

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024





# COUNTY OF CHESTERFIELD, VIRGINIA



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

Prepared by  
Accounting Department, Finance and Administration



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## BOARD OF SUPERVISORS

**JAMES M. "Jim" HOLLAND, CHAIR**  
Dale District

**MARK S. MILLER, Ph.D., VICE CHAIR**  
Midlothian District

**JIM A. INGLE**  
Bermuda District

**JESSICA SCHNEIDER**  
Clover Hill District

**KEVIN P. CARROLL**  
Matoaca District

November 5, 2024

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Chesterfield County, Virginia (the County), as of and for the fiscal year ended June 30, 2024. State law requires that local governments have all their accounts and records, including accounts and records of their constitutional officers, that comprise the financial statements be audited annually as of June 30 by an independent certified public accountant and that they submit an audited financial report on or before December 15 to the Auditor of Public Accounts of the Commonwealth of Virginia (APA). The County's Accounting Department has prepared this report in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board and the APA.

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

Cherry Bekaert LLP, a firm of licensed certified public accountants, audited the County's financial statements as of and for the fiscal year ended June 30, 2024. The independent auditors planned and performed the audit to obtain reasonable assurance that the financial statements of the County, as of and for the fiscal year ended June 30, 2024, are free from material misstatement. The independent audit involved performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The independent auditors concluded, based on the evidence obtained while following all applicable auditing standards, that there was a reasonable basis for forming and expressing unmodified opinions, that the County's financial statements as of and for the year ended June 30, 2024, are fairly presented, in all material respects, in conformity with GAAP. The report of the independent auditor on the financial statements is presented as the first component of the Financial Section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the Schedule of Expenditures of Federal Awards in relation to the audited financial statements, but also on the audited government's compliance with federal requirements that could have a direct and material effect on each of its major federal programs and on internal control over compliance in accordance with the U.S. Office of Management and Budget's Uniform Guidance. The independent auditors' report on the Uniform Guidance for the County is available in the Compliance Section of this report.

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

### **Profile of the County**

The County is in the mid-Atlantic region of the U.S. in east-central Virginia and is part of the Richmond Metropolitan Statistical Area (MSA). Residents enjoy a location that is within a two-hour drive of the Virginia beaches, the Blue Ridge Parkway, and Washington D.C. Area businesses are within a one-day commute of 50% of the nation's population, 60% of the nation's corporate headquarters and 65% of the nation's manufacturing operations in the country. In 2015, The Boyd Co. ranked Chesterfield as the top location on the East Coast, and one of the best places in the nation, for logistics-related businesses. Additionally, in 2021 Money Magazine ranked Chesterfield as one of the top places to live in the country. The County's major transportation routes include the I-95 and I-295 corridors with Route 288, Route 76 (Powhite Parkway), and Route 150 (Chippenham Parkway) as connecting routes providing quick access to I-64 to the north and I-85 to the south. This strategic location has been a catalyst for residential, commercial and industrial growth. The land area of the County totals 446 square miles. A large portion of land in the County, especially in the southwestern area, remains rural. The County's population is estimated at 388,000.

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

The County operates pursuant to a County Charter approved by the citizens of the County in a referendum election and subsequently enacted by the Virginia General Assembly in 1988 with the most recent charter amendments occurring in fiscal year 2017. The governing body of the County is the Board of Supervisors (Board) which is composed of five members, one member elected from each of five magisterial districts. Members must reside in the district that he or she serves and are elected for four-year terms. The term of the current Board began January 2024 and will continue through December 2027. The Board establishes policies governing the administration of the County and appoints a County Administrator who serves at the pleasure of the Board to execute the policies.

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

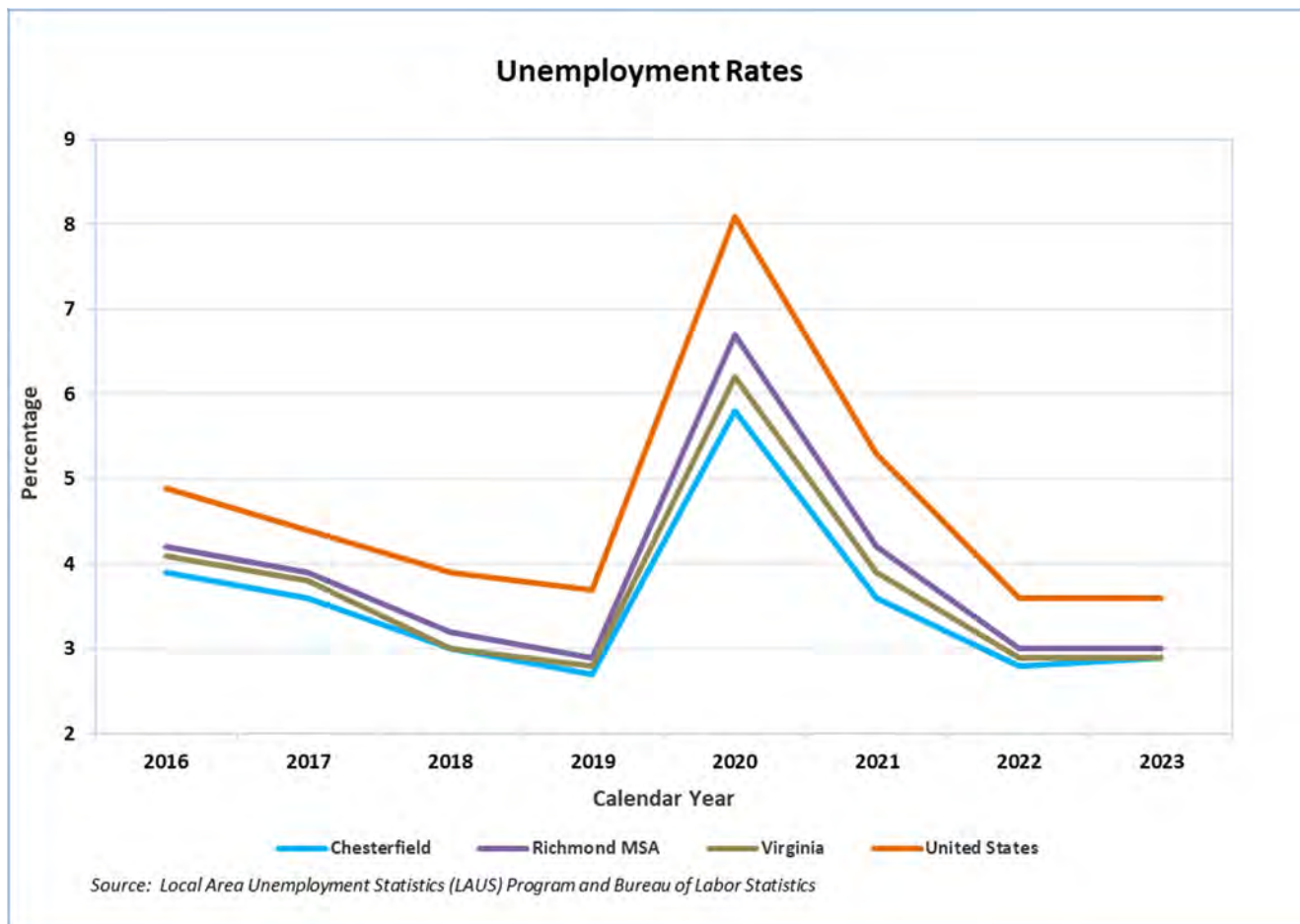
The financial reporting entity includes all funds of the County, the primary government, and its component units. One discretely presented component unit (School Board) and one blended component unit (Economic Development Authority) are included in the reporting entity because of the County's financial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

The annual General Fund budget serves as the foundation for the County's financial planning and control. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget by May 1st of each year. The appropriated budget is adopted at the function level for the General Fund. The County Administrator is authorized to amend appropriations by transferring any unencumbered balance, or portion thereof, from one classification of expenditure to another within the same department or appropriation category and may transfer up to \$50,000 from the unencumbered appropriated balance of one appropriation category to another appropriation category. No more than one transfer may be made for the same item causing the need for a transfer, except when the total amount to be transferred for the item does not exceed \$50,000. The Board must approve most other amendments that increase the total appropriation of any function level.

### Local Economy

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

The County's ability to attract a highly skilled labor force to quality jobs in the region positions the County to prosper during healthy economic times and weather downturns in a slower economy. In addition, the County's annual unemployment rate for calendar year 2023 (CY2023) is 2.9% reflecting little change from 2.8% in the prior year. The County's annual unemployment rate is comparable to the Richmond MSA and the Commonwealth's rates of 3.0% and 2.9%, respectively, and favorable to the U.S. rate of 3.6%. For August 2024, the County's unemployment rate at 3.4% remains comparable to the Richmond MSA's rate of 3.6% and the Commonwealth's rate of 3.5% with the U.S. unemployment rate at 4.2%.



The County is committed to cultivating a vibrant economy that enhances economic opportunities by attracting new business capital investment and encouraging reinvestment by established businesses, with both creating new jobs. The County's Department of Economic Development (Economic Development) works to attract significant new business and assists existing County businesses in expanding their operations. During FY2024, economic

development announced \$2.8 billion in investments including 1.9 million square footage of commercial space projected to add over a thousand jobs to the local economy.

Meadowville Technology Park (MTP), continues to be a thriving business hub in our region with announcements from Chirisa Technology Parks (Chirisa) and Topsoe adding to the momentum. MTP is one of Virginia's largest, most innovative and connected employment centers, with its location at the junction of Interstate 295 and the historic James River, and the completion of the Meadowville interchange has attracted substantial investment bringing hundreds of jobs to the County and has increased the assessed property value from below \$10 million initially to more than \$330 million. MTP's master plan allows a variety of uses including technology/R&D, corporate/general office, data centers, life sciences, micro-electronics, manufacturing and assembly, and biotech/pharmaceutical operations. Design guidelines and architectural standards have been put in place to ensure a first-class development. Chirisa and its partners will invest over \$2 billion in state-of-the-art data center facilities tailored to specific user and business needs in premier data center markets. During the construction of this phase of the Chirisa project, over 1,000 people are expected to be employed on-site. Topsoe, a Danish manufacturer and leading global provider of technology and solutions for energy transition combating climate change, plans to invest more than \$400 million to build a factory. This would be Topsoe's largest U.S. investment. The project is expected to create 150 new jobs. Chirisa and Topsoe join other partners including LEGO, Plenty and Civica with significant investments that will be instrumental in shaping the business landscape.

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

Plenty Unlimited, Inc. is making a \$300 million investment at MTP. The largest investment for an indoor farming company. Plenty has developed the world's most advanced indoor farm, powered by the company's more than 200 patent assets, to efficiently and sustainably grow clean, flavorful produce year-round on its more than 30-foot grow towers. Plenty will complete its Richmond Farm Campus in multiple phases over the next six years, creating more than 300 full-time jobs. The company's first farm on this site, a dedicated Driscoll's berry farm opened in 2024, is the world's first farm to grow in indoor, vertically farmed strawberries to scale.

Civica Inc. announced it will invest \$27.8 million to establish a new laboratory testing facility at MTP. The company will construct a 55,000-square-foot facility to support Civica's Petersburg pharmaceutical manufacturing operation through quality testing and the development of new products. The Civica project will create 51 new jobs. In addition, it will host a scale-up manufacturing facility operated by Virginia Commonwealth University's Medicines for All Institute, which will generate additional employment.

Springline at District 60 is a multi-phase project at the site of the former Spring Rock Green property, which was acquired by the Chesterfield Economic Development Authority in September of 2021. The first phase called The James at Springline broke ground in the fall of 2023 including 298 apartment units and 28,000 square feet of ground level retail. The approximately \$85 million project will create a walkable urban mixed-use center with abundant green space, bike and trailways, wide streetscapes and at the center a large open space perfect for concerts, farmer's markets, festivals and other community events with completion slated for 2025. In addition, Timmons Group announced they will develop a 150,000-square-foot office building to serve as their new corporate headquarters on the site. The \$50 million, five-story Class A office building is fully leased and will be the new home for Timmons Group employees and employees from the Chesterfield County Public Schools, which will free up valuable instructional space at the Chesterfield Career and Technical Center (CTC) - Hull campus.

Condair Group AG, an international evaporative technologies manufacturing company, will invest \$57.2 million to establish a new production facility. The new, 400,000-sq.-ft. location is scheduled to begin operations in early 2025, and the project will create 180 new jobs. Condair's major customers include Amazon Web Services and Microsoft, along with other data center and supercomputing operators.

Other projects include Courthouse Landing (\$250 million), The LAKE (\$170 million), OrthoVirginia (\$50 million), Church & Dwight (\$27 million), Weidmüller Group (\$16.4 million) and MedRVA at Ironbridge Commons (\$15.4 million). These investments validate Chesterfield's strong position in attracting distribution, mixed-use, and healthcare operations.

Trends in taxable retail sales in the County continue to compare favorably to the Richmond MSA and the Commonwealth. The average annual percentage increase in the County's taxable retail sales was 4.5% for the period 2014 to 2023 and is comparable to the increase of 4.6% for the Richmond MSA and favorable to the increase of 3.6% for the Commonwealth during the same period. Spending locally continues to increase, although at a slower pace than in recent years with the pressures of inflation.

**Taxable Retail Sales**  
(\$ in 000's)

Calendar Year	Chesterfield County	% Change	Richmond MSA	% Change	Commonwealth of Virginia	
						% Change
2014	3,943,519	5.1	15,698,529	3.8	96,243,827	1.7
2015	4,073,926	3.3	16,440,786	4.7	100,219,957	4.1
2016	4,179,659	2.6	16,641,946	1.2	101,678,812	1.5
2017	4,394,824	5.1	17,266,789	3.8	103,741,107	2.0
2018	4,533,449	3.2	18,138,765	5.1	106,075,147	2.2
2019	4,495,031	(0.8)	17,941,752	(1.1)	107,779,678	1.6
2020	4,594,965	2.2	18,125,259	1.0	104,359,825	(3.2)
2021	5,211,996	13.4	20,665,063	14.0	118,653,893	13.7
2022	5,597,147	7.4	22,614,670	9.4	129,002,040	8.7
2023	5,809,105	3.8	23,622,084	4.5	133,864,998	3.8

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

The County continues to expand its revenue base by attracting a diversified pool of taxpayers and employers. During the year ended June 30, 2024, the top ten taxpayers accounted for 3.47% of the County's total assessed value tax base. The County's taxpayer and employment bases contain a broad range of industries including healthcare, retail sales, utilities, and manufacturing. Detailed information regarding the top ten taxpayer statistics and employer diversity can be found on Statistical Tables VIII and XIV, respectively.

The County's real estate market remains strong with the value of real property, including changes in the values of existing properties and gains from new construction, increasing 9.4% for fiscal year 2024. This increase is higher than the prior year increase of 7.8%. Calendar year 2024 assessments shows a slowdown in growth for aggregate value of existing residential properties as values increased slightly 9.0% compared to 8.8% over the prior year. The County expects revaluation of existing residential property to return historical trend levels of two to four percent.

Chesterfield's Sports, Visitation and Entertainment department launched two brands: Experience Chesterfield and Play Chesterfield to showcase the attractions that make the County one of the top tourist destinations in Virginia and the broader mid-Atlantic. In FY2024, the County welcomed 1.9 million visitors, a 5.5% increase over the prior year, equating to an estimated \$970 million in local economic activity. Sports tourism continues to be an important part of the County's diverse revenue base. In FY2024, the County hosted 160 sporting events, almost double the number hosted in FY2023, with a direct economic impact of \$79.3 million and an estimated \$2.5 million in local tax revenue. The County has expanded its portfolio of world-class facilities by adding a second destination sports complex, The Diamonds at Iron Bridge located at Harry G. Daniel Park including six renovated softball fields. River City Sportsplex, the County's first sports complex and nationally recognized as a premier tournament destination, hosted 31 events representing over 70% of the overall sports tourism economic impact for FY2024. To further enhance and maximize the experience of visitors to River City Sportsplex and the region, the County's bond referendum approved November 2022 includes funding for stadium seating, turf replacements and new fields at River City Sportsplex, as well as two new boat ramps and increased public access to water resources for boating and other recreational activities.

## Long-term Financial Planning

The County provides a high quality of life, unparalleled public safety and a school system nationally recognized for its quality of education. The County's strategic plan, Blueprint Chesterfield, was updated as of July 1, 2024, and demonstrates the County's vision to deliver services that make it an extraordinary and innovative community in which to live, learn, work, and play. The current strategic goals are:

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

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

Fiscal integrity is a top priority for the County. The County's financial policies establish the framework for financial planning and management, facilitate evaluating future funding and spending proposals, and provide guidelines to measure budgetary performance. These financial policies further ensure that the County continues to achieve everyday excellence in government by providing direction in the areas of revenues, operating expenditures, capital expenditures, and debt management. The Board reviews all County financial policies at least every five years. The most recent updates occurred during the development of the FY2025 budget.

The County prepares a Capital Improvement Program (CIP) each year, which serves as a planning tool for the efficient, effective and equitable distribution of public improvements throughout the County. The development of the CIP is guided by the County's Public Facilities Plan, which comprehensively assesses County public facility needs in relation to existing and future growth patterns through the consideration of population growth, projected density, economic development and service levels. County departments are asked to submit requests for Capital Improvement Programs (CIP) for a five-year horizon which are reviewed by staff, the Citizen's Budget and Advisory Committee, and executive leadership prior to being presented to the Board. The adopted CIP is a component of the annual financial plan. The FY2025 - FY2029 CIP plan includes a historic \$311 million transportation bond package supported by local Central Virginia Transportation Authority (CVTA) revenues, the county's largest single infrastructure initiative. The overall CIP is a diverse mix of projects to address infrastructure needs with 75% of the projects focused on transportation, capital facilities identified in the November 2022 \$540 million bond referendum and major maintenance. The County's CIP maintains a balanced revenue mix with 56.6% funded using non-debt sources.

Real and personal property tax revenues are the County's principal funding source, representing approximately 67.5% of the budget for General Fund revenues in FY2025. Total real property revenues are budgeted at \$560.2 million, an increase of \$45.4 million, or 8.8%, from the FY2024 adopted budget. Home values across the region and in the County continue to increase. The rate at which the values have increased has slowed from those experienced during the pandemic. Calendar year 2024 assessments show the aggregate value of existing homes in the County increased by an average of 9% for the eleventh consecutive year. The County is projected to return to levels of 3-5% year over year growth soon. Personal property taxes are another major source of local revenues for the County and were budgeted in FY2025 at \$114.9 million, an increase of \$1.7 million, or 1.5%, from the FY2024 budget. Personal property is consistently one of the County's most variable revenue sources given its sensitivity to unpredictable variables such as supply chain disruptions, gas prices, manufacturer incentives, natural disasters, as well as the due date which is late in the fiscal year. Unlike homes, cars and trucks are more liquid assets that can be easily substituted in-and-out to respond to changing market conditions. All these factors make forecasting personal property revenue challenging and, therefore, typically requires a very conservative course when projecting vehicle-related revenues.

Mindful of the economic pressures on household budgets, the FY2025 budget reflects the County's commitment to providing tax relief including a reduction in the real estate tax rate to \$0.90, the lowest in over two decades, and a historic 25-cent reduction to the county's personal property rate ranking the lowest in the region and lowest among all Virginia localities with populations greater than 100,000. Local businesses will also see relief through lower taxes on vehicles and other equipment, as well as the increase in the threshold from \$300,000 to \$500,000 for Business, Professional and Occupational License (BPOL) taxes resulting in exemptions for two-thirds of businesses. These actions add to the strategic approach to ensure targeted and equitable relief including the traditional programs providing tax relief for the elderly and disabled which has been further enhanced with automatic, annual adjustments to increase income brackets to match the Social Security Administration's Cost-of-Living Adjustment (COLA).

