107/H027X2 10107/H027A230107 H173X210112/H173A2	\$ 276,545	
Special Education - Preschool Grants	84.173	20112	28,206	304,751
Career and Technical Education - Basic Grants to States	84.048	V048A220046		22,747
Rural Education	84.358	S358B210046		879
English Language Acquisition State Grants	84.365	17901-60512		3,972
Supporting Effective Instruction State Grants	84.367	S367A220044/S367A23 0044		58,219
Student Support and Academic Enrichment Program	84.424	S424A200048/S424A22 0048		7,099
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	S425D210008	\$ 50,532	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	1,139,348	1,189,880
Total Department of Education				\$ 1,852,787
Department of Treasury:				
Pass-Through Payments:				
<i>Department of Accounts:</i>				
COVID-19 - Local Assistance and Tribal Consistency Fund	21.032	Not Available		\$ 50,000
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222/2206FFARPA /SLFRP1026		1,178,923
Total Department of Treasury				\$ 1,228,923
Department of Defense:				
Direct Payments:				
Junior ROTC	12.U01	N/A		\$ 21,504
Total Expenditures of Federal Awards			\$ 1,427,055	\$ 6,333,166

See accompanying notes to schedule of expenditures of federal awards.

County of Richmond, Virginia
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Richmond, Virginia under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Richmond, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the County of Richmond, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 2,222,905
Special Revenue Funds:	
Workforce Investment Act Fund	1,520,644
Total primary government	<u>\$ 3,743,549</u>

Component Unit School Board:

School Operating Fund	\$ 1,893,305
School Cafeteria Fund	943,551
Total Component Unit School Board	<u>\$ 2,836,856</u>

Total federal expenditures per basic financial statements	<u>\$ 6,580,405</u>
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Add: USDA loan proceeds

Less: Federal interest subsidy	(221,005)
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Less: Payment in Lieu of Taxes	<u>(26,234)</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u><u>\$ 6,333,166</u></u>
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County of Richmond, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes ✓ no

Significant deficiency(ies) identified? _____ yes ✓ none reported

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes ✓ no

Significant deficiency(ies) identified? _____ yes ✓ none reported

Type of auditors' report issued on compliance
for major programs: unmodified

Any findings disclosed that are required to be
reported in accordance with 2 CFR section 200.516(a)? _____ yes ✓ no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A
and type B programs: \$750,000

Auditee qualified as low-risk auditee? ✓ yes _____ no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

County of Richmond, Virginia
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

Section IV-Commonwealth of Virginia Findings and Questioned Costs

None