The County maintains a balance between providing tax relief and investing in quality services and programs. General fund expenditures for FY2025 were budgeted to increase \$46.7 million, or 4.9%, over the prior year's budget. The commitment to investing in our schools and the workforce represent approximately 77% of the year over year growth. The FY2025 budget includes a \$20 million increase to the recurring contribution to Schools matching last year's historic investment with plans to sustain this level year over year, and a \$16 million increase to fund public safety annual step increases and the 3% increase in the Virginia Retirement System (VRS) retirement rate for law enforcement officers. The County five-year plan reflects the strategic approach to pursue tax policies that are sustainable and investments that are essential in the face of financial constraints.

### **Relevant Financial Policies**

The County's financial policies adopt a prudent approach toward financial and debt management. As of June 30, 2024, the portion of the County's operating expenditures dedicated to the repayment of debt, capped by policy at 10% of general government expenditures, was 7.2%. With the FY2025 budget, the County continues to meet the policy target to reinvest 2.5% of the calculated replacement value of its facilities into major maintenance. It is important that funding levels for this program continue to be monitored as new facilities come online and existing facilities continue to age. For FY2025, the County is increasing the target of total General Fund expenditures to unassigned fund balance from 8% to 8.5% with a goal of 10% by FY2029 aligning with other peer AAA-rated localities. This will give the County the ability to cope with unexpected financial emergencies eliminating the need for short-term borrowing, ensure that current obligations including debt payments can be met, and provide a cushion against the potential impact of significant unexpected changes in revenues. The actual ratio for the year ended June 30, 2024, was 9.4%. The County strives to repay new debt issues using a level principal repayment structure over the life of the issue to help maintain accelerated payout ratio goals.

The County's fiscally responsible financial policies, solid financial results and sound management were reaffirmed in May 2024, as the County issued general obligation improvement bonds in August 2024, with Standard and Poor's, Moody's, and Fitch Ratings rating the bonds as "AAA", the highest attainable bond ratings. The County has held a triple AAA bond rating for the past twenty-seven years due to its robust and diverse economy, record of fiscal conservatism, and strong financial management. Even as rating agencies expand their ratings methodology to include environmental, social and governance (ESG) factors, we anticipate the County will continue to achieve the highest possible ratings assigned to local governments. The triple AAA rating ensures the County can borrow funds for the community's capital and infrastructure needs at the lowest available interest rates. Due to the triple AAA rating, the County anticipates a \$20 million savings over the next two decades as the County repays these bonds.

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

### **Major Initiatives**

The County continuously has numerous initiatives underway to enhance the quality of life for our residents and to be a destination to live, learn, work and play. This section highlights some of these initiatives many of which are part of the bond referendum approved in November 2022 to fund the Community Facilities plan and, along with the awards highlighted in the Awards and Acknowledgements section of this letter provides examples that showcase the breadth and quality of our services, culture of innovation and our commitment to community partnerships.

*Public Safety.* The County is committed to the fundamental well-being of both our public safety personnel and our community. In the past couple of years, the County has implemented enhancements to compensation packages

to attract and retain high performing and experienced talent across our public safety organizations. To ensure dependable and efficient public services, the FY2025 budget includes the addition of more than 20 public safety positions across all agencies, as well as funding for a program designed to attract and retain paramedics for life support services. As part of this funding, the Police Service Aide (PSA) program will add three positions. The PSA program has served as a pipeline for recruitment since its inception in 2020, with over one-third of PSAs hired matriculating to become sworn police officers with the County. In addition to proving to be an effective tool for addressing the unique recruitment challenges for Police, the PSA program gives the County the ability to continue providing services that do not require police authority without overburdening sworn patrol officers impacted by staffing shortages. In addition to investments in personnel, the County is making capital investments with referendum projects including the construction of four state-of-the-art, County-owned police stations, alongside the critical replacement, expansion, or renovation of four fire stations to meet the increasingly complex demands of today's emergency services landscape. Projects underway include the Falling Creek Police Station, estimated to be completed in late 2025, and the Chester Fire Station, estimated to be completed in spring 2026. The Ettrick Fire Station and Swift Creek Police Station projects are slated to begin in FY2025. Also, the FY2025-FY2029 CIP includes \$6.1 million for public safety computer replacement to ensure reliable communications for emergency response.

*Community Services and Engagement.* The County places a significant importance on community engagement and providing services that enhance quality of life including the community's social fabric and economic vitality. This is evident in the operating and capital investments made in the departments that interface with the community every day. To improve response to media inquiries and the delivery of transparent, effective communications of County initiatives, Constituent and Media Services will add a Public Information Officer to the array of offerings ensuring the community receives timely and accurate information. To support our economically and emotionally vulnerable populations, four new positions are being added for Mental Health Support Services dedicated to various initiatives, including support for special education students and peer recovery programs, and five Social Services positions are being converted from part-time to full-time to enhance child welfare outreach. To meet increased demand for mobility services, Community Engagement and Resources will expand the Access On-Demand program that provides reliable transportation to vulnerable populations amid increases in ridership. To meet the growing demand for knowledge and learning spaces, Libraries will continue to convert part-time positions to full-time to expand services and enhance program delivery. In addition, the CIP includes three capital facilities projects from the bond referendum, and the first of those projects to replace the Enon Library is slated for completion Spring 2026. To effectively maintain world-class facilities, Parks and Recreation will add eight full-time positions to establish an Athletic Field Crew. Also, the CIP includes seven capital facilities projects from the bond referendum. Four of these projects are underway including field and parking enhancements at River City Sportsplex estimated to be completed this year, Horner Park estimated to be completed Fall 2025, as well as conservation areas at Point of Rocks, estimated to be completed this year, and Providence Road, estimated to be completed Spring 2025. Other key initiatives include the partnership with Maggie Walker Community Land Trust to create affordable home ownership opportunities in the Village of Ettrick and participation in the International City/County Management Association's (ICMA) Economic Mobility and Opportunity (EMO) cohort to provide tools and resources that will help increase their economic mobility.

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

Transportation needs continue to be a high priority and encompass roadways, bikeways, and other mobility services that connect our communities locally, regionally and across the state. While the Commonwealth is responsible for building and maintaining primary and secondary roads in the County, the County acknowledges the critical need and is implementing innovative strategies to fund transportation-related projects. In June 2024, \$311 million in revenue bonds supported by local Central Virginia Transportation Authority (CVTA) revenue were issued to better position the County to expedite high priority projects. A data-driven approach will be used to identify specific projects. The Powhite Parkway extension project is the county's top transportation project to address congestion issues due to rapid growth, as well as the planned and anticipated development at the Upper Magnolia Green site. The Powhite Parkway extension project will be implemented in two phases. Phase I is the extension to Woolridge Road and construction is expected to begin in FY2026. Phase II will link the Upper Magnolia site to Hull Street. In addition to roadway construction, seventeen plus miles of the 43-mile Fall Line Trail, which extends from Petersburg to Ashland, will pass through Chesterfield, the largest section of all seven localities. Route 1 is about five miles of the Fall Line Trail and construction of three of those five miles are underway. Construction on the trail section between Petersburg and Chester, 9.45 miles, is anticipated to start in Fall 2025. The County will be completing an update to the Bikeways and Trails plan with target completion Summer 2025 to include updates related to the Fall Line Trail. In its partnership with Greater Richmond Transit Corporation (GRTC), the County continues to explore opportunities to expand access to public transportation. In February 2024, GRTC launched a three-year pilot of

their LINK service, a rideshare zone-based on-demand transit service, in the Clover Dale Zone connecting businesses and residents along Hull Street Road with no charge to riders. Other key transportation initiatives in progress include the Otterdale Road at Swift Creek drainage project, the Nash Road extension to Route 10, the Hull Street and 288 corridor ramp improvements, Henricus Park Access Road, Beulah to Chippenham Parkway connector for which the county was one of four localities in Virginia to receive a federal RAISE grant and improvements at the Ettrick Train Station in partnership with Virginia Department of Rail and Public Transportation.

To ensure efficient management and security of the water supply, the County will invest over \$506 million towards utility infrastructure including Addison-Evans Water Treatment Plant upgrades and the installation of new wastewater lines. Progress is also being made to add a fourth water supply on the Appomattox River to meet long-term water demands as the County's population continues to increase.

Key technology investments include the Enterprise Resource Planning (ERP) replacement project to modernize human capital and financial business processes, a countywide technology infrastructure refresh, the replacement of the County's aging phone system and implementation of advanced cybersecurity solutions including automated anti-phishing, anti-spam, and Data Loss Prevention tools, along with an IT Service Management Platform for real-time threat detection and streamlined asset management.

The major maintenance initiatives include a diverse set of projects addressing needs for parks and recreation facilities, public safety facilities, stormwater infrastructure, fleet, airport, and general maintenance such as HVAC upgrades. Other key infrastructure investments include enhancing electrical maintenance to ensure safety and reliability of current County electrical systems and participation in an LED streetlight conversion program to save over \$300,000 annually in electricity costs once fully implemented.

*Education.* Students in the County's public schools (CCPS), one of the five largest school divisions in Virginia and the largest in Central Virginia, enjoy a high-quality educational experience with 100% of schools accredited. CCPS achieved a 91% on-time graduation rate and 93% daily attendance rate. CCPS includes seven National Blue Ribbon Schools, eight National ESEA Distinguished Schools and seven Middle Schools to Watch. Progress is being made on the school projects identified in the bond referendum. Projects slated to open for the 2025-2026 school year include a brand-new West Area middle school, projected to be the largest middle school in Central Virginia, and Davis Elementary School. Construction is targeted to begin in 2024 for a brand-new West Area elementary school, Bensley Elementary and the West Area high school.

### **Awards and Acknowledgements**

The County continued to be recognized for excellence in operational and financial management during fiscal year 2024. The County's focus on its mission statement, "Providing a FIRST CHOICE community through excellence in public service", is illustrated through the awards received for services and programs described in this section.

During this fiscal year, the County's Fleet Services Division received multiple honors from industry associations. National Association of Fleet Administrators (NAFA), the world's largest fleet management association, has named the division as a Top 100 Fleet and Top 50 Green Fleet. The division has been recognized with the Green Fleet award for the fourth consecutive year. In addition to these accolades, the division has been named the number 13 Leading Fleet by Government Fleet Magazine and the American Public Works Association marking its third appearance in the Top 20 within the last four years and the second consecutive year. This honor recognizes organizations that execute groundbreaking and inventive programs for their green initiatives.

For the 15<sup>th</sup> consecutive year, the County continued to set an example for the innovative use of technology in local government, earning a first-place spot in the 2024 Digital Counties Survey among counties nationwide with populations between 250,000 and 499,000. This is the fifth year we were recognized with the top spot. The County has placed in the top ten of that survey each year since 2010, with nine consecutive years in the top five. The Digital Counties Survey is conducted by the Center for Digital Government and the National Association of Counties. The survey looks at the best technology practices among US counties, including initiatives that enhance cybersecurity, streamline delivery of government services, promote open data, collaboration, shared services, and contribute to disaster response and recovery efforts. In addition to this honor, Chesterfield County has been recognized internationally with the Gold Medal from dotCOMM Awards, an international competition honoring excellence in web creativity and digital communication. These awards are a testament to the County's commitment to providing innovative, safe, and efficient technology-enabled services with a focus on transparency and engagement.

The County received 31 National Association of Counties (NACo) 2024 Achievement Awards, recognizing the ways the County provides better, more innovative services to residents and strengthens its communities. Departments receiving Achievement Awards include Community Engagement and Resources, Constituent and Media Services, Fire and EMS, General Services, Human Resources, Information Systems and Technology, Internal Audit, Libraries, Mental Health Support Services, Parks and Recreation, Planning, Police, Procurement, Risk Management, the Sheriff's Office, Social Services and Utilities, as well as CCPS.

The County received 5 Virginia Association of Counties (VaCo) 2024 Achievement Awards. The VaCo Achievement Awards recognize excellence in local government programs emphasizing innovation to find solutions addressing high priority issues presently challenging counties. The County tops the all-time Achievement Awards list with 54 and has won at least one award each year since the program's founding in 2002.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the County for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This was the 43rd consecutive year that the County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. We believe this ACFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA presented the County with an award for Outstanding Achievement in the Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023. This program recognizes state and local governments that produce high quality reports designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance using information extracted from their ACFR. The County has received this distinction for each year that we have produced a PAFR beginning with the report for fiscal year 2020. We will publish a PAFR for fiscal year ended June 30, 2024 and submit it to GFOA to determine its eligibility for another award.

The GFOA presented an award for Distinguished Budget Presentation to the County for the annual budget for the fiscal year beginning July 1, 2023. This program recognizes that the budget document meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The fiscal year 2024 budget represents the 38th consecutive year that Chesterfield County has received this award. We believe the fiscal year 2025 budget conforms to program requirements and submitted it to GFOA to determine its eligibility for another award. This is the highest form of recognition for excellence in government budgeting.

The County has earned the GFOA Triple Crown award for fiscal year 2023 reporting. The GFOA Triple Crown designation recognizes governments who have met the high standards of all three GFOA award programs, GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and Distinguished Budget Presentation Award in the same fiscal year. Chesterfield County has achieved this distinction every year since it was instituted beginning with reporting for fiscal year 2020. Chesterfield was one of just 317 governments to receive the award in its inaugural year.

CCPS was awarded the Association of School Business Officials (ASBO) International's Meritorious Budget Award for excellence in budget presentation for FY2023-2024. The Meritorious Budget Awards program promotes and recognizes excellence in school budget presentation and enhances school business officials' skills in developing, analyzing and presenting a school system budget. The GFOA presented the Distinguished Budget Presentation Award to CCPS for the FY2023-2024 budget. The GFOA award recognizes individual government and school systems that succeed in achieving the GFOA's best practices on budgeting. CCPS intends to submit the FY2024-2025 budget for both the ASBO and GFOA awards.

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

Our ability to deliver excellent customer service and new, innovative programs is directly linked to our dedicated, talented workforce. Chesterfield County has received over a dozen regional, state and national workplace honors since 2020. For the third consecutive year, TopWorkplaces.com recognized the County with a Top Workplaces USA Award, awarded to organizations with the greatest employee engagement among employers of similar size. The Top Workplaces USA award is based entirely on feedback from an independent, employee engagement survey. Chesterfield County is the only public sector employer recognized for organizations with greater than 2500 employees and the only Virginia locality recognized nationally in 2024. In addition, the County received the Richmond Times-Dispatch Top Workplaces Award and the 2024 Top Virginia Employers for Interns Award from the Virginia Talent + Opportunity Partnership (V-TOP). The annual award celebrates Virginia employers who provide high-quality internships to students. Some of the noteworthy efforts of employers include exposing interns to senior leaders, structured mentorship programs, housing allowances, paid time off, security clearances and training for industry certifications. Forbes magazine recognized the County as one of America's Best-In-State employers for 2023 ranking 56th out of all employers in Virginia, 30 spots higher than its last ranking in 2021. The county was one of only four local government entities in Virginia to make the list. It was also one of only three localities in the Commonwealth where both the government and school division each made the rankings. The list is compiled through surveys of 70,000 employers working for companies with 500 or more employees. The survey considers every aspect of an employees' experience such as working conditions, salary, potential for growth, and diversity. Of the thousands of companies eligible for this recognition, only a select few are awarded in each state. These accolades reinforce the County's reputation, at the local and national level, as an organization that provides excellent employment opportunities.

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

Respectfully submitted,



Dr. Joseph P. Casey  
County Administrator



Consuela Wilson, CPFO  
Director of Accounting





Government Finance Officers Association

**Certificate of  
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for Excellence  
in Financial  
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Virginia**

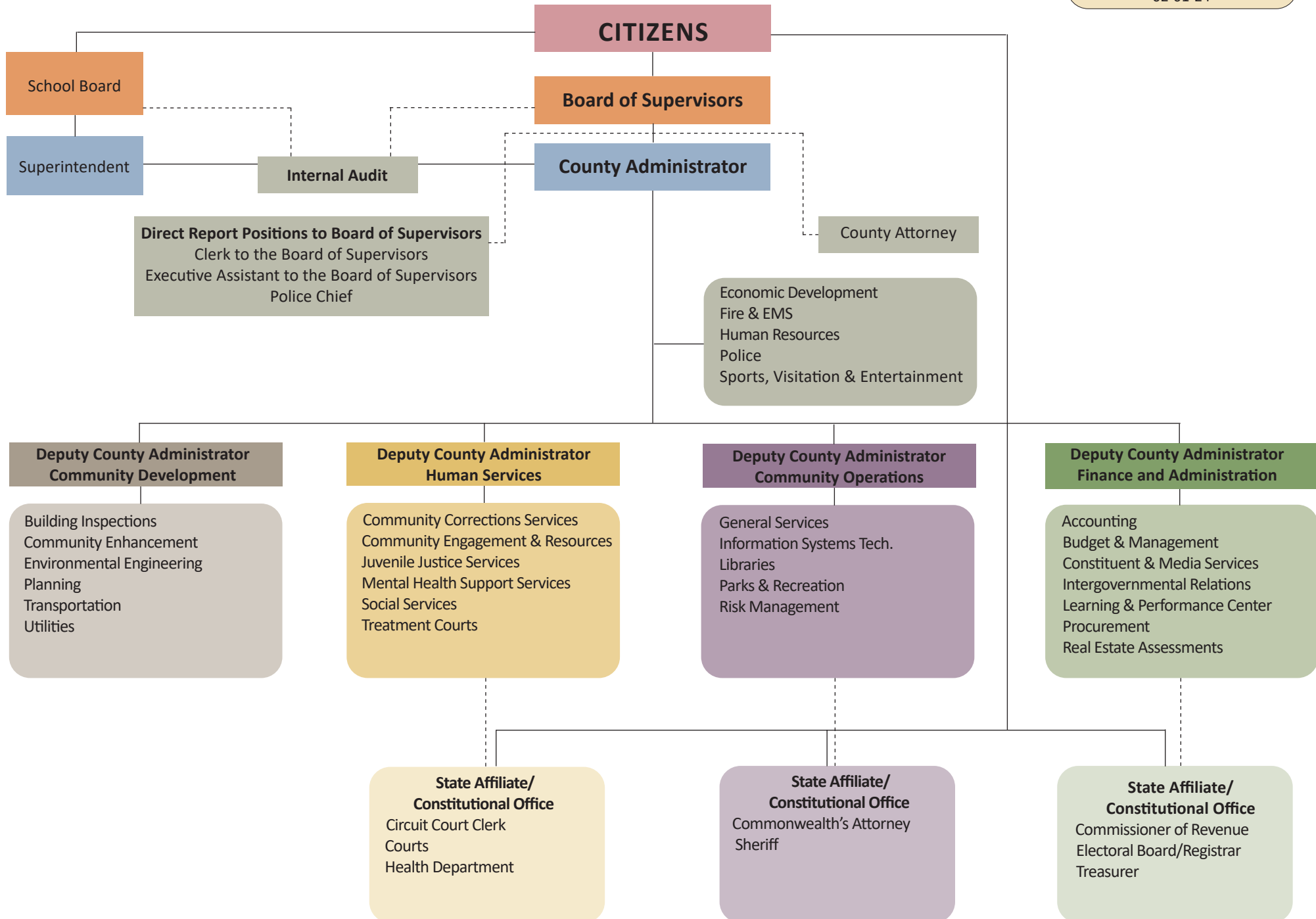
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

Executive Director/CEO

# CHESTERFIELD COUNTY ORGANIZATIONAL STRUCTURE

Approved Structure  
02-01-24



**County of Chesterfield, Virginia  
Directory of Officials  
June 30, 2024**

**Primary Government Officials**

**BOARD OF SUPERVISORS**

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

**CONSTITUTIONAL OFFICERS**

Amanda L. Pohl ..... Circuit Court Clerk  
Erin B. Barr ..... Commonwealth’s Attorney  
Jenefer S. Hughes ..... Commissioner of the Revenue  
Karl S. Leonard ..... Sheriff  
Rebecca R. Longnaker ..... Treasurer

**ADMINISTRATIVE OFFICERS**

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

**School Board Component Unit Officials**

**SCHOOL BOARD**

Dorothy “Dot” Heffron, Chair ..... Clover Hill District  
Ann C. Coker, Vice-chair ..... Bermuda District  
Dominique R. Chatters ..... Dale District  
Steven A. Paranto ..... Matoaca District  
Lisa Hudgins ..... Midlothian District

**ADMINISTRATIVE OFFICERS**

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



## FINANCIAL SECTION

## Report of Independent Auditor

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Chesterfield, Virginia (the "County"), as of and for the year ended June 30, 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statement balances of the Central Virginia Transportation Authority (the "CVTA") as reflected on Schedules A-12 and A-13, which represent 34.9%, 38.6%, and 37.2% of the total assets, fund balance/net position, and revenues, respectively, of the aggregate remaining fund information as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CVTA, is based solely on the report of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the "Specifications"). Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications, we:

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

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

### ***Required Supplementary Information***

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

### **Supplementary Information**

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

### **Other Information**

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



Richmond, Virginia  
November 5, 2024

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

As management of the County of Chesterfield, Virginia (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the County's financial statements, which follow this analysis.

### **FINANCIAL HIGHLIGHTS**

- ◆ The County's total net position increased approximately \$246.9 million (8.0%). Net position of the governmental-type activities increased \$128.5 million (8.8%) and net position of the business-type activities increased \$118.4 million (7.3%).
- ◆ The County's unrestricted net position decreased approximately \$180.3 million (20.4%). Unrestricted net position of the governmental-type activities decreased \$258.1 million (81.5%) and unrestricted net position of the business-type activities increased \$77.8 million (13.7%).
- ◆ The County's program and general revenues (including taxes) of \$1,372.9 million for governmental-type activities exceeded expenses of \$1,243.9 million by \$129.0 million.
- ◆ In the County's business-type activities, revenues increased 10.8% to \$251.6 million while expenses decreased 2.8% to \$133.7 million.
- ◆ The total cost of the primary government's programs increased approximately \$115.8 million (9.2%) to \$1,377.6 million.
- ◆ The General Fund reported an ending fund balance amount of \$561.7 million, an increase of \$7.4 million (1.3%) in comparison with the prior year. Of the ending fund balance amount, \$86.1 million was unassigned.
- ◆ The County's outstanding debt increased by \$234.9 million (25.9%). The County reported \$311.0 million in proceeds from new debt issued during the year and retired debt of \$76.1 million, including debt service and amortization of premiums.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(unaudited)**

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

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

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

### **Government-wide Financial Statements**

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

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

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

### **Fund Financial Statements**

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

The County reports three types of funds:

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

### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

**Net position.** The Primary Government's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3.3 billion at the close of the most recent fiscal year, representing an 8.0% increase over the prior year.

At the end of both the current and prior fiscal years, the County reported positive balances in all three categories of net position for the primary government including governmental and business-type activities. The largest portion of the County's net position (61.7%) at June 30, 2024, is its investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, and intangible assets) less accumulated depreciation and amortization and debt and other liabilities used to acquire those assets that remains outstanding at year-end. The County uses its capital assets to provide services to residents. Consequently, these assets are not available to fund spending in current or future budgets. Although the County's investment in capital assets is reported net of related debt, it should be noted that resources required to repay the debt must be provided from other sources, as capital assets generally are not liquidated for that purpose. An additional portion of the County's net position (17.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is referred to as unrestricted net position (21.1%). Unrestricted net position is available to meet the County's ongoing obligations to residents and creditors.

Liabilities and deferred inflows of resources for the School Board component unit exceeded assets and deferred outflows of resources by \$341.8 million at the end of the current fiscal year, a decrease in the deficit of \$53.1 million (13.4%) compared to the prior year. Net investment in capital assets decreased \$1.3 million primarily due to capital outlay for machinery and equipment. Continued investments in security enhancements and new schools buses were significantly less in FY2024. The School Board component unit's deficit unrestricted net position is primarily due to reporting net pension liabilities of \$424.0 million and net other postemployment benefits liabilities of \$171.5 million at year end, a net increase of \$22.0 million (3.7%) compared to those liabilities estimated in the prior year. The largest portion of net pension and other postemployment benefits liabilities is related to the VRS teachers' cost-sharing pension and other postemployment benefits programs where benefits and funding decisions are made by the Commonwealth of Virginia (Commonwealth). As such, local governments, and school boards, as participants, have no ability to take actions to improve the funding position for their proportionate shares of the cost-sharing pool. Notes 12

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## (unaudited)

and 13 of the notes to the financial statements provide additional information regarding the School Board component unit's pension and other postemployment benefit plans.

**TABLE 1**  
**Chesterfield County's Net Position**  
**June 30, 2024 and 2023**  
(in millions of dollars)

	Governmental		Business-type		Total Primary		School Board	
	Activities		Activities		Government		Component Unit	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Assets</b>								
Current and other assets	\$ 1,949.5	\$ 1,689.4	\$ 705.8	\$ 636.5	\$ 2,655.3	\$ 2,325.9	\$ 183.5	\$ 164.1
Capital assets	<u>1,583.5</u>	<u>1,467.0</u>	<u>1,094.6</u>	<u>1,053.5</u>	<u>2,678.1</u>	<u>2,520.5</u>	<u>88.9</u>	<u>90.1</u>
<b>Total assets</b>	<u>3,533.0</u>	<u>3,156.4</u>	<u>1,800.4</u>	<u>1,690.0</u>	<u>5,333.4</u>	<u>4,846.4</u>	<u>272.4</u>	<u>254.2</u>
<b>Deferred outflows of resources</b>								
Deferred charge on refunding	1.9	2.6	0.2	0.3	2.1	2.9	-	-
Pensions	98.4	84.4	3.8	3.2	102.2	87.6	165.2	138.3
Other postemployment benefits	<u>13.0</u>	<u>14.3</u>	<u>0.6</u>	<u>0.6</u>	<u>13.6</u>	<u>14.9</u>	<u>20.0</u>	<u>19.6</u>
<b>Total deferred outflows of resources</b>	<u>113.3</u>	<u>101.3</u>	<u>4.6</u>	<u>4.1</u>	<u>117.9</u>	<u>105.4</u>	<u>185.2</u>	<u>157.9</u>
<b>Liabilities</b>								
Long-term liabilities	1,479.9	1,206.8	28.0	34.2	1,507.9	1,241.0	639.7	613.0
Other liabilities	<u>258.2</u>	<u>269.3</u>	<u>21.1</u>	<u>21.0</u>	<u>279.3</u>	<u>290.3</u>	<u>75.5</u>	<u>66.9</u>
<b>Total liabilities</b>	<u>1,738.1</u>	<u>1,476.1</u>	<u>49.1</u>	<u>55.2</u>	<u>1,787.2</u>	<u>1,531.3</u>	<u>715.2</u>	<u>679.9</u>
<b>Deferred inflows of resources</b>								
Deferred revenues	264.8	246.1	-	-	264.8	246.1	-	-
Pensions	23.1	43.1	0.9	1.7	24.0	44.8	50.2	86.5
Other postemployment benefits	24.3	23.8	1.8	1.7	26.1	25.5	34.0	40.6
Leases	<u>13.1</u>	<u>14.2</u>	<u>8.2</u>	<u>8.9</u>	<u>21.3</u>	<u>23.1</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<u>325.3</u>	<u>327.2</u>	<u>10.9</u>	<u>12.3</u>	<u>336.2</u>	<u>339.5</u>	<u>84.2</u>	<u>127.1</u>
<b>Net position</b>								
Net investment in capital assets	976.6	941.7	1,076.0	1,028.5	2,052.6	1,970.2	78.2	79.5
Restricted	547.6	195.9	25.0	31.9	572.6	227.8	19.5	22.8
Unrestricted (deficit)	<u>58.7</u>	<u>316.8</u>	<u>644.0</u>	<u>566.2</u>	<u>702.7</u>	<u>883.0</u>	<u>(439.5)</u>	<u>(497.2)</u>
<b>Total net position (deficit)</b>	<u>\$ 1,582.9</u>	<u>\$ 1,454.4</u>	<u>\$ 1,745.0</u>	<u>\$ 1,626.6</u>	<u>\$ 3,327.9</u>	<u>\$ 3,081.0</u>	<u>\$ (341.8)</u>	<u>\$ (394.9)</u>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## (unaudited)

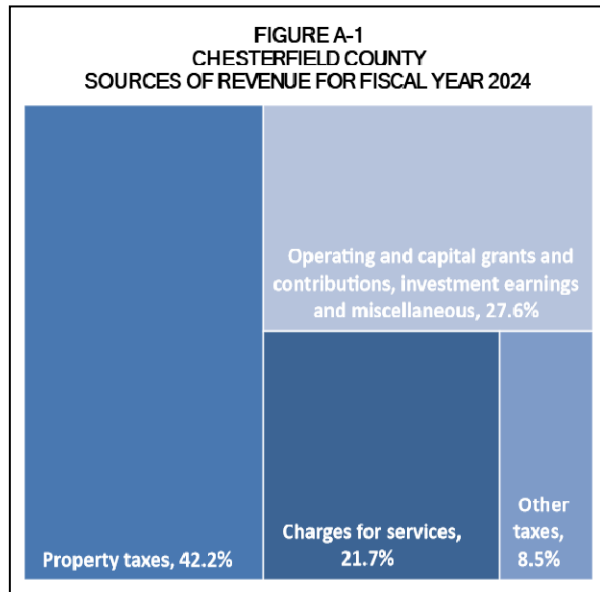
**Changes in net position.** The Primary Government's total revenues increased over the prior year by \$133.0 million (8.9%) to \$1,624.5 million. The total cost of all programs increased over the prior year by \$115.8 million (9.2%) to \$1,377.6 million.

**TABLE 2**  
**Changes in Chesterfield County's Net Position**  
**For the Years Ended June 30, 2024 and 2023**  
(in millions of dollars)

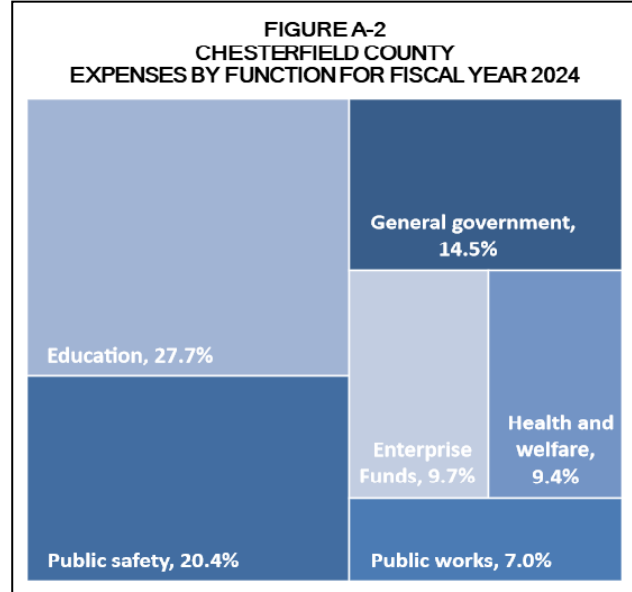
	Governmental Activities		Business-type Activities		Total Primary Government		School Board Component Unit	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues:</b>								
<b>Program revenues:</b>								
Charges for services	\$ 209.4	\$ 199.3	\$ 142.7	\$ 139.2	\$ 352.1	\$ 338.5	\$ 14.4	\$ 13.5
Operating grants and contributions	107.3	84.5	-	-	107.3	84.5	302.2	265.2
Capital grants and contributions	107.8	100.4	76.9	76.5	184.7	176.9	7.6	17.1
<b>General revenues:</b>								
Property taxes	686.0	626.1	-	-	686.0	626.1	-	-
Other taxes	138.2	139.8	-	-	138.2	139.8	-	-
Payment from County	-	-	-	-	-	-	331.7	308.4
Grants and contributions not restricted to specific programs	60.1	79.6	-	-	60.1	79.6	304.7	297.0
Other	<u>64.1</u>	<u>34.7</u>	<u>32.0</u>	<u>11.4</u>	<u>96</u>	<u>46.1</u>	<u>10.5</u>	<u>9.4</u>
<b>Total revenues</b>	<b><u>1,372.9</u></b>	<b><u>1,264.4</u></b>	<b><u>251.6</u></b>	<b><u>227.1</u></b>	<b><u>1,624.5</u></b>	<b><u>1,491.5</u></b>	<b><u>971.1</u></b>	<b><u>910.6</u></b>
<b>Expenses:</b>								
General government	199.8	175.0	-	-	199.8	175.0	-	-
Administration of justice	16.0	15.7	-	-	16.0	15.7	-	-
Public safety	281.4	255.0	-	-	281.4	255.0	-	-
Public works	96.7	98.8	-	-	96.7	98.8	-	-
Health and welfare	129.0	114.9	-	-	129.0	114.9	-	-
Parks, recreation and cultural	44.0	46.8	-	-	44.0	46.8	-	-
Education - School Board	381.3	362.7	-	-	381.3	362.7	917.9	822.1
Community development	56.2	26.4	-	-	56.2	26.4	-	-
Interest on long-term debt	39.5	28.9	-	-	39.5	28.9	-	-
Water	-	-	58.5	53.1	58.5	53.1	-	-
Wastewater	-	-	53.7	50.4	53.7	50.4	-	-
Non-major business activities	-	-	21.5	34.1	21.5	34.1	-	-
<b>Total expenses</b>	<b><u>1,243.9</u></b>	<b><u>1,124.2</u></b>	<b><u>133.7</u></b>	<b><u>137.6</u></b>	<b><u>1,377.6</u></b>	<b><u>1,261.8</u></b>	<b><u>917.9</u></b>	<b><u>822.1</u></b>
<b>Increase in net position before transfers</b>	<b>129.0</b>	<b>140.2</b>	<b>117.9</b>	<b>89.5</b>	<b>246.9</b>	<b>229.7</b>	<b>53.2</b>	<b>88.5</b>
Transfers	<u>(0.5)</u>	<u>(34.6)</u>	<u>0.5</u>	<u>34.6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase in net position after transfers</b>	<b>128.5</b>	<b>105.6</b>	<b>118.4</b>	<b>124.1</b>	<b>246.9</b>	<b>229.7</b>	<b>53.2</b>	<b>88.5</b>
<b>Net position (deficit) - beginning of year</b>	<b><u>1,454.4</u></b>	<b><u>1,348.8</u></b>	<b><u>1,626.6</u></b>	<b><u>1,502.5</u></b>	<b><u>3,081.0</u></b>	<b><u>2,851.3</u></b>	<b><u>(394.9)</u></b>	<b><u>(483.4)</u></b>
<b>Net position (deficit) - end of year</b>	<b><u>\$ 1,582.9</u></b>	<b><u>\$ 1,454.4</u></b>	<b><u>\$ 1,745.0</u></b>	<b><u>\$ 1,626.6</u></b>	<b><u>\$ 3,327.9</u></b>	<b><u>\$ 3,081.0</u></b>	<b><u>\$ (341.8)</u></b>	<b><u>\$ (394.9)</u></b>

Approximately 42.2% of the County's revenues came from property taxes and approximately 8.5% came from other taxes. Another 21.7% of the total revenues came from charges for services. The remaining 27.6% of revenues are operating and capital grants and contributions, investment earnings and miscellaneous revenues. The County's expenses cover a range of services with approximately 71.9% related to public safety, education, general government and health and welfare. Program revenues of the County's governmental activities covered 34.1% of its expenses.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)



Includes all Primary Government Revenues



Primary Government Expenses Less Interest on Long-Term Debt

Compared to the prior year, the School Board's total revenues increased \$60.5 million (6.6%) to \$971.1 million. Total expenses for all School programs and services increased over the prior year by \$95.8 million (11.7%) to \$917.9 million. Program revenues of School Board activities covered 35.3% of its expenses.

## Governmental Activities

Governmental activities increased the net position by \$128.5 million and accounted for 52.2% of the total growth in the total net position of the County. Revenues for governmental activities increased \$108.5 million (8.6%) and total expenses increased \$119.7 million (10.6%) when compared to the prior year. Key elements of these changes are as follows:

- Property tax revenues increased \$59.9 million (9.6%) primarily due to a 9.4% increase in the total assessed valuation of taxable property over the prior year. The assessed valuation for real property increased 9.6% with residential real property assessed values increasing by 10.8% and commercial and industrial real property assessed valuations increasing by 7.0%. Commercial and industrial property comprised 20.4% of the assessed value of taxable real property. The real estate tax rate of \$0.91 per \$100 of assessed value was lowered to \$0.90 for the second half of FY2024. Calendar year 2024 (CY2024) assessments were developed using sales data through December 2023. State Code mandates that "annual assessments shall be made at 100% of fair market value." Personal property assessed valuations increased by .52% over the prior year. While recognizing that not every citizen is a homeowner, the adopted budget also includes a reduction in personal property tax rate from \$3.60 to \$3.35.
- ♦ Operating grants and contributions increased \$22.8 million (27.0%) primarily attributable to \$10.6 million in ARPA grants for Schools construction and
- ♦ Charges for services increased \$10.1 million (5.1%) of which a \$6.1 (176.3%) is due to an increase in commercial permit fees.
- ♦ Other general revenues increased \$29.4 million (84.7%) due to increased interest earnings on investments resulting from higher interest rates overall as well as an increase in the total funds invested by the County.

Overall, expenses of governmental activities increased \$119.7 million (10.6%). In FY2024, the County continued strategic investments in the workforce that began in FY2023, and the cost of those investments can

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(unaudited)**

be seen in the increase in wage and benefit expenditures across most functional areas. The governmental activities of the primary government saw an average increase in employee wages of 8.5% and an average increase in employee benefits of 6.9%. Functional areas most heavily impacted by these investments include:

- ◆ Public Safety total expenses increased \$26.4 million (14.2%). Of that total, 37.5% is attributable to increases in wages and benefits expenses of \$7.0 million and \$3.0 million respectively. In July 2023 the County continued implementation of the Public Safety Pay Plan which included a 10% raise for remaining public sworn public safety officers' salaries in January 2024.
- ◆ Health and Welfare expenses increased \$14.1 million (12.2%) partially due to salary increases and correlating increases in benefits due to the implementation of Phase II of the General Government Pay Plan. Of that total, 21% is attributable to increases in wages and benefits expenses of \$2.7 million.

Other key elements impacting changes in governmental activity expenses are as follows:

- ◆ Community Development expenses increased \$29.8 million (112.9%) of which \$20.4 million (68.5%) is attributable to construction related expenses for Spring Rock Green.
- ◆ Interest and other costs of long-term debt increased \$10.6 million (36.7%) to \$39.5 million over that of the prior year (\$28.9 million). The increase is largely due to the increase in arbitrage liability of \$9.9 million due to increases in bond proceeds due to recent debt issuances, including the 2024 Chesterfield County Mobility Projects Revenue Bonds issuance of \$284.7 million, and rising interest rates earned on the same. Interest expense increased year over year by \$.9 million (3.0%).

### **Business-type Activities**

Business-type activities increased the County's total net position by \$118.4 million, accounting for 47.95% of the overall growth. Revenues for business-type activities increased \$24.5 million (10.8%) and expenses decreased \$3.9 million (2.8%) when compared to the prior year. Key elements of these changes are as follows:

- ◆ Other general revenues increased \$20.6 million (180.7%) over prior year primarily increased interest earnings on investments resulting from higher interest rates overall as well as an increase in total funds invested.
- ◆ Expenses for business-type activities decreased \$3.9 million (2.8%) primarily due incentive expenses decreasing by \$3.6 million due to the issuance of a \$1.5 million economic development grant and \$2.2 million noncash incentive received in the prior year.

### **Component Unit School Board**

- ◆ Program revenues covered 35.3% of program expenses in fiscal year 2024 in contrast to 36.0% coverage in the prior year.
- ◆ Operating grants and contributions increased \$37.0 million (14.0%) due to increases of \$20.6 million (20.6%) in certain instructional grant programs.
- ◆ Capital grants and contributions decreased \$9.5 million (55.6%) primarily due to the decrease in spending of Coronavirus State and Local Federal Relief funds.
- ◆ Education expenses increased \$95.8 million (11.7%) primarily due to increases in wages across all functions. Current year wages increased \$48.2 million (10.1%) to \$523.4 million compared to \$475.5 million in the prior year. The increases were consistent with the implementation of the next phase of the teacher salary study and the commitment to maintain service levels. Corresponding increases were seen across employee benefit costs which increased \$12.3 million (5.8%).

# MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

### Governmental Funds

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

As of June 30, 2024, the County's governmental funds reported a combined fund balance of \$1.3 billion, an increase of \$258.7 million (25.1%) from the previous year. Of this combined fund balance amount, \$732.1 million (56.8%) constitutes restricted fund balance; \$2.6 million (0.2%) represents committed fund balance; \$468.8 million (36.4%) represents assigned fund balance; and \$86.1 million (6.7%) is unassigned fund balance. Assigned fund balance includes funding set aside by the County Board through formal action for needs such as unexpended appropriations for transfers to capital project funds, specific uses in the subsequent year's adopted budget and encumbrances carried over to the subsequent year. Other assignments of fund balance include reserves for potential revenue shortfalls in future fiscal years' budgets, which serves as an informal revenue stabilization, or "rainy day", fund. Note 2 of the notes to the financial statements provides details about fund balances and a discussion of the criteria used by the County to classify categories of fund balance.

The General Fund is the operating fund of the County. At the end of the current fiscal year, the combined assigned and unassigned fund balance of the General Fund was \$523.8 million and total fund balance was \$561.7 million. As a measure of the General Fund's liquidity, it may be useful to compare the combined assigned and unassigned fund balance to total fund expenditures. Combined assigned and unassigned fund balance represents 57.2% of total General Fund expenditures. Unassigned fund balance of \$86.1 million represents 9.4% of total General Fund expenditures. Maintaining a ratio that exceeds the target ratio of 8.0% is an indicator of the County's ability to cope with unexpected or unusual financial scenarios including fluctuations in revenue cycles. Total fund balance of the General Fund represents 61.3% of General Fund expenditures.

Fund balance of the General Fund increased by \$7.4 million (1.3%) as current year positive revenue results outpaced uses of prior year reserves expended for one-time expenditures including:

- County and Schools Infrastructure Investments - \$36.9 million
- Transfer of Excess Lodging Taxes to Tourism Fund - \$3.1 million
- District Improvement Funding - \$1.5 million
- Transportation Buses for Schools - \$4.4 million
- Transfer to ARPA project for Parks and Recreation - \$2.5 million

Overall, functional expenditures in the General Fund increased \$86.1 million (9.7%) while expenditures in the County Capital Projects, Schools Capital Projects and non-major governmental funds increased \$2.0 million (1.4%), \$71.5 million (112.0%), and \$7.0 million (9.0%), respectively. Expenditure categories not already discussed that also factored into this increase are as follows:

- ◆ Public Safety saw the largest increase, \$17.9 million (7.3%) over the prior year. In addition to the increased investment in workforce compensation, public safety departments expended \$12.5 million on the purchase and/or construction of longer-lived assets. These expenditures include \$3.1 million for the Matoaca fire station, \$1.9 million CADS RMS Mobile Data, and \$1.5 million for security camera replacement.
- ◆ Expenditures in the Parks, Recreation and Cultural function, which includes libraries, increased \$6.7 million (23.9%). This increase is mainly attributable to investment in capital assets including current year expenditures for the completion of the Midlothian Library (\$3.5 million); various park and River City Sportsplex improvements and major maintenance (\$5.9 million); and Harrowgate Park Replacement (\$2.2 million). These expenditures are discussed in further detail later in this document.

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

- ◆ Debt service expenditures increased approximately \$5.9 million (6.2%) in part due to recent debt issuances and rising interest rates.

At fiscal year-end, the County's Capital Projects Fund had fund balance of \$126.8 million that consisted primarily of unspent bond proceeds and cash proffers, both of which are restricted for use on specific County projects and functions. The School Capital Projects Fund had fund balance of \$125.3 million that consisted primarily of unspent bond proceeds restricted for use on School projects. Fund balance of Other Governmental Funds decreased \$62.1 million (50.1%) of which is attributable to the change within the financial reporting entity for CVTA Local Fund from nonmajor to major for FY2024.

### **General Fund Budgetary Highlights**

The overall difference between the original budget and the amended budget for revenues and other financing sources reflected an increase of \$43.1 million (4.7%). The final amended budget for expenditures and other financing uses was greater than the original budget by \$308.6 million (32.2%). Some of the key budget adjustments are summarized as follows:

The County follows a conservative practice of not appropriating the use of restricted funds until those funds are received, and of taking a generally conservative approach when estimating year-over-year increases in revenues. As such, the original budget was amended for additional funding received during the year as follows: personal property taxes, \$11.6 million (10.3%); other federal government, \$10.8 million (13,301.6%); building permits \$7.4 million (114.3%); local sales and use taxes, \$1.7 million (2.4%); and an increase in investment earnings and other uses of money and property \$2.9 million (36.1%).

The original budget for expenditures was increased by \$13.7 million (2.7%). Of the total increase, \$9.0 million was attributable to the reappropriation of amounts reserved in the prior year. The appropriated use of prior year reserves includes funding for County transportation projects, such as Courthouse Road expansion and general road improvements. Use of reserves also included \$6.6 for replacement of the County's financial reporting system. Public Safety expenditures budget increased to support the continued implementation of the public safety pay plan step increases amongst other increases in the cost of providing these services with \$3.5 million attributable to Police, Fire and EMS and Sheriff.

The original budget for other financing uses increased by \$294.9 million (66.1%). Transfers out to the County Capital Projects, Schools Capital Projects, Stormwater, and Airport Funds increased \$204.2 million, \$0.2 million, \$3.1 million, and \$1.8 million, respectively due to the re-appropriation, in accordance with the appropriation resolution, of appropriated transfers that were not spent on capital projects in the prior year due to timing and the long-term aspect of capital projects. Additional prior year reserves of \$14.0 million were appropriated as transfers to the County Capital Projects Fund to fund gaps in existing project funding due to inflationary pressures and to facilitate a catch-up on critical projects within the information technology portfolio.

The transfer to the School Board component unit increased \$29.7 million with the appropriation of \$9.1 million in prior year reserves appropriated for school needs including:

- |   |   |
|---|---|
| • School Safety and Learning Facilities - \$5.0 million | • Facilities Major Maintenance Costs - \$1.6 million      |
| • School Administrative Office Buildout - \$1.3 million | • Schools FY2024 Fund Balance Requirement - \$1.0 million |
| • School Bus Transportation - \$0.2 million             |   |

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(unaudited)**

Actual revenues were \$55.2 million (5.7%) greater than the amended budget. A summary of some key variances includes the following:

- ◆ The collection of general property taxes was \$18.5 million higher than the amended budget primarily due to conservatively projecting estimates for the increase in assessed value of real and personal property for both the adopted and amended budget.
- ◆ Other local taxes were \$9.0 million greater than expected primarily due to the County's methodology for budgeting business and professional license (BPOL) taxes and greater than expected collections of local sales and use taxes, bank stock taxes, recordation taxes and motor vehicle licenses taxes.
- ◆ Revenue generated through the use of money and property was \$23.1 million greater than expected due to increases in interest rates and investment returns driven by the current economic environment as well as due to increases in amount of funds being invested.

Actual expenditures and other financing uses were \$256.8 million (20.3%) less than the amended budget amount.

Transfers to other funds resulted in a \$245.9 million positive variance. Transfers to the County Capital Projects Fund, the Stormwater Fund, the Schools Capital Projects Fund, the Grants Special Revenue Fund, and the Airport Fund were \$217.9 million, \$2.9 million, \$0.2 million, \$1.6 million, \$4.0 million, respectively, less than the amended budget due to the timing difference between budgeted and actual expenditures for long-term projects and grants that cross fiscal years. Unused transfers for these funds were assigned at year-end and re-appropriated as a part of the amended budget for fiscal year 2025. The Schools Operating Fund transfer had a positive variance of \$19.4 million. This amount was assigned at year-end, as directed by the County Board, for use in future years' school budgets.

## **CAPITAL/INTANGIBLE ASSETS AND DEBT ADMINISTRATION**

### **Overview**

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

### **Capital and Intangible Assets**

At the end of the fiscal year, the County had an investment of \$2.7 billion in a broad range of capital and intangible assets net of accumulated depreciation and amortization, including school and public safety buildings, park facilities, libraries, and water and wastewater facilities. This amount represents a net increase of \$157.6 million (6.3%) over the prior year. More detailed information about the County's capital and intangible assets is presented in Note 8 of the notes to the financial statements. The net investment in capital assets of governmental activities includes \$839.7 million for school buildings and real property used by the School Board in its operations.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

**TABLE 3**  
**Chesterfield County's Capital and Intangible Assets**  
**June 30, 2024 and 2023**  
**(net of depreciation and amortization, in millions of dollars)**

	Governmental		Business-type		Total		Total Percentage
	Activities		Activities		Total		Change
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024 - 2023</u>
<b>Non-depreciable assets:</b>							
Land	\$ 134.5	\$ 121.1	\$ 67.6	\$ 66.2	\$ 202.1	\$ 187.3	7.9%
Construction in progress	190.0	104.9	44.9	49.9	234.9	154.8	51.7%
Subscriptions in progress	5.2	0.6	-	-	5.2	0.6	100.0%
<b>Depreciable assets:</b>							
Buildings	1,063.5	1,062.7	135.9	138.0	1,199.4	1,200.7	-0.1%
Improvements other than buildings	66.1	55.9	20.8	19.8	86.9	75.7	14.8%
Machinery and equipment	80.6	75.6	751.7	704.0	832.3	779.6	6.8%
Infrastructure	30.2	30.2	5.3	5.6	35.5	35.8	-0.8%
<b>Amortizable assets:</b>							
Capacity rights and other intangible assets	-	-	68.4	70.0	68.4	70.0	-2.3%
Right-to-use assets	6.7	8.4	-	-	6.7	8.4	-20.2%
Right-to-use-subscriptions	6.7	7.6	-	-	6.7	7.6	100.0%
<b>Total</b>	<b>\$ 1,583.5</b>	<b>\$ 1,467.0</b>	<b>\$ 1,094.6</b>	<b>\$ 1,053.5</b>	<b>\$ 2,678.1</b>	<b>\$ 2,520.5</b>	<b>6.3%</b>

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

- ◆ Completed major County projects:
  - New Midlothian Library - \$16.4 million
  - New Matoaca Fire Station - \$8.6 million
  - Harrowgate Park Replacement - \$6.3 million
  - Horner Park Improvements - \$1.8 million
  - Real Estate Assessor's Office Renovation - \$1.1 million
- ◆ Additions to major County construction in progress projects:
  - Spring Rock Green Office Buildout - \$4.7 million
  - Matoaca Fire Station - \$3.1 million
  - Park Improvements and Major Maintenance - \$2.1 million
  - River City Sportsplex Park - \$2.2 million
  - Major Maintenance HVAC Refresh - \$2.1 million
- ◆ Completed major School Board component unit projects:
  - Roof Top HVAC Units Refresh - \$9.2 million
  - Elementary Schools Centralized Security CCTV - \$2.1 million
  - Sports Field Lighting Replacements - \$1.9 million
- ◆ Additions to major School Board component unit construction in progress projects:
  - Falling Creek Middle School - \$57.2 million
  - 360 West Middle School - \$32.4 million
  - AM Davis Elementary School Replacement - \$13.6 million
- ◆ Completed major Utilities - Water and Wastewater projects:
  - Advanced Meter Infrastructure - \$29.5 million
  - Harrowgate Water Line - \$7.1 million
  - Floc and Effluent Replacement and Intake Gate - \$3.6 million
  - Courthouse Water Tank Rehab - \$1.9 million

## MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

- ◆ Additions to major Utilities - Water and Wastewater construction in progress projects:
  - Advanced Meter Infrastructure - \$10.0 million
  - Turner Pump Station and Force Main Rehabilitation - \$5.4 million
  - Hopkins Road to Rt. 1 Water Line - \$3.7 million
  - Proctor Creek EQ Basin Rehabilitation - \$2.3 million
  - Proctor Creek Clarifier Rehabilitation - \$1.9 million

The County's capital improvement program budget appropriated \$332.6 million in planned funding for capital projects in FY2025, which includes \$264.6 million for the primary government and \$68.0 million for the School Board. The FY2025-FY2029 Capital Improvement Program (CIP) maintains a targeted focus on the care and maintenance of existing infrastructure and the communities these assets support by maintaining adequate replacement cycles. The CIP remains attentive to the need to replace or renovate older facilities to ensure more uniform service delivery across the County, all while controlling the financial impact on the operating budget. It is also important to note that the County's maintenance programs include technology and stormwater areas where it's necessary for these networks to properly function.

FY2025 appropriations include funding for Ettrick Fire Station, Swift Creek Police Station, general and parks major maintenance projects, airport enhancements, road projects, technology major maintenance projects, ERP modernization, rebuilds of AM Davis Elementary School, as well as a new west area elementary, and high school. Planned rehabilitations and upgrades at both Proctors Creek and Falling Creek Wastewater Treatment Plants, the preliminary design for a new water source, as well as upgrades at water pump stations and water tanks are also included. The County intends to issue new debt to partially finance projects as identified in the CIP.

The CIP places additional emphasis on investment in technology and cybersecurity enhancements while continuing to fund existing programs like computer and other infrastructure. The cybersecurity enhancement projects will develop automated solutions while saving staff time and reduce impact on County resources.

Investment in transportation remains a priority as the County plans to use the \$284.7 in Transportation Mobility Revenue Bonds to expedite key projects including for the Phase I of the Powhite Parkway Extension. Additional transportation projects include sidewalk construction and pedestrian safety.

### Long-term Debt

**TABLE 4**  
**Chesterfield County's Outstanding Debt**  
**June 30, 2024 and 2023**  
**(in millions of dollars)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2023 - 2024</u></b>
General obligation bonds, net (backed by the County)	\$ 621.7	\$ 679.2	\$ -	\$ -	\$ 621.7	\$ 679.2	-8.5%
Revenue bonds, net	466.8	167.9	11.1	17.9	477.9	185.8	157.2%
Certificates of participation	0.3	1.9	-	0.1	0.3	2.0	-85.0%
Direct borrowing	51.4	56.3	-	-	51.4	56.3	-8.7%
Other	-	-	1.4	1.5	1.4	1.5	-6.7%
<b>Total</b>	<b><u>\$ 1,140.2</u></b>	<b><u>\$ 905.3</u></b>	<b><u>\$ 12.5</u></b>	<b><u>\$ 19.5</u></b>	<b><u>\$ 1,152.7</u></b>	<b><u>\$ 924.8</u></b>	24.6%

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(unaudited)**

At fiscal year-end, the County reported \$1,152.7 million in bonds and other long-term debt outstanding, an increase of \$227.9 million (24.6%) compared to the prior year. More detailed information about the County's long-term liabilities is presented in Note 9 of the notes to the financial statements. Outstanding debt of the governmental activities includes \$515.2 million in debt outstanding related to School Board activities and \$3.5 million in outstanding debt for the EDA's development of infrastructure in the Meadowville Technology Park.

A key debt policy established by the County Board is the ratio of debt service (principal and interest) costs to governmental fund expenditures. This ratio was 6.7% for the current year comparing favorably to the policy target of 10.0%. Governmental fund expenditures for purposes of this calculation include expenditures for all governmental fund types of both the primary government and the School Board component unit, excluding capital project funds and payments between the primary government and the School Board component unit.

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

The County's "AAA" general obligation bond rating from all three major rating agencies was affirmed when it went to the municipal bond market in June 2024 to sell \$284.7 million in revenue bonds. The proceeds will be used to finance various infrastructure improvements for roads like Powhite Parkway and Centerpointe Parkway. The County also plans improvements to Route 288 and Hull Street, pedestrian safety, and constructing a roundabout at the intersection of Bailey Bridge and Woodpecker Roads. Chesterfield has maintained the AAA for the 28<sup>th</sup> consecutive year. Approximately 1% of counties nationwide have earned a triple "AAA" credit rating designation which the County has maintained annually since 1997.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The County's annual unemployment rate for calendar year 2023 (CY2023) averaged 2.9%, an increase from the previous calendar year's average rate of 2.8%. The County's rate continues to compare favorably to the region and the Commonwealth's rates of 3.0% and 2.9%, respectively, for the same time.

The County developed a Financial Plan for fiscal year 2025 that was adopted on April 10, 2024, with a subsequent amendment on June 26, 2024. The FY2025 adopted budget (FY2025 budget), totaling \$2.0 billion, represents an increase of \$100.6 million (5.2%) over the FY2024 adopted budget. The County budget strikes a balance between tax reductions while increasing investments in services and program expansions. The FY2025 budget, five-year plan and CIP revolve around recognizing the workforce, investing in our children's future, diversifying, and bolstering the County's economic base, enhancing quality of life, strengthening investment in infrastructure, a continuing commitment to public safety and broad tax relief measures.

The FY2025 budget builds upon historic investments made in schools, attracting, and retaining employees, a continuing commitment to public safety and financing a new era of capital infusion into our community. The adopted FY2025 budget includes a \$20 million increase to the local recurring contribution to Schools. This matches last year's historic increase.

The FY2025 budget strikes a balance between tax reductions while increasing investments in services and program expansion. Considering rising assessments and inflation, the FY2025 budget includes a reduction in real estate tax from \$0.91/100 assessed value to \$0.90/100 assessed value. While recognizing that not every citizen is a homeowner, the adopted budget also includes a reduction in personal property tax rate from \$3.60 to \$3.35. FY2025 tax relief measures for the Tax Relief for Elderly and Disabled Program include increases to eligible acres from one to ten, automatic annual adjustments to increase income brackets and removing the \$3,000 cap on maximum relief.

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

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chesterfield County Accounting Department, 9901 Lori Road Room 203, Chesterfield, Virginia 23832.

# FINANCIAL STATEMENTS

**County of Chesterfield, Virginia**  
**Statement of Net Position**  
**June 30, 2024**

***Exhibit I***

	Primary Government				
	Governmental	Business-type		Component	Total
	Activities	Activities	Total	Unit	Reporting Entity
ASSETS					
Cash and cash equivalents	\$ 843,336,506	\$ 112,774,393	\$ 956,110,899	\$ 30,848,425	\$ 986,959,324
Investments	667,306,619	544,448,293	1,211,754,912	19,116	1,211,774,028
Receivables, net of allowance for uncollectibles	432,508,658	45,730,428	478,239,086	30,787,820	509,026,906
Due from Primary Government	-	-	-	121,755,985	121,755,985
Internal balances	(385,249)	385,249	-	-	-
Inventories	1,304,062	1,822,302	3,126,364	124,448	3,250,812
Prepays	5,380,717	670,693	6,051,410	-	6,051,410
Capital assets, not being depreciated or amortized	329,716,749	112,473,808	442,190,557	53,652	442,244,209
Other capital and intangible assets, net of depreciation or amortization	1,253,838,130	982,082,329	2,235,920,459	88,824,519	2,324,744,978
Total assets	3,533,006,192	1,800,387,495	5,333,393,687	272,413,965	5,605,807,652
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,898,497	150,438	2,048,935	-	2,048,935
Deferred outflows related to pensions	98,430,781	3,812,493	102,243,274	165,201,016	267,444,290
Deferred outflows related to other postemployment benefits	12,994,605	586,616	13,581,221	20,086,408	33,667,629
Total deferred outflows of resources	113,323,883	4,549,547	117,873,430	185,287,424	303,160,854
LIABILITIES					
Accounts payable and accrued expenses	104,652,066	19,388,951	124,041,017	73,841,710	197,882,727
Due to component unit	121,755,985	-	121,755,985	-	121,755,985
Unearned revenues	31,734,989	-	31,734,989	1,767,537	33,502,526
Developers' connection fees refundable	-	1,491,920	1,491,920	-	1,491,920
Prepaid connection fees	-	142,800	142,800	-	142,800
Non-current liabilities:					
Due within one year	105,309,735	6,420,192	111,729,927	6,652,982	118,382,909
Due in more than one year	1,374,597,683	21,627,406	1,396,225,089	632,966,985	2,029,192,074
Total liabilities	1,738,050,458	49,071,269	1,787,121,727	715,229,214	2,502,350,941
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	264,771,178	-	264,771,178	-	264,771,178
Deferred inflows related to pensions	23,091,014	919,599	24,010,613	50,229,999	74,240,612
Deferred inflows related to other postemployment benefits	24,286,013	1,778,148	26,064,161	34,021,420	60,085,581
Deferred inflows related to leases	13,158,710	8,180,574	21,339,284	-	21,339,284
Total deferred inflows of resources	325,306,915	10,878,321	336,185,236	84,251,419	420,436,655
NET POSITION					
Net investment in capital assets	976,649,039	1,075,994,637	2,052,643,676	78,194,510	2,130,838,186
Restricted for:					
Capital projects	45,187,091	-	45,187,091	-	45,187,091
Contractual agreement	-	344,535	344,535	-	344,535
Debt covenants	215,583	24,666,577	24,882,160	-	24,882,160
Grantor programs	22,267,819	-	22,267,819	19,511,339	41,779,158
Legislated programs	476,018,003	-	476,018,003	-	476,018,003
Public safety programs	3,967,463	-	3,967,463	-	3,967,463
Total restricted	547,655,959	25,011,112	572,667,071	19,511,339	592,178,410
Unrestricted (deficit)	58,667,704	643,981,704	702,649,408	(439,485,093)	263,164,315
Total net position	\$ 1,582,972,702	\$ 1,744,987,453	\$ 3,327,960,155	\$ (341,779,244)	\$ 2,986,180,911

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

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

**Exhibit II**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position					
		Charges for Services	Operating	Capital	Primary Government			Component Unit	Total Reporting Entity	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total			
Primary Government										
Governmental activities										
General government	\$ 199,797,992	\$ 127,101,491	\$ 1,838,242	\$ 2,352,859	\$ (68,505,400)	\$ -	\$ (68,505,400)	\$ -	\$ (68,505,400)	
Administration of justice	16,035,706	1,611,597	5,810,319	-	(8,613,790)	-	(8,613,790)	-	(8,613,790)	
Public safety	281,371,675	31,638,301	21,583,405	2,188,785	(225,961,184)	-	(225,961,184)	-	(225,961,184)	
Public works	96,750,016	10,263,297	676,721	72,113,347	(13,696,651)	-	(13,696,651)	-	(13,696,651)	
Health and welfare	128,971,519	33,391,672	53,821,522	2,466,999	(39,291,326)	-	(39,291,326)	-	(39,291,326)	
Parks, recreation and cultural	43,984,821	2,539,783	443,779	1,608,738	(39,392,521)	-	(39,392,521)	-	(39,392,521)	
Education - School Board	381,320,479	-	18,270,161	15,644,374	(347,405,944)	-	(347,405,944)	-	(347,405,944)	
Community development	56,167,019	2,888,917	4,904,568	11,448,089	(36,925,445)	-	(36,925,445)	-	(36,925,445)	
Interest on long-term debt	39,517,250	-	-	-	(39,517,250)	-	(39,517,250)	-	(39,517,250)	
Total governmental activities	1,243,916,477	209,435,058	107,348,717	107,823,191	(819,309,511)	-	(819,309,511)	-	(819,309,511)	
Business-type activities										
Water	58,452,632	67,816,317	-	42,749,192	-	52,112,877	52,112,877	-	52,112,877	
Wastewater	53,673,103	61,090,715	-	31,342,435	-	38,760,047	38,760,047	-	38,760,047	
Non-major business activities	21,533,404	13,767,389	-	2,753,468	-	(5,012,547)	(5,012,547)	-	(5,012,547)	
Total business-type activities	133,659,139	142,674,421	-	76,845,095	-	85,860,377	85,860,377	-	85,860,377	
Total Primary Government	\$ 1,377,575,616	\$ 352,109,479	\$ 107,348,717	\$ 184,668,286	(819,309,511)	85,860,377	(733,449,134)	-	(733,449,134)	
Component unit	\$ 917,932,721	\$ 14,383,684	\$ 302,179,201	\$ 7,587,468	-	-	-	(593,782,368)	(593,782,368)	
General revenues:										
Taxes:										
Property taxes, levied for general purposes					686,033,833	-	686,033,833	-	686,033,833	
Utility taxes					8,598,427	-	8,598,427	-	8,598,427	
Sales taxes					76,531,984	-	76,531,984	-	76,531,984	
Motor vehicle licenses					8,310,135	-	8,310,135	-	8,310,135	
Business license taxes					30,839,476	-	30,839,476	-	30,839,476	
Other					13,922,074	-	13,922,074	-	13,922,074	
Payment from Primary Government					-	-	-	331,742,923	331,742,923	
Grants and contributions not restricted to specific programs					60,140,291	-	60,140,291	304,725,489	364,865,780	
Investment earnings					61,051,485	31,979,102	93,030,587	1,519,688	94,550,275	
Miscellaneous					2,947,818	-	2,947,818	8,971,161	11,918,979	
Transfers					(542,902)	542,902	-	-	-	
Total general revenues and transfers					947,832,621	32,522,004	980,354,625	646,959,261	1,627,313,886	
Change in net position					128,523,110	118,382,381	246,905,491	53,176,893	300,082,384	
Total net position (deficit) July 1, 2023					1,454,449,592	1,626,605,072	3,081,054,664	(394,956,137)	2,686,098,527	
Total net position (deficit) June 30, 2024					\$ 1,582,972,702	\$ 1,744,987,453	\$ 3,327,960,155	\$ (341,779,244)	\$ 2,986,180,911	

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

**County of Chesterfield, Virginia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

**Exhibit III**

	<u>General</u>	<u>Central VA Transportation Authority Local</u>	<u>County Capital Projects</u>	<u>School Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 257,516,826	\$ 71,862,064	\$ 41,955,542	\$ 14,632,409	\$ 58,790,146	\$ 444,756,987
Cash, cash equivalents and investments with fiscal agents	203,931	310,684,788	28,464,974	-	-	339,353,693
Investments	399,486,450	25,040,517	73,840,870	140,473,808	-	638,841,645
Receivables, net of allowances for uncollectibles of \$22,953,083	344,363,332	1,096,333	770,044	-	18,504,185	364,733,894
Due from other governments	43,955,107	5,721,798	13,407,768	-	4,641,293	67,725,966
Total assets	<u>\$ 1,045,525,646</u>	<u>\$ 414,405,500</u>	<u>\$ 158,439,198</u>	<u>\$ 155,106,217</u>	<u>\$ 81,935,624</u>	<u>\$ 1,855,412,185</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 9,600,849	\$ 447,457	\$ 22,947,994	\$ 23,244,572	\$ 5,374,198	\$ 61,615,070
Due to other funds	385,249	-	-	-	-	385,249
Due to component unit - School Board	121,755,985	-	-	-	-	121,755,985
Accrued liabilities	10,750,375	-	9,174	-	1,601,676	12,361,225
Retainages payable	-	-	3,107,927	6,598,009	390,477	10,096,413
Unearned revenues	30,483,182	-	-	-	1,251,807	31,734,989
Deposits payable	299,536	-	2,417,572	-	-	2,717,108
Total liabilities	<u>173,275,176</u>	<u>447,457</u>	<u>28,482,667</u>	<u>29,842,581</u>	<u>8,618,158</u>	<u>240,666,039</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenues	262,410,962	-	-	-	2,360,216	264,771,178
Unavailable revenues	34,975,926	-	3,196,547	-	9,089,048	47,261,521
Deferred inflows related to leases	13,158,710	-	-	-	-	13,158,710
Total deferred inflows of resources	<u>310,545,598</u>	<u>-</u>	<u>3,196,547</u>	<u>-</u>	<u>11,449,264</u>	<u>325,191,409</u>
<b>FUND BALANCES</b>						
Restricted	35,342,303	413,958,043	126,759,984	125,263,636	30,789,357	732,113,323
Committed	2,580,229	-	-	-	-	2,580,229
Assigned	437,731,940	-	-	-	31,078,845	468,810,785
Unassigned	86,050,400	-	-	-	-	86,050,400
Total fund balances	<u>561,704,872</u>	<u>413,958,043</u>	<u>126,759,984</u>	<u>125,263,636</u>	<u>61,868,202</u>	<u>1,289,554,737</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,045,525,646</u>	<u>\$ 414,405,500</u>	<u>\$ 158,439,198</u>	<u>\$ 155,106,217</u>	<u>\$ 81,935,624</u>	<u>\$ 1,855,412,185</u>

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

Total fund balances for governmental funds						\$ 1,289,554,737
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and are not reported in the funds.						
						1,563,287,210
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds:						
Uncollected taxes receivable					\$ 30,623,883	
Uncollected receivables from other governments					14,169,508	
Uncollected miscellaneous receivables					<u>2,468,132</u>	47,261,523
Prepaid and deferred items:						
Prepaid capital asset					5,380,717	
Deferred charge on refunding					1,898,497	
Deferred outflows related to pensions					96,728,238	
Deferred outflows related to other postemployment benefits					<u>12,812,081</u>	116,819,533
Internal service funds are used by management to charge the costs of certain activities, such as insurance, vehicles and communications, and capital projects management to individual funds. The assets, deferred outflows, liabilities and deferred inflows of the internal service funds are included in governmental activities in the Statement of Net Position.						
						86,237,546
Long-term obligations, including bonds payable, are not due and payable in the current period and are not reported in the funds:						
Net bonds, certificates of participation, public facility lease, taxable redevelopment facility note, support agreements and financed purchase obligations					(1,140,232,890)	
Lease obligations					(6,451,071)	
Subscription obligations					(4,289,408)	
Judgments and claims					(7,559,178)	
Landfill					(692,542)	
Arbitrage					(12,970,260)	
Net pension liabilities					(212,628,625)	
Net other postemployment benefits liabilities					(41,842,263)	
Compensated absences					(34,010,732)	
Deferred inflows related to pensions					(22,680,357)	
Deferred inflows related to other postemployment benefits					(23,812,620)	
Interest payable					<u>(13,017,901)</u>	(1,520,187,847)
Total net position of governmental activities						<u>\$ 1,582,972,702</u>

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

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

	<u>General</u>	<u>Central VA Transportation Authority Local</u>	<u>County Capital Projects</u>	<u>School Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
From local sources:						
General property taxes	\$ 687,487,847	\$ -	\$ -	\$ -	\$ -	\$ 687,487,847
Other local taxes	138,200,773	32,422,481	-	-	5,575,966	176,199,220
Permits, privilege fees and regulatory licenses	16,237,422	-	-	-	-	16,237,422
Fines and forfeitures	2,015,885	-	-	-	-	2,015,885
Use of money and property	34,473,017	4,038,000	8,995,614	9,989,267	1,026,098	58,521,996
Contributions from developers	-	-	3,072,483	-	-	3,072,483
Charges for services	15,977,131	-	155,516	-	45,762,045	61,894,692
Miscellaneous	4,019,925	-	465,278	-	1,861,823	6,347,026
Recovered costs	4,081,125	-	-	-	4,550,634	8,631,759
Donations and contributions	69,857	-	5,000	-	169,795	244,652
From component unit: School Board	-	-	-	22,324,032	5,143,200	27,467,232
From other governments	118,764,949	-	45,472,964	-	36,319,750	200,557,663
Total revenues	<u>1,021,327,931</u>	<u>36,460,481</u>	<u>58,166,855</u>	<u>32,313,299</u>	<u>100,409,311</u>	<u>1,248,677,877</u>
<b>Expenditures</b>						
Current:						
General government	73,986,467	-	-	-	-	73,986,467
Administration of justice	13,349,712	-	-	-	1,424,412	14,774,124
Public safety	261,159,513	-	-	-	11,167,807	272,327,320
Public works	27,614,450	-	-	-	5,409,610	33,024,060
Health and welfare	49,456,399	-	-	-	80,334,086	129,790,485
Parks, recreation and cultural	34,698,354	-	-	-	117,638	34,815,992
Education - School Board	331,680,440	-	-	62,482	-	331,742,922
Community development	19,305,610	-	-	-	10,304,890	29,610,500
Debt service:						
Retirement of principal	72,230,906	-	-	475,963	1,092,523	73,799,392
Interest	29,072,691	-	-	37,731	68,278	29,178,700
Other	258,217	932,143	-	-	-	1,190,360
Capital outlay	<u>3,479,852</u>	<u>-</u>	<u>141,518,728</u>	<u>134,701,430</u>	<u>310,263</u>	<u>280,010,273</u>
Total expenditures	<u>916,292,611</u>	<u>932,143</u>	<u>141,518,728</u>	<u>135,277,606</u>	<u>110,229,507</u>	<u>1,304,250,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105,035,320</u>	<u>35,528,338</u>	<u>(83,351,873)</u>	<u>(102,964,307)</u>	<u>(9,820,196)</u>	<u>(55,572,718)</u>
<b>Other financing sources (uses)</b>						
Leases issued	-	-	-	-	310,263	310,263
Subscriptions issued	3,479,852	-	-	-	-	3,479,852
Transfers in	2,418,700	-	85,859,182	-	23,298,049	111,575,931
Transfers out	(103,515,729)	(2,944,681)	-	(109,298)	(5,516,854)	(112,086,562)
Bonds issued	-	284,735,000	-	-	-	284,735,000
Premium on bonds issued	-	26,296,764	-	-	-	26,296,764
Total other financing sources (uses), net	<u>(97,617,177)</u>	<u>308,087,083</u>	<u>85,859,182</u>	<u>(109,298)</u>	<u>18,091,458</u>	<u>314,311,248</u>
Net change in fund balances	<u>7,418,143</u>	<u>343,615,421</u>	<u>2,507,309</u>	<u>(103,073,605)</u>	<u>8,271,262</u>	<u>258,738,530</u>
Fund balances June 30, 2023 as previously presented	554,286,729	-	124,252,675	228,337,241	123,939,562	1,030,816,207
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>70,342,622</u>	<u>-</u>	<u>-</u>	<u>(70,342,622)</u>	<u>-</u>
Total fund balances, June 30, 2023 as adjusted	<u>554,286,729</u>	<u>70,342,622</u>	<u>124,252,675</u>	<u>228,337,241</u>	<u>53,596,940</u>	<u>1,030,816,207</u>
Total fund balances, June 30, 2024	<u>\$ 561,704,872</u>	<u>\$ 413,958,043</u>	<u>\$ 126,759,984</u>	<u>\$ 125,263,636</u>	<u>\$ 61,868,202</u>	<u>\$ 1,289,554,737</u>

(Continued)

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

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

Net change in fund balances - total governmental funds.	\$	258,738,530
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capitalized assets	157,238,714	
Depreciation and amortization	(57,903,439)	
Right-to-use assets	8,971,490	
Right-to-use amortization	(6,544,969)	101,761,796

In the Statement of Activities, only the gain on the sale of surplus assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of the surplus assets sold.

(3,166,354)

Donations of capital assets increase revenues in the Statement of Changes in Net Position, but do not appear in the governmental funds because they are not financial resources.

15,624,612

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

(6,493,196)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Payments	66,759,443	
Amortization of debt premiums	9,296,638	
Amortization of bond discounts	(2,717)	
Amortization of deferred charge on refunding	(688,700)	
Proceeds	(311,031,764)	(235,667,100)

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

Payments	7,039,949	
Proceeds	(3,790,115)	3,249,834

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

Judgment and claims	(451,457)	
Landfill	8,690	
Pension expense	(6,277,294)	
Other postemployment benefits expense	8,513,560	
Compensated absences	(320,003)	
Arbitrage	(9,898,566)	
Interest payable	(1,308,450)	(9,733,520)

Internal service funds are used by management to charge the costs of insurance, vehicles and communications and capital projects management to individual funds. The net revenue of the internal service funds is reported with governmental activities.

4,208,508

Change in net position of governmental activities.	\$	128,523,110
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*The accompanying notes are an integral part of the financial statements.*

**County of Chesterfield, Virginia**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
From local sources:				
General property taxes current	\$ 656,546,400	\$ 669,032,801	\$ 687,487,847	\$ 18,455,046
Other local taxes	134,686,900	138,806,579	147,789,073	8,982,494
Permits, privilege fees and regulatory licenses	8,400,900	15,834,001	16,237,422	403,421
Fines and forfeitures	1,231,200	1,602,802	2,015,885	413,083
Use of money and property	7,930,900	10,790,615	33,930,427	23,139,812
Charges for services	13,933,900	14,931,900	15,977,131	1,045,231
Miscellaneous	1,428,500	2,032,127	4,019,925	1,987,798
Recovered costs	4,008,600	4,182,130	4,081,125	(101,005)
Donations and contributions	57,200	60,095	69,857	9,762
From other governments	90,754,700	104,759,231	105,628,883	869,652
Total revenues	<u>918,979,200</u>	<u>962,032,281</u>	<u>1,017,237,575</u>	<u>55,205,294</u>
<b>Expenditures</b>				
Current:				
General government	84,804,653	79,654,190	77,749,618	1,904,572
Administration of justice	13,129,572	13,719,741	13,507,772	211,969
Public safety	253,559,594	266,071,721	260,784,641	5,287,080
Public works	27,074,096	28,292,426	27,650,675	641,751
Health and welfare	49,992,338	49,586,081	49,460,898	125,183
Parks, recreation and cultural	32,315,506	35,669,414	34,868,759	800,655
Community development	19,798,471	19,103,867	17,290,379	1,813,488
Non-departmental	1,474,200	76,102	-	76,102
Debt service:				
Retirement of principal	21,234,700	21,234,700	23,788,041	(2,553,341)
Interest	8,140,900	8,140,900	9,386,383	(1,245,483)
Other	400,000	4,027,280	202,400	3,824,880
Total expenditures	<u>511,924,030</u>	<u>525,576,422</u>	<u>514,689,566</u>	<u>10,886,856</u>
Excess of revenues over expenditures	<u>407,055,170</u>	<u>436,455,859</u>	<u>502,548,009</u>	<u>66,092,150</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,418,700	2,418,700	2,418,700	-
Transfers out	(448,530,400)	(743,446,396)	(497,548,566)	245,897,830
Total other financing uses, net	<u>(446,111,700)</u>	<u>(741,027,696)</u>	<u>(495,129,866)</u>	<u>245,897,830</u>
Net change in fund balance	(39,056,530)	(304,571,837)	7,418,143	311,989,980
Fund balance, July 1, 2023	<u>554,286,729</u>	<u>554,286,729</u>	<u>554,286,729</u>	<u>-</u>
Fund balance, June 30, 2024	<u>\$ 515,230,199</u>	<u>\$ 249,714,892</u>	<u>\$ 561,704,872</u>	<u>\$ 311,989,980</u>

(Continued)

**County of Chesterfield, Virginia**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**

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

Total revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	\$ 1,017,237,575
Revenues related to State and Local Fiscal Recovery Funds are not reported on a budgetary basis.	<u>4,090,356</u>
Total revenues of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 1,021,327,931</u>

**Expenditures**

Total expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	\$ 514,689,566
Local funding of grant programs are transfers to other funds, rather than expenditures, for financial reporting purposes.	(52,171)
Expenditures related to State and Local Fiscal Recovery Funds are not reported on a budgetary basis.	4,090,356
Budgetary transfers to component unit, excluding transfers for funding "on behalf" debt payments, are expenditures for financial reporting purposes.	331,680,440
Budgetary expenditures to blended component unit are transfers for financial reporting purposes.	(148,609)
Subscription capital outlay	3,479,852
Debt service on debt issued "on behalf" of the School Board component unit is considered an expenditure of the primary government for financial reporting purposes.	<u>62,553,177</u>
Total expenditures of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 916,292,611</u>

**Other financing sources (uses), net**

Total other financing uses, net, on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	\$ (495,129,866)
Local funding of grant programs are transfers to other funds, rather than expenditures, for financial reporting purposes.	(52,171)
Subscription Proceeds	3,479,852
Budgetary expenditures to blended component unit are transfers for financial reporting purposes.	(148,609)
Budgetary expenditures between funds are transfers for financial reporting purposes.	394,233,617
Total other financing uses, net, of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ (97,617,177)</u>

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

**County of Chesterfield, Virginia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

*Exhibit VI*

	Business-type Activities Enterprise Funds				Governmental
			Total Non-major Enterprise Funds	Total	Activities Internal Service Funds
	Water	Wastewater			
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 33,754,860	\$ 43,618,445	\$ 8,417,807	\$ 85,791,112	\$ 87,690,800
Investments	241,651,486	302,796,807	-	544,448,293	-
Restricted cash equivalents with trustees	-	-	12,676,798	12,676,798	-
Receivables, net of allowances for uncollectibles of \$932,542					
Accounts	13,243,523	10,848,763	156,914	24,249,200	36,761
Special assessments	4,352	32,249	-	36,601	-
Leases	119,175	-	284,076	403,251	-
Total net receivables	13,367,050	10,881,012	440,990	24,689,052	36,761
Accrued interest	2,941,251	2,879,780	7,710	5,828,741	-
Due from other governments	1,055,867	-	5,711,705	6,767,572	12,037
Due from other funds	-	-	385,249	385,249	-
Inventories	1,822,302	-	-	1,822,302	1,304,062
Prepays	-	-	670,693	670,693	-
Total current assets	294,592,816	360,176,044	28,310,952	683,079,812	89,043,660
Non-current assets:					
Accrued interest receivable	-	161,148	-	161,148	-
Special assessments receivable	23,510	175,628	-	199,138	-
Lease receivable	3,171,607	-	4,913,170	8,084,777	-
Restricted:					
Cash and cash equivalents with trustees	7,652,483	6,654,000	-	14,306,483	-
Restricted cash and cash equivalents	7,652,483	6,654,000	-	14,306,483	-
Capital and intangible assets:					
Capacity rights and other intangibles, net	64,151,892	1,426,522	2,830,412	68,408,826	-
Land and land improvements	14,067,615	6,386,880	47,145,835	67,600,330	-
Buildings	85,154,363	159,484,384	8,939,656	253,578,403	10,488,493
Improvements other than buildings	10,934,330	20,286,246	32,488,871	63,709,447	1,809,973
Infrastructure	-	-	7,250,802	7,250,802	-
Machinery and equipment	647,176,824	675,451,290	4,251,895	1,326,880,009	23,669,531
Construction in progress	14,081,727	29,666,627	1,125,124	44,873,478	-
Total capital and intangible assets	835,566,751	892,701,949	104,032,595	1,832,301,295	35,967,997
Less accumulated depreciation	(286,929,849)	(418,830,565)	(31,984,744)	(737,745,158)	(15,700,327)
Total capital and intangible assets, net of accumulated depreciation	548,636,902	473,871,384	72,047,851	1,094,556,137	20,267,670
Total non-current assets	559,484,502	480,862,160	76,961,021	1,117,307,683	20,267,670
Total assets	854,077,318	841,038,204	105,271,973	1,800,387,495	109,311,330
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	13,392	136,739	307	150,438	-
Deferred outflows related to pensions	1,914,091	1,828,822	69,580	3,812,493	1,702,543
Deferred outflows related to other postemployment benefits	257,177	319,437	10,002	586,616	182,524
Total deferred outflows of resources	2,184,660	2,284,998	79,889	4,549,547	1,885,067

*(Continued)*

**County of Chesterfield, Virginia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

*Exhibit VI*

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 6,737,234	\$ 4,037,928	\$ 360,302	\$ 11,135,464	\$ 4,543,749
Accrued liabilities:					
Wages and benefits	431,636	361,867	19,704	813,207	300,600
Interest	18,565	69,744	221,932	310,241	-
Other	2,217,381	31,661	2,525,543	4,774,585	-
Total accrued liabilities	2,667,582	463,272	2,767,179	5,898,033	300,600
Compensated absences	180,625	169,740	5,245	355,610	104,328
Judgments and claims	269,624	33,534	-	303,158	11,925,839
Certificates of participation, net	-	-	12,888	12,888	-
Airport Revolving Loan Fund	-	-	92,300	92,300	-
Revenue bonds payable, net	2,281,557	3,368,532	6,147	5,656,236	-
Total current liabilities	12,136,622	8,073,006	3,244,061	23,453,689	16,874,516
Non-current liabilities:					
Developers' connection fees refundable	245,188	1,246,732	-	1,491,920	-
Retainages payable	735,916	763,782	855,756	2,355,454	-
Prepaid connection fees	-	142,800	-	142,800	-
Compensated absences	892,567	853,318	26,611	1,772,496	509,003
Judgments and claims	327,805	40,770	-	368,575	1,893,349
Net pension liabilities	4,743,556	4,435,790	140,295	9,319,641	3,821,973
Net other postemployment benefit liabilities	1,533,785	1,823,248	53,865	3,410,898	975,959
Airport Revolving Loan Fund	-	-	1,292,200	1,292,200	-
Revenue bonds payable, net	-	5,455,257	8,339	5,463,596	-
Total non-current liabilities	8,478,817	14,761,697	2,377,066	25,617,580	7,200,284
Total liabilities	20,615,439	22,834,703	5,621,127	49,071,269	24,074,800
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	461,692	441,123	16,784	919,599	410,658
Deferred inflows related to other postemployment benefits	815,500	936,358	26,290	1,778,148	473,393
Deferred inflows related to leases	3,123,979	-	5,056,595	8,180,574	-
Total deferred inflows of resources	4,401,171	1,377,481	5,099,669	10,878,321	884,051
NET POSITION					
Net investment in capital assets	543,568,632	461,666,714	70,759,291	1,075,994,637	20,267,670
Restricted:					
Contractual agreements	-	-	344,535	344,535	-
Debt covenants	7,652,483	6,654,000	10,360,094	24,666,577	-
Total restricted	7,652,483	6,654,000	10,704,629	25,011,112	-
Unrestricted	280,024,253	350,790,304	13,167,147	643,981,704	65,969,876
Total net position	\$ 831,245,368	\$ 819,111,018	\$ 94,631,067	\$ 1,744,987,453	\$ 86,237,546

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

**County of Chesterfield, Virginia**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

*Exhibit VII*

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
<b>Operating revenues</b>					
Charges for services	\$ 65,790,389	\$ 60,844,129	\$ 1,802,419	\$ 128,436,937	\$ 183,833,933
Sale of supplies	1,932,451	-	-	1,932,451	-
Rental fees	26,633	-	-	26,633	-
From other governments	-	-	11,561,651	11,561,651	-
Other	66,844	246,586	403,319	716,749	1,576,645
Total operating revenues	67,816,317	61,090,715	13,767,389	142,674,421	185,410,578
<b>Operating expenses</b>					
Salaries and wages	11,130,040	10,452,671	305,649	21,888,360	10,161,674
Contractual services	18,994,137	5,945,409	964,277	25,903,823	3,395,720
Amortization	2,664,675	118,877	-	2,783,552	-
Materials and supplies	4,995,210	8,734,735	24,444	13,754,389	12,256,581
Heat, light and power	2,224,878	4,268,599	105,156	6,598,633	140,483
Depreciation	15,459,884	21,490,934	1,848,033	38,798,851	1,841,420
Repairs and maintenance	1,061,193	1,305,103	133,482	2,499,778	1,796,410
Insurance	-	-	-	-	5,258,998
Claims	-	-	-	-	151,000,946
Other	404,622	247,129	12,357,819	13,009,570	114,700
Total operating expenses	56,934,639	52,563,457	15,738,860	125,236,956	185,966,932
Operating income (loss)	10,881,678	8,527,258	(1,971,471)	17,437,465	(556,354)
<b>Non-operating revenues (expenses) net</b>					
Investment income	13,912,454	17,085,197	981,451	31,979,102	4,111,572
Lease revenue	-	-	81,769	81,769	-
Interest expense	(70,759)	(237,745)	(41,490)	(349,994)	-
Gain (loss) on disposal of capital assets	(99,642)	(27,551)	4,165,433	4,038,240	292,431
Other	(1,347,592)	(844,350)	(9,918,487)	(12,110,429)	2,919
Net non-operating revenues (expenses)	12,394,461	15,975,551	(4,731,324)	23,638,688	4,406,922
Income (loss) before contributions and transfers	23,276,139	24,502,809	(6,702,795)	41,076,153	3,850,568
Capital contributions	42,767,686	31,356,213	2,671,699	76,795,598	357,940
Transfers in	-	-	510,630	510,630	-
Change in net position	66,043,825	55,859,022	(3,520,466)	118,382,381	4,208,508
Total net position-July 1, 2023	765,201,543	763,251,996	98,151,533	1,626,605,072	82,029,038
Total net position-June 30, 2024	\$ 831,245,368	\$ 819,111,018	\$ 94,631,067	\$ 1,744,987,453	\$ 86,237,546

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

**County of Chesterfield, Virginia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 65,342,713	\$ 59,248,296	\$ 12,666,621	\$ 137,257,630	\$ 185,383,355
Lease interest receipts	-	-	116,102	116,102	-
Payments to suppliers	(27,767,724)	(21,117,016)	(15,238,994)	(64,123,734)	(24,322,094)
Payments to employees	(11,609,560)	(10,875,068)	(321,031)	(22,805,659)	(10,314,463)
Claims paid	-	-	-	-	(148,629,462)
Net cash provided by (used in) operating activities	25,965,429	27,256,212	(2,777,302)	50,444,339	2,117,336
<b>Cash flows from non-capital financing activities</b>					
Transfers in	-	-	215,000	215,000	-
State non-employer contribution to OPEB plans	-	-	-	-	2,920
Net cash provided by non-capital financing activities	-	-	215,000	215,000	2,920
<b>Cash flows from capital and related financing activities</b>					
Purchase of capital assets	(23,541,807)	(23,660,245)	(13,859,862)	(61,061,914)	(3,866,776)
Purchase of capacity rights	(1,239,474)	-	-	(1,239,474)	-
Payments to developers for utility assets	(63,957)	(416,046)	-	(480,003)	-
Retainages paid to contractors	(845,341)	(505,473)	(85,938)	(1,436,752)	-
Proceeds from sale of capital assets	31,304	681	-	31,985	305,827
Capital contributions	22,549,515	19,611,931	7,756,088	49,917,534	-
Interest paid on bonds, certificates of participation and other liabilities	(195,500)	(495,125)	(23,256)	(713,881)	-
Principal paid on bonds, certificates of participation and other liabilities	(3,340,000)	(2,975,000)	(157,211)	(6,472,211)	-
Payment of other debt expenses	(1,265)	(1,485)	-	(2,750)	-
Net cash used in capital and related financing activities	(6,646,525)	(8,440,762)	(6,370,179)	(21,457,466)	(3,560,949)
<b>Cash flows from investing activities</b>					
Purchase of investments	(169,289,505)	(204,206,302)	-	(373,495,807)	-
Proceeds from sale of investments	142,191,489	187,927,846	-	330,119,335	-
Interest received	5,567,238	6,755,379	981,346	13,303,963	4,111,572
Net cash provided by (used in) investing activities	(21,530,778)	(9,523,077)	981,346	(30,072,509)	4,111,572
Net increase (decrease) in cash and cash equivalents	(2,211,874)	9,292,373	(7,951,135)	(870,636)	2,670,879

(Continued)

**County of Chesterfield, Virginia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water	Wastewater	Total Non-major Enterprise Funds	Total	
Cash and cash equivalents, June 30, 2023:					
Cash and cash equivalents	\$ 36,376,898	\$ 35,114,771	\$ 6,398,530	\$ 77,890,199	\$ 85,019,922
Investments	207,327,742	276,989,908	-	484,317,650	-
Less: Investments with maturities greater than 90 days when purchased	(207,327,742)	(276,989,908)	-	(484,317,650)	-
Restricted cash and cash equivalents	7,242,317	5,865,300	-	13,107,617	-
Restricted cash and cash equivalents with trustees	-	-	22,647,209	22,647,209	-
Total cash and cash equivalents, June 30, 2023	<u>43,619,215</u>	<u>40,980,071</u>	<u>29,045,739</u>	<u>113,645,025</u>	<u>85,019,922</u>
Cash and cash equivalents, June 30, 2024:					
Cash and cash equivalents	33,754,860	43,618,445	8,417,807	85,791,112	87,690,800
Investments	241,651,486	302,796,807	-	544,448,293	-
Less: Investments with maturities greater than 90 days when purchased	(241,651,486)	(302,796,807)	-	(544,448,293)	-
Restricted cash and cash equivalents	7,652,483	6,654,000	-	14,306,483	-
Restricted cash and cash equivalents with trustees	-	-	12,676,798	12,676,798	-
Total cash and cash equivalents, June 30, 2024	<u>\$ 41,407,343</u>	<u>\$ 50,272,445</u>	<u>\$ 21,094,605</u>	<u>\$ 112,774,393</u>	<u>\$ 87,690,800</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 10,881,678	\$ 8,527,258	\$ (1,971,471)	\$ 17,437,465	\$ (556,354)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	15,459,884	21,490,934	1,848,033	38,798,851	1,841,420
Amortization	2,664,675	118,877	-	2,783,552	-
Changes in assets and liabilities:					
Receivables, net	(2,524,472)	(1,842,419)	(959,666)	(5,326,557)	(27,223)
Inventories	(262,189)	-	-	(262,189)	139,443
Accounts and other payables	(254,147)	(1,038,438)	(1,694,198)	(2,986,783)	720,050
Net cash provided by (used in) operating activities	<u>\$ 25,965,429</u>	<u>\$ 27,256,212</u>	<u>\$ (2,777,302)</u>	<u>\$ 50,444,339</u>	<u>\$ 2,117,336</u>
<b>Noncash transactions related to financing, capital and investing activities:</b>					
Contributions of capital assets	\$ 20,218,171	\$ 11,744,282	\$ -	\$ 31,962,453	\$ 357,940
Amorized bond premium	-	-	(1,538,342)	(1,538,342)	-
Amortized lease revenue	-	-	81,769	81,769	-
Issuance of developer contracts	172,509	-	-	172,509	-
Unrealized loss on investments	7,225,728	9,528,443	-	16,754,171	-
Interest receivable	1,119,487	801,376	-	1,920,863	-

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

**County of Chesterfield, Virginia**  
**Statement of Fiduciary Net Position**  
**June 30, 2024**

	Pension and Other Postemployment Benefits	
	<u>Trust Funds</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,140,479	\$ 206,856,526
Accounts receivable	105,574	291,045
Prepays	-	191,805
Restricted assets:		
Cash and cash equivalents	-	9,552,020
Investments	-	9,911,628
Cash, cash equivalents, and investments with trustee	-	13,133,258
Due from other governments	-	3,285,713
Interest receivable	-	1,703,878
Total restricted assets	<u>-</u>	<u>37,586,497</u>
Investments:		
Mutual funds	9,769,899	-
Common and preferred stocks	11,946,735	-
Certificate of Deposits	-	85,019,929
Corporate bonds	5,060,880	-
Municipal bonds	57,125	-
U.S. government and agency securities	5,832,985	-
Exchange traded funds	10,930,780	-
Collateralized mortgage obligations	991,127	-
Fund of funds	6,978,629	-
Pooled funds	96,474,113	-
Total investments	<u>148,042,273</u>	<u>85,019,929</u>
Total assets	<u>151,288,326</u>	<u>329,945,802</u>
<b>LIABILITIES</b>		
Accounts payable	-	746,202
Wages and benefits	-	321,520
Unearned revenue	-	243,000
Due to Chesterfield County	-	348,591
Due to other governments	-	23,847,360
Total liabilities	<u>-</u>	<u>25,506,673</u>
<b>FIDUCIARY NET POSITION</b>		
Restricted for:		
Pension benefits	53,611,948	-
Other postemployment benefits	97,676,378	-
Individuals, other governments and entities	-	304,439,129
Total fiduciary net position	<u>\$ 151,288,326</u>	<u>\$ 304,439,129</u>

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

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

	Pension and Other Postemployment Benefits	
	<u>Trust Funds</u>	<u>Custodial Funds</u>
<b>Additions:</b>		
Receipts:		
Contributions - employer	\$ 27,171,896	\$ -
Contributions from participating entities and other governments	-	263,493,687
Other	-	699,981
Investment earnings:		
Interest and dividends	2,272,722	14,769,537
Net increase in the fair value of investments	<u>11,492,510</u>	<u>611,476</u>
Total investment income	13,765,232	15,381,013
Less investment expenses	<u>(289,748)</u>	<u>-</u>
Net investment income	<u>13,475,484</u>	<u>15,381,013</u>
Total additions, net	<u>40,647,380</u>	<u>279,574,681</u>
<b>Deductions:</b>		
Payments to beneficiaries and participating entities	25,367,654	193,259,969
General and administrative expenses	<u>94,341</u>	<u>911,611</u>
Other payments	<u>-</u>	<u>40,629</u>
Total deductions	<u>25,461,995</u>	<u>194,212,209</u>
Net increase in fiduciary net position	15,185,385	85,362,472
Fiduciary net position - July 1, 2023	<u>136,102,941</u>	<u>219,076,657</u>
Fiduciary net position - June 30, 2024	<u>\$ 151,288,326</u>	<u>\$ 304,439,129</u>

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

County of Chesterfield, Virginia  
Statement of Net Position  
Discretely Presented Component Unit  
June 30, 2024

	<b>School Board</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 30,848,425
Investments	19,116
Receivables	30,787,820
Due from Primary Government	121,755,985
Inventories	124,448
Prepays	
Capital assets, not being depreciated or amortized	53,652
Other capital assets, net of depreciation and amortization	<u>88,824,519</u>
Total assets	<u>272,413,965</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	165,201,016
Deferred outflows related to other postemployment benefits	<u>20,086,408</u>
Total deferred outflows of resources	<u>185,287,424</u>
<b>LIABILITIES</b>	
Accounts payable and other liabilities	73,841,710
Unearned revenues	1,767,537
Non-current liabilities:	
Due within one year	6,652,982
Due in more than one year	<u>632,966,985</u>
Total liabilities	<u>715,229,214</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	50,229,999
Deferred inflows related to other postemployment benefits	<u>34,021,420</u>
Total deferred inflows of resources	<u>84,251,419</u>
<b>NET POSITION</b>	
Net investment in capital assets	78,194,510
Restricted for grantor programs	19,511,339
Unrestricted (deficit)	<u>(439,485,093)</u>
Total net position (deficit)	<u>\$ (341,779,244)</u>

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

**County of Chesterfield, Virginia**  
**Statement of Activities**  
**Discretely Presented Component Unit**  
**For the Year Ended June 30, 2024**

	Program Revenues				Net (Expenses) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board
School Board	\$ 917,932,721	\$ 14,383,684	\$ 302,179,201	\$ 7,587,468	(593,782,368)
General revenues:					
Payment from County of Chesterfield					331,742,923
Grants and contributions					
not restricted to specific programs					304,725,489
Investment earnings					1,519,688
Miscellaneous					8,971,161
Total general revenues					646,959,261
Change in net position (deficit)					53,176,893
Total net position (deficit) - July 1, 2023					(394,956,137)
Total net position (deficit) - June 30, 2024					\$ (341,779,244)

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



**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

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

1. The Chesterfield County Public School System (School Board) is responsible for elementary and secondary education within the County's jurisdiction. The five members of the School Board are elected for a four-year term. The members of the current School Board were elected in November 2019. The School Board functions independently of the County Board and County Administration, but is fiscally dependent, as it receives significant funding from the County. The nature and significance of the financial relationship between the County and the School Board is such that it would be misleading to exclude the School Board from the County's financial statements. The School Board does not publish a separate financial report; therefore, the fund financial statements of the School Board are included in the supplementary information section.

**B. Government-wide and Fund Financial Statements**

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

Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reflect a full economic resources measurement focus and the accrual basis of accounting. The Statement of Net Position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the governmental and business-type activities by columns. In the Statement of Activities, both the gross and net cost per individual function is reported for

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

both governmental and business-type activities. Related program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by the function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of the function. The County does not allocate indirect expenses. Taxes and other revenues not restricted to a particular function are reported as general revenues.

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

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Unearned revenues are a liability that represents amounts received where the exchange transaction has not been completed. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met and amounts are measurable, and as unearned revenue (liability) until all eligibility requirements are met. Federal and state funding for costs incurred as a result of natural disasters are recognized as revenue upon receipt of an executed grant agreement.

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

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

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

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The County reports the following major governmental funds:

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

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

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

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

The non-major governmental funds of the County are:

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

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

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

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

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

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

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

**Enterprise Funds:**

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

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

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

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

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

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

**Trust Funds:**

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

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

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

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

**Custodial Funds:**

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

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

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

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

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

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

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

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

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

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

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

The connection fee charged to connect to the County's water and wastewater system consists of a capital recovery charge and a meter installation charge. The capital recovery charge will be used to finance future capital improvements, whereas the meter installation charge recovers the cost of the meter and its installation. In accordance with industry practice, capital recovery charges of \$22,514,718 and \$19,594,511 in fiscal year 2024 have been recorded as capital contributions in the Water and Wastewater Enterprise Funds, respectively, and the meter installation fees have been classified as charges for services in the Water Enterprise Fund.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as needed.

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

**1. Cash and Cash Equivalents**

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

**2. Investment Policy**

The reporting entity follows a deposit and investment policy in accordance with the Commonwealth's statutes. Investments with a maturity date of more than one year from the date of purchase are stated at fair value and investments with a maturity date of one year or less from the date of purchase are stated at amortized cost. Deposit and investment instruments include certificates of deposit, savings accounts, money market funds, Virginia State Non-Arbitrage Program (SNAP), bankers' acceptances, corporate notes, commercial paper, the Commonwealth of Virginia Local Government Investment Pool (LGIP), the Virginia Investment Pool Trust Fund (VIP) and United States (U.S.) government securities. Investments are generally on deposit with banks and savings and loan institutions and are collateralized under the provisions of the Virginia Security for Public Deposits Act, Section 2.1-359 et seq. Securities are held in safekeeping by the respective financial institutions. Investment income is reported in the same fund that reports the investment.

**3. Allowances for Uncollectibles**

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

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**4. Inventories**

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

**5. Restricted Assets - Enterprise Funds**

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

**6. Capacity Rights - Enterprise Funds**

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

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

**7. Capital Assets**

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

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

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

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

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

**8. Leases and Subscription-Based Information Technology Arrangements (SBITAs)**

**A. Leases:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**B. SBITAs:**

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

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

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

**9. Deferred Outflows/Inflows of Resources**

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

The Statement of Net Position reports a separate section for deferred inflows of resources in addition to liabilities. Deferred inflows of resources in the governmental funds' Balance Sheet represent

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unavailable revenue for amounts billed and not collected. Deferred inflows of resources in the government-wide Statement of Net Position represent unearned revenues for amounts received in advance of meeting timing requirements or amounts collected in advance of the fiscal year to which they apply. Deferred inflows of resources are also reported for amounts related to pensions and OPEB in the government-wide statement of net position. Actuarial losses resulting from a difference in expected and actual experience, investment results, changes in actuarial assumptions and changes in proportionate share are deferred and amortized. Changes in deferred inflows of resources are amortized over the remaining service life of all plan participants with the exception of investment experience amounts, which are deferred and amortized over a closed five-year period. The County has also recorded amounts associated with long-term receivables, primarily related to leases, as deferred inflows.

**10. Compensated Absences**

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

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

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

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

**11. Retirement Plans**

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

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**12. Other Postemployment Benefits Plans**

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

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

**13. Long-term Obligations**

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

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

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

**14. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures/expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates.

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**E. New Accounting Pronouncements**

In fiscal year 2024, the County implemented the following new accounting pronouncements:

**1. GASB Statement No. 100 (GASB 100) "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"**

This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions and other events that constitute those changes. This statement also prescribes the accounting and financial reporting for each type of accounting changed and error corrections in the previously issued financial statements.

**2. Stewardship, Compliance, and Accountability**

**A. Budgetary Accounting**

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

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

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- ◆ Formal budgetary integration is employed as a management control device during the year for all funds. Budgets are legally adopted annually for the County's General Fund, the Children's Services Fund, Stormwater Fund, Mental Health Fund, CVTA Fund and the School Operating Fund. The appropriations resolution specifies that Trust and Custodial Fund disbursements must be for the purpose for which the fund was established.
- ◆ A budget is adopted for each grant or project in the Grants Fund or the County Capital Projects Fund when funds become available. In the School Capital Projects Fund, projects are appropriated as funds become available on a fiscal year basis. The appropriations resolution specifies that the budget and appropriation for each grant or project continue until the expiration of the grant or completion of the project. All other appropriations lapse at year-end. The level of control at which expenditures may not legally exceed appropriations is at the individual grant or project level in the Grants Fund and County Capital Projects Fund and at the total appropriation level in the School Capital Projects Fund.
- ◆ Budgets for all funds are adopted on a budgetary basis. Budgeted amounts reflected in the basic financial statements are as originally adopted and as amended by the County Board, School Board, County Administrator or the School Superintendent. The statements include an explanation of differences between actual amounts on the budgetary basis and GAAP basis.
- ◆ The County Administrator is authorized to amend appropriations by transferring unencumbered appropriated amounts within appropriation categories, and up to \$50,000 between appropriation categories. The County Administrator is also authorized to (1) appropriate any unanticipated revenues that are received from insurance recoveries received for damage to County property, refunds or reimbursements made to the County for which the County has expended funds directly related to that refund or reimbursement, and other revenues not to exceed \$50,000; (2) appropriate funds from asset forfeiture accounts consistent with spending requirements; (3) increase the General Fund appropriation to the School Board, contingent upon available funds and consideration of other expenditures up to \$12.0 million; (4) transfer funds to departments for workers' compensation, supplemental retirement, healthcare, career development plans, part-time salaries and other compensation related costs as well as for transfers to cover energy/fuel costs; (5) reallocate funding sources for specific programs, and; (6) within the healthcare fund, may appropriate use of reserves, interest earnings, and additional employee or employer contributions in any amount to pay claims, deductibles, settlements, and any cost associated with healthcare. Otherwise, the County Board must approve amendments that increase the total appropriation of any function level. During the year, the County Board approved several amendments to the various appropriations. The County is required to hold a public hearing for any single amendment that exceeds 1% of the County's currently adopted budget.
- ◆ The Superintendent and/or School Board have the authority to make transfer amendments within major appropriation categories in the school budget. The Superintendent and/or School Board are authorized to approve amendments in the school budget that cross major appropriation categories up to \$499,999. Any amendment that crosses major appropriation categories in excess of \$499,999 must first be approved by the School Board and then by the County Board. The County Administrator has the authority to appropriate any unanticipated revenues that are received from insurance recoveries, reimbursements and other revenue of the School Board for amounts up to \$50,000.

**B. Fund balances**

**1. Primary Government**

The County Board has adopted policies that provide a framework for the County's overall fiscal planning and management. The County's unassigned General Fund balance has been built over the years to provide the County with sufficient working capital to finance unforeseen emergencies without

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short-term borrowing. The County is dedicated to maintaining a diversified and stable revenue system to shelter the government from fluctuations in any single revenue source and to ensure its ability to provide ongoing services. The County's policy is to fund current expenditures with current revenues. If it becomes necessary to fund current expenditures with fund balance and the County Board has not specified use of committed or unassigned resources, assigned fund balance is used when available within the same spending category.

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

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

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

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

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

**Unassigned fund balance** - Unassigned fund balance is the residual classification of fund balance. Only the General Fund can report a positive unassigned fund balance. The County Board has established a minimum fund balance policy, which is the ratio of unassigned General Fund balance to General Fund expenditures. The County's minimum unassigned fund balance target is 8.0% with a floor of 6.0% for fiscal year 2024.

**County of Chesterfield, Virginia**  
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The County had the following classifications of fund balances at June 30, 2024:

	<b>General</b>	<b>Central VA</b>	<b>County</b>	<b>School</b>	<b>Other</b>	
	<b>Fund</b>	<b>Transportation</b>	<b>Capital</b>	<b>Capital</b>	<b>Governmental</b>	
		<b>Authority</b>	<b>Projects</b>	<b>Projects</b>	<b>Funds</b>	<b>Totals</b>
		<b>Fund</b>	<b>Fund</b>	<b>Fund</b>		
<b>Restricted for:</b>						
General government	\$ 491,180	\$ -	\$ 5,526,630	\$ -	\$ -	\$ 6,017,810
Public, education and government access	9,554,981	-	-	-	-	9,554,981
Administration of justice	581,520	-	-	-	-	581,520
Public safety	18,777	-	42,602,340	-	267,899	42,889,016
Law enforcement	3,666,164	-	-	-	-	3,666,164
Public works	934,528	103,858,422	25,455,062	-	-	130,248,012
Stormwater management facility	1,657,456	-	-	-	-	1,657,456
Health and welfare	22,417	-	-	-	4,808,490	4,830,907
Chesapeake Bay Watershed/TMDL	-	-	-	-	23,565,387	23,565,387
Parks, recreation and cultural	46,723	-	37,069,401	-	321,950	37,438,074
Education - School Board	-	-	1,087,981	106,661,842	-	107,749,823
Economic development	98,824	-	6,323,375	-	1,825,631	8,247,830
Future capital projects	215,583	-	-	-	-	215,583
Tax increment financing and special assessments	18,054,150	-	-	-	-	18,054,150
Debt service	-	310,099,621	8,695,195	18,601,794	-	337,396,610
Total restricted	35,342,303	413,958,043	126,759,984	125,263,636	30,789,357	732,113,323
<b>Committed to:</b>						
Community contracts	40,422	-	-	-	-	40,422
District improvement funds	610,898	-	-	-	-	610,898
Economic development	287,727	-	-	-	-	287,727
Public safety	231,046	-	-	-	-	231,046
Public works	1,410,136	-	-	-	-	1,410,136
Total committed	2,580,229	-	-	-	-	2,580,229
<b>Assigned to:</b>						
General government	2,095,714	-	-	-	-	2,095,714
Telecommunications	198,481	-	-	-	-	198,481
Workers compensation	2,400,000	-	-	-	-	2,400,000
Administration of justice	2,947	-	-	-	-	2,947
Public safety	2,235,781	-	-	-	12,282,788	14,518,569
Public safety compensation plan	15,136,631	-	-	-	-	15,136,631
Fire apparatus	3,253,341	-	-	-	-	3,253,341
Local match for grants	1,702,808	-	-	-	-	1,702,808
Police vehicles	1,431,519	-	-	-	-	1,431,519
Public works	285,140	-	-	-	-	285,140
Road construction	10,788,231	-	-	-	-	10,788,231
Motor vehicle registration fees for transportation	226,074	-	-	-	-	226,074
Health and welfare	263,593	-	-	-	18,796,057	19,059,650
Parks, recreation and cultural	938,129	-	-	-	-	938,129
Economic development	12,318,895	-	-	-	-	12,318,895
Airport	3,961,720	-	-	-	-	3,961,720
Construction	217,862,663	-	-	-	-	217,862,663
Debt service	859,125	-	-	-	-	859,125
Chesapeake Bay Watershed/TMDL	2,923,562	-	-	-	-	2,923,562
Fiscal year 2025 adopted budget	18,662,000	-	-	-	-	18,662,000
Future capital projects	3,078,600	-	-	-	-	3,078,600
Future revenue shortfall - County	111,664,479	-	-	-	-	111,664,479
Future revenue shortfall - Schools	9,199,928	-	-	-	-	9,199,928
Education - School construction	12,619,980	-	-	-	-	12,619,980
Education - School debt service	3,622,599	-	-	-	-	3,622,599
Total assigned	437,731,940	-	-	-	31,078,845	468,810,785
<b>Unassigned</b>	86,050,400	-	-	-	-	86,050,400
Total fund balances	\$ 561,704,872	\$ 413,958,043	\$ 126,759,984	\$ 125,263,636	\$ 61,868,202	\$ 1,289,554,737

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

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

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

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

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

**Committed fund balance** - Committed fund balance requires expressed formal action of the School Board and then by the County Board by a resolution that identifies the specific circumstances under which resources can be expended. The School Board can only modify the specified use of commitments with County approval by resolution. At June 30, 2024, the School Board had no committed fund balance.

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

**Unassigned fund balance** - Unassigned fund balance is the residual classification of fund balance. At June 30, 2024, the School Board had no unassigned fund balance.

The School Board had the following classifications of fund balances at June 30, 2024:

**Component Unit - School Board**

<b>Nonspendable:</b>	
Inventories	\$ 124,448
<b>Restricted for:</b>	
Food service	19,505,910
Total restricted	<u>19,505,910</u>
<b>Assigned to:</b>	
Instruction	23,333,065
Administration, attendance and health	313,482
Transportation	5,422,883
Operations, construction and maintenance	52,121,151
Technology	265,043
School activity funds	6,951,415
Total assigned	<u>88,407,039</u>
Total fund balances	<u>\$ 108,037,397</u>

**County of Chesterfield, Virginia**  
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**3. Significant Transactions of the County and Component Unit**

**A. School Board**

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

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

**B. Economic Development Authority**

**1. Primary Government**

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

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

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

For debt issued by the EDA on behalf of the County, the Primary Government's budgeting process provides funding to the EDA component unit for debt service payments or may make debt service payments directly from the County's General Fund. GAAP requires that component units where the Primary Government pays substantially all of the debt service on behalf of the component unit be reported as a blended component unit. Payments for debt service for obligations issued by the EDA on behalf of the County are eliminated in the Combining Statement of Revenues, Expenditures and Changes Net Position - Non-major Enterprise Funds. Debt obligations and related offsetting receivables for debt issued on behalf of the County are eliminated in the Combining Statement of Changes in Net Position - Non-major Enterprise Funds.

#### **4. Deposits and Investments**

##### **A. Primary Government:**

As of June 30, 2024, the carrying value of the County's deposits and investments, excluding Trust Funds, but including Custodial Funds, with their respective credit ratings, was as follows:

<b>Asset Type</b>	<b>Credit Quality Rating</b>				
	<b>Fair Value</b>	<b>AAA/AAAm</b>	<b>AA</b>	<b>A1</b>	<b>N/A</b>
Demand deposits	\$ 126,845,541	\$ -	\$ -	\$ -	\$ 126,845,541
LGIP	182,096,329	182,096,329	-	-	-
VIP Stable NAV Liquidity Pool	876,506,898	876,506,898	-	-	-
SNAP	242,983,582	242,983,582	-	-	-
VIP 1 - 3 Year High Quality Bond Fund	50,753,812	-	50,753,812	-	-
Negotiable certificates of deposit	110,060,447	-	-	110,060,447	-
Corporate notes	509,124,328	164,897,419	344,226,909	-	-
Municipal bonds	6,942,044	-	6,942,044	-	-
Federal National Mortgage Assoc	14,950,590	-	14,950,590	-	-
Federal Home Loan Bank	300,140,601	12,251,973	287,888,628	-	-
Federal Farm Credit Bank	71,935,000	27,496,144	44,438,856	-	-
<b>Total</b>	<b>\$ 2,492,339,172</b>	<b>\$ 1,506,232,344</b>	<b>\$ 749,200,839</b>	<b>\$ 110,060,447</b>	<b>\$ 126,845,541</b>

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

##### **Credit Risk:**

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

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

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

The VIP is a Section 115 governmental trust fund created under the Joint Exercise of Powers statute of the Commonwealth to provide political subdivisions with an investment vehicle to pool surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. The VIP is governed by a Board of Trustees. The VIP is committed to managing certain risk limiting provisions of the VIP Stable NAV Liquidity Pool to maintain a stable net asset value (NAV) at \$1 per share, daily liquidity and a competitive yield. The VIP 1 - 3 Year High Quality Bond Fund is designed for funds that can be invested generally for one year or longer. This fund incorporates a diversified portfolio of security types authorized by the Code of Virginia and its returns are benchmarked against the ICE Bank of America Merrill Lynch 1 - 3 Year AAA/AA Corporate & Government Index. The VIP Stable NAV Liquidity Pool reports the fair value of investments, which approximates amortized costs, to its participants. The VIP 1 - 3 Year High Quality Bond Fund is a fluctuating NAV fund that is measured at fair value for financial reporting purposes. The County reports the VIP Stable NAV Liquidity Pool at amortized cost and the VIP 1 - 3 Year High Quality Bond Fund at fair value, as provided by the VIP trustee.

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

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

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

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

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the depositor will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. As of June 30, 2024, all demand deposits were insured or collateralized.

**Concentration of Credit Risk:**

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

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

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As of June 30, 2024, the portion of the County's portfolio, excluding demand deposits and SNAP, that represents 5% or more of the total portfolio is as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
Corporate notes	24.0%
VIP Stable NAV Liquidity Pool	41.3%
Federal Home Loan Bank	14.1%
Negotiable certificates of deposit	5.2%
LGIP	8.6%

**Interest Rate Risk:**

As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy limits the investment of operating funds to investments with a stated maturity of no more than 5 years from the date of purchase. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

As of June 30, 2024, the County had the following pooled deposits and investments:

<u>Asset Type</u>	<u>Fair Value/NAV</u>	<u>Less than 1 Year</u>	<u>1 - 2 Years</u>	<u>2 - 3 Years</u>	<u>3 - 4 Years</u>	<u>4-5 Years</u>
LGIP	\$ 182,096,329	\$ 182,096,329	\$ -	\$ -	\$ -	\$ -
VIP Stable NAV Liquidity Pool	876,506,898	876,506,898	-	-	-	-
SNAP	242,983,582	242,983,582	-	-	-	-
VIP 1 - 3 Year High Quality Bond Fund	50,753,812	-	50,753,812 (a)	-	-	-
Corporate notes	509,124,328	182,338,444 (b)	132,689,695	134,130,069	29,885,460	30,080,660
Municipal bonds	6,942,044	1,886,239	-	-	5,055,805	-
Federal National Mortgage Assoc	14,950,590	-	-	4,983,250	-	9,967,340
Federal Home Loan Bank	300,140,601	68,231,817 (c)	29,535,090	99,293,951 (d)	61,146,245	41,933,498
Federal Farm Credit Bank	71,935,000	4,900,595	9,987,550 (e)	32,589,174	-	24,457,681
Negotiable certificates of deposit	110,060,447	110,060,447	-	-	-	-
Total	<u>\$ 2,365,493,631</u>	<u>\$ 1,669,004,351</u>	<u>\$ 222,966,147</u>	<u>\$ 270,996,444</u>	<u>\$ 96,087,510</u>	<u>\$ 106,439,179</u>

(a) The weighted average effective duration for this investment is 1.83 years.

(b) \$77,256,588 of these bonds have a call dates between July 1, 2024 and June 9, 2025.

(c) \$63,241,327 of these bonds have quarterly call dates from July 4, 2024 to September 30, 2024.

(d) \$79,430,090 of these bonds have quarterly call dates from July 29, 2024 to November 13, 2024.

(e) These bonds have continuous call dates to December 1, 2025

**Fair Value Hierarchy:**

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

Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs). The County's portfolio has the following recurring fair value measurements for debt securities as of June 30, 2024:

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<u>Investments by fair value - Level 2</u>	<u>Fair Value</u>
Negotiable certificates of deposit	\$ 110,060,447
Corporate notes	509,124,328
Municipal bonds	6,942,044
Federal National Mortgage Association	14,950,590
Federal Home Loan Bank	300,140,601
Federal Farm Credit Bank	71,935,000
Federal National Mortgage Association	
Total investments by fair value - Level 2	<u>\$ 1,013,153,010</u>
 <u>Investments measured at the net asset value (NAV)</u>	
VIP 1 - 3 Year High Quality Bond Fund	<u>\$ 50,753,812</u>

The VIP 1 - 3 Year Bond Fund (Portfolio) is a fixed income investment portfolio designed to provide a pooled investment alternative with an investment horizon greater than that of money market instruments, typically one year or longer. The Portfolio measures its returns against the ICE Bank of America Merrill Lynch 1 - 3 Year AAA/AA U. S. Corporate and Government Index and aims to exceed the return of the benchmark over three-year periods while preserving participant capital. The Portfolio is managed as a variable NAV pool. Fair value and NAV are determined on the 15<sup>th</sup> and the last business day of each month. If the 15<sup>th</sup> is not a business day, the fair value and the NAV will be determined on the preceding business day. The pool transacts with participants based on a floating NAV per share that is determined by the market, the same as reporting. Redemptions must be at least \$10,000 and may be made twice per month on the first business day following the portfolio valuation.

**Chesterfield County Supplemental Retirement Plan:**

As of June 30, 2024, the carrying value of the County Supplemental Retirement Plan Pension Trust Fund's (Plan) deposits and investments was as follows:

<u>Asset Type</u>	<u>Fair Value</u>
Demand deposits	\$ 1,940,479
Mutual funds	9,769,899
Common and preferred stocks	11,946,735
Corporate bonds	5,060,880
Municipal bonds	57,125
Funds of funds	6,978,629
Exchange traded funds	10,930,780
Collateralized mortgage backed securities	991,127
U. S. Treasuries	1,745,372
Federal National Mortgage Association	1,928,014
Federal Home Loan Mortgage Corporation	1,431,409
Government National Mortgage Association	728,190
Total deposits and investments	<u>\$ 53,508,639</u>

The Plan's investments include funds of funds, which are investment funds that use a strategy of holding a portfolio of other investment funds rather than investing directly in shares, bonds or other

**County of Chesterfield, Virginia**  
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securities, resulting in greater portfolio diversification. At June 30, 2024, the underlying investments in the Plan's funds of funds consisted primarily of equities and fixed income securities.

**Credit Risk:**

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

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. Of the Plan's \$1,940,479 of demand deposits, \$1,440,479 is invested in bank deposits or money market funds that are uninsured and uncollateralized.

**Concentration of Credit Risk:**

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

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

**Interest Rate Risk:**

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

At June 30, 2024, the Plan had investments of \$991,127 (1.92% of total portfolio excluding demand deposits) in collateralized mortgage backed securities. These securities are based on cash flows from interest and principal payments on underlying mortgages of commercial income producing properties and, therefore, are sensitive to interest rate changes.

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

As of June 30, 2024, the Plan held the following investments and maturities:

<b>Asset Type</b>	<b>Fair Value</b>	<b>Investment Maturity</b>		
		<b>0 - 5 Years</b>	<b>5 - 10 Years</b>	<b>10 - 40 Years</b>
Corporate bonds and collateralized mortgage backed securities	\$ 6,052,007	\$ 2,827,019	\$ 1,192,591	\$ 2,032,397
Municipal bonds	57,125	-	-	57,125
U. S. Treasuries	1,745,372	211,855	631,913	901,604
Federal National Mortgage Association	1,928,015	-	-	1,928,015
Federal Home Loan Mortgage Corporation	1,431,408	-	15,708	1,415,700
Government National Mortgage Association	728,190	4,080	-	724,110
<b>Total</b>	<b>\$ 11,942,117</b>	<b>\$ 3,042,954</b>	<b>\$ 1,840,212</b>	<b>\$ 7,058,951</b>

**Fair Value Hierarchy:**

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

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
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The Plan's portfolio has the following recurring fair value measurements as of June 30, 2024:

	<u>Fair Value Measurements Using</u>		
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<b><u>Investments by fair value level</u></b>			
Debt securities:			
U. S. Treasuries	\$ 1,745,372	\$ -	\$ 1,745,372
U. S. agencies and sponsored enterprises	4,087,613	-	4,087,613
Municipal bonds	57,125	-	57,125
Collateralized mortgage-backed securities	991,127	-	991,127
Corporate bonds	5,060,880	-	5,060,880
Total debt securities	<u>11,942,117</u>	<u>-</u>	<u>11,942,116</u>
Equity securities:			
Common and preferred stocks	11,946,735	11,946,735	-
Exchange traded funds	10,930,780	10,930,780	-
Mutual funds	9,769,899	9,769,899	-
Total equity securities	<u>32,647,414</u>	<u>32,647,414</u>	<u>-</u>
Total investments by fair value level	<u>44,589,531</u>	<u>\$ 32,647,414</u>	<u>\$ 11,942,116</u>
<b><u>Investments measured at the net asset value (NAV)</u></b>			
Multi-strategy alternative funds	<u>6,978,629</u>		
Total investments measured at fair value	<u>\$ 51,568,160</u>		

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<b><u>Investments measured at the NAV</u></b>				
(1) Multi-strategy alternative investment	\$ 1,317,638	\$ 247,063	None	N/A
(2) Multi-strategy alternative investment	914,841	859,296	None	N/A
(3) Multi-strategy alternative investment	2,156,904	None	Semi-annual	95 days
(4) Multi-strategy alternative investment	<u>2,589,246</u>	None	Quarterly	100 days
Total investments measured at fair value	<u>\$ 6,978,629</u>			

- (1) *Multi-strategy alternative investment.* This investment is a multi-strategy fund designed to provide investors with exposure to a well-diversified private markets portfolio across strategy, investment type and vintage year. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.
- (2) *Multi-strategy alternative investment.* This investment's objective is to provide liquidity, capital and partnering solutions to private equity investors and managers. It funds source opportunities from around the world, acquiring and structuring portfolios of private equity partnerships and underlying portfolio companies across leveraged buyout, credit, distressed, growth capital, real asset and venture capital strategies. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the investments.

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

**Investment Policy and Long-term Rate of Return:**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Style Target</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>
U.S. Large Cap Equity	25.0%		
Large Cap Growth		12.5%	9.7%
Large Cap Value		12.5%	9.2%
U.S. Small Cap Equity	10.0%		
Small Cap Growth		5.0%	9.2%
Small Cap Value		5.0%	10.0%
International Developed and Emerging Markets	20.0%		
Developed International Equity		15.0%	8.4%
Emerging Markets Equity		5.0%	10.0%
Fixed Income - U.S. Core Broad	25.0%		3.9%
Alternative Investments	15.0%		
Hedge funds		10.0%	6.4%
Private Equity		5.0%	14.1%
Real Estate (Investment Trusts)	<u>5.0%</u>		7.2%
<b>Total</b>	<b><u>100.0%</u></b>		<b>7.7%</b>

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
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**County and School Board Retiree Healthcare OPEB Funds and County Line of Duty OPEB Fund:**

As of June 30, 2024, the carrying value of the County Retiree Healthcare OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Investment in pooled funds	\$ <u>46,401,314</u>	N/A

As of June 30, 2024, the carrying value of the School Board Retiree Healthcare OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Investment in pooled funds	\$ <u>31,949,165</u>	N/A

As of June 30, 2024, the carrying value of the County Line of Duty OPEB Fund's deposits and investments held by the Trust and their respective credit rating was as follows:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Investment in pooled funds	\$ <u>19,323,634</u>	N/A

As of June 30, 2024, excluding the pooled funds, there were no other investments. Accordingly, there is no credit risk, concentration of credit risk or interest rate risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire pooled funds in the County and School Board Retiree Healthcare OPEB Funds and the County Line of Duty OPEB Fund are uninsured and uncollateralized.

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

**County of Chesterfield, Virginia**  
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**Investment Policy and Long-term Rate of Return:**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>
Equity:		
Large Cap	21.0%	7.2%
Small Cap	10.0%	8.6%
International	13.0%	8.0%
Emerging Markets	5.0%	9.3%
Private	10.0%	10.5%
Long/Short Equity	6.0%	5.6%
Fixed Income:		
Core Bonds	5.0%	2.6%
Core Plus	11.0%	2.9%
Liquid Absolute Return	4.0%	3.3%
Real Assets:		
Core Real Estate	10.0%	6.5%
Opportunistic Real Estate	<u>5.0%</u>	9.5%
Total	<u>100%</u>	6.95%

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

**B. Component Unit - School Board**

As of June 30, 2024, the carrying value of the School Board operating and custodial funds' deposits with their respective credit rating were as follows:

<b><u>Asset Type</u></b>	<b><u>Fair Value</u></b>	<b><u>Credit Rating</u></b>
Demand deposits	\$ 30,848,425	N/A
SNAP	<u>19,116</u>	AAAm
Total	<u>\$ 30,867,541</u>	

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School Board deposits are invested in accordance with the County's investment policy. As of June 30, 2024, excluding the demand deposits, School Board investments were limited to SNAP. Descriptions of credit risk, concentration of credit risk and interest rate risk for SNAP investments is included Note 4.A. Primary Government.

**School Board Supplemental Retirement Program:**

As of June 30, 2024, the carrying value of the School Board Supplemental Retirement Program Pension Trust Fund's (Program) deposits and investments, with their respective credit ratings, was as follows:

<u>Asset Type</u>	<u>Fair Value</u>
Demand Deposits	\$ 4,355,168
Common stocks	21,921,166
Mutual funds - equity	9,290,465
Mutual funds - fixed income	27,393,092
Exchange traded funds - equity	14,979,995
Exchange traded funds - fixed income	2,222,637
Total deposits and investments	<u>\$ 80,162,523</u>

**Credit Risk:**

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

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

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Program will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. Of the money market accounts held by the program, \$3,847,361,607 is uninsured and uncollateralized.

**Concentration of Credit Risk:**

Investments in the Program are managed in accordance with an Investment Policy Statement (Statement) adopted by the Program's Administrative Committee (Committee). The Statement establishes

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

**Interest Rate Risk:**

Program investments sensitive to interest rate risk are managed by an investment manager specializing in global fixed income investments. The investment manager is responsible for monitoring economic outlook and investment strategy and has discretionary authority to buy, sell, or hold individual securities within the guidelines of the stated methodology. Performance of the investments is reviewed, monitored, and evaluated quarterly by the Committee. As of June 30, 2024, the Program held the following investments and maturities:

<u>Asset Type</u>	<u>Fair Value</u>	<u>Investment Maturity<sup>(1)</sup></u>	
		<u>0 - 5 Years</u>	<u>5 - 13 Years</u>
Exchange traded funds fixed income	\$ 2,222,637	\$ 2,222,637	\$ -
Mutual funds - fixed income	27,393,092	20,744,323	10,450,710
Total	<u>\$ 29,615,729</u>	<u>\$ 22,966,960</u>	<u>\$ 10,450,710</u>

<sup>(1)</sup> Estimated using average effective maturity.

**Fair Value Hierarchy:**

The Program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Program has the following recurring fair value measurements using quoted market prices (Level 1 inputs) as of June 30, 2024:

<u>Investments by Fair Value</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Common stocks	\$ 21,921,166	\$ 21,921,166	\$ -
Mutual funds - equity	9,290,465	9,290,465	-
Mutual funds - fixed income	27,393,092	14,508,357	12,884,735
Exchange traded funds - equity	14,979,995	14,979,995	-
Exchange traded funds - fixed income	2,222,637	2,222,637	-
Total	<u>\$ 75,807,355</u>	<u>\$ 62,922,620</u>	<u>\$ 12,884,735</u>

**County of Chesterfield, Virginia**  
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**Investment Policy and Long-term Rate of Return:**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Style Target</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>
Equity:			
U.S. Large Cap Equity	32.0%		
Large Cap Growth		13.0%	9.7%
Large Cap Value		19.0%	9.2%
U.S. Small/Mid Cap Equity	12.0%		
Mid Cap Growth		3.0%	9.9%
Mid Cap Value		5.0%	9.7%
Small Cap Growth		1.0%	9.2%
Small Cap Value		3.0%	10.0%
International Developed Equity	11.0%		8.4%
Emerging Markets Equity	5.0%		10.0%
Global Fixed Income	40.0%		
Ultra-Short Term Fixed Income		4.0%	3.1%
Short-term Fixed Income		11.0%	3.4%
U. S. Taxable Core		14.0%	3.9%
Inflation Linked Securities		3.0%	4.9%
Global Fixed Income Other		8%	3.8%
Total	<u>100.0%</u>		7.1%

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**5. Receivables**

**A. Real and Personal Property Taxes**

Property tax revenues may be used to fund any general governmental services authorized by the Code of Virginia and the County Board. Property taxes levied by the County are not subject to any statutory maximum; however, a public hearing must be held prior to setting the current tax rate. The tax rate is set by the County Board in March or April and is applied to the assessed value as of January 1 of the calendar year. The assessed value of all classes of property approximates market value. January 1 is also the date an enforceable legal claim to the asset applies. Real Property taxes are due June 5th and December 5th in two equal installments. Installments due on June 5, 2024, are levied for fiscal year 2024 and, when unavailable in the current period, are reported as deferred inflows of resources. Installments due on December 5, 2024, are levied for fiscal year 2025 and, therefore, are unearned and reported as deferred inflows of resources.

Personal property taxes, which do not create a lien on property, are due on June 5th and levied for fiscal year 2024 on property with situs in the County as of January 1st. The County prorates personal property taxes levied on motor vehicles acquiring or losing situs after January 1.

The Personal Property Tax Relief Act of 1998 (PPTRA) provided for the Commonwealth to reimburse a portion of the personal property tax levied on the first \$20,000 of personal use cars, motorcycles and trucks. During the 2005 Special Session I, the Virginia General Assembly passed Senate Bill 5005. The bill provides for the Commonwealth to reimburse a portion of the tangible personal property tax levied based on a fixed relief amount. The fixed relief amount was capped at \$950,000,000 in total for all localities with the County's share capped at \$41,092,048, which the County received during the year ended June 30, 2024. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

**B. Stormwater Utility Fees**

Stormwater utility fees are billed to each property owner subject to the fee in the same manner as the real property tax. Stormwater utility fees are due June 5th and December 5th in two equal installments. Installments due on June 5, 2024, are levied for fiscal year 2024 and, when unavailable in the current period, are reported as deferred inflows of resources in the fund statements. Installments due on December 5, 2024, are levied for fiscal year 2025 and are reported as deferred inflows of resources in the fund statements and government-wide statements.

**C. Leases**

The County leases land, building, office space and equipment to third parties which are presented with accounts receivable on the financial statements. As of June 30, 2024, the County had 39 active leases. The leases have receipts that range from \$0 to \$651,715 and interest rates that range from 0.4350% to 3.5400%. The total combined valued of the lease receivable is \$21,973,457, the total combined value of the short-term lease receivable is \$1,783,866 and the combined value of the deferred inflows of resources in \$21,339,284. The leases had \$0 of variable receipts and \$0 of other receipts within the fiscal year.

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

Year Ending	<u>Primary Government</u>					
	Governmental Activities			Business-Type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,370,391	\$ 339,951	\$ 1,710,342	\$ 413,475	\$ 185,010	\$ 598,485
2026	1,359,831	319,761	1,679,592	425,518	177,306	602,824
2027	1,257,005	299,090	1,556,095	353,409	169,721	523,130
2028	1,058,163	279,909	1,338,072	337,560	163,077	500,637
2029	360,637	267,460	628,097	348,630	156,204	504,834
2030-2034	1,128,254	1,242,773	2,371,027	1,825,305	670,136	2,495,441
2035-2039	921,764	1,089,206	2,010,970	1,347,672	496,432	1,844,104
2040-2044	942,394	937,612	1,880,006	1,170,777	353,388	1,524,165
2045-2049	1,035,197	781,694	1,816,891	771,133	225,653	996,786
2050-2054	967,241	620,261	1,587,502	663,392	142,478	805,870
2055-2059	1,024,566	452,814	1,477,380	744,060	57,075	801,135
2060-2064	1,219,530	257,850	1,477,380	87,098	705	87,803
2065-2067	840,455	45,973	886,428	-	-	-
Total	<u>\$ 13,485,428</u>	<u>\$ 6,934,354</u>	<u>\$ 20,419,782</u>	<u>\$ 8,488,029</u>	<u>\$ 2,797,185</u>	<u>\$ 11,285,214</u>

**D. Receivables**

Receivables at June 30, 2024, were as follows:

Governmental Activities	General Fund	Central VA Transportation Authority	County Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Taxes	\$ 324,491,549	\$ -	-	\$ 2,474,325	\$ -	\$ 326,965,874
Accounts	16,766,093	-	770,044	24,999,275	36,761	42,572,173
Leases	13,485,428	-	-	-	-	13,485,428
Interest	2,813,206	1,096,333	-	-	-	3,909,539
Lease interest	48,163	-	-	-	-	48,163
Special assessments	742,561	-	-	-	-	742,561
Commonwealth of Virginia	43,955,107	5,721,798	6,949,379	2,568,418	12,037	59,206,739
Federal government	-	-	6,458,389	2,072,875	-	8,531,264
Gross receivables	402,302,107	6,818,131	14,177,812	32,114,893	48,798	455,461,741
Less: Allowance for uncollectibles	(13,983,668)	-	-	(8,969,415)	-	(22,953,083)
Net receivables	<u>\$ 388,318,439</u>	<u>\$ 6,818,131</u>	<u>\$ 14,177,812</u>	<u>\$ 23,145,478</u>	<u>\$ 48,798</u>	<u>\$ 432,508,658</u>

Business-type Activities	Water Fund	Wastewater Fund	Non-major Enterprise Funds	Total
Accounts	\$ 13,754,360	\$ 11,270,468	\$ 156,914	\$ 25,181,742
Leases	3,290,782	-	5,197,246	8,488,028
Interest	2,941,251	3,040,928	7,710	5,989,889
Special assessments	27,862	207,877	-	235,739
Commonwealth of Virginia	-	-	5,502,697	5,502,697
Federal government	1,055,867	-	209,008	1,264,875
Gross receivables	21,070,122	14,519,273	11,073,575	46,662,970
Less: Allowance for uncollectibles	(510,837)	(421,705)	-	(932,542)
Net receivables	<u>\$ 20,559,285</u>	<u>\$ 14,097,568</u>	<u>\$ 11,073,575</u>	<u>\$ 45,730,428</u>

**County of Chesterfield, Virginia**  
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<b>Component Unit</b>	<b>School Board</b>
Accounts	\$ 1,586,025
Commonwealth of Virginia	8,846,834
Federal government	<u>20,354,961</u>
Gross receivables	<u>\$ 30,787,820</u>

Special assessments of \$27,862 and \$207,877, respectively, in the Water and Wastewater funds, in addition to \$161,148 of accrued interest on those special assessments in the Wastewater fund, are not expected to be collected within one year.

## 6. Payables

Payables at June 30, 2024, were as follows:

### Governmental Activities

	<b>General Fund</b>	<b>Central VA Transportation Authority</b>	<b>County Capital Projects Fund</b>	<b>School Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Internal Service Funds</b>	<b>Total</b>
Vendors	\$ 9,600,849	\$ 447,457	\$ 22,947,994	\$ 23,244,572	\$ 5,374,198	\$ 4,543,749	\$ 66,158,819
Wages and benefits	10,750,375	-	9,174	-	1,601,676	300,600	12,661,825
Retainages	-	-	3,107,927	6,598,009	390,477	-	10,096,413
Deposits	299,536	-	2,417,572	-	-	-	2,717,108
Total	<u>\$ 20,650,760</u>	<u>\$ 447,457</u>	<u>\$ 28,482,667</u>	<u>\$ 29,842,581</u>	<u>\$ 7,366,351</u>	<u>\$ 4,844,349</u>	<u>91,634,165</u>
						Accrued interest	<u>13,017,901</u>
						Total per government-wide	<u>\$ 104,652,066</u>

### Business-type Activities

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Non-major Enterprise Funds</b>	<b>Total</b>
Vendors	\$ 6,737,234	\$ 4,037,928	\$ 360,302	\$ 11,135,464
Wages and benefits	431,636	361,867	7,607	801,110
Accrued interest	18,565	69,744	19,704	108,013
Retainages	735,916	763,782	855,756	2,355,454
Other	2,217,381	31,661	2,739,868	4,988,910
Total	<u>\$ 10,140,732</u>	<u>\$ 5,264,982</u>	<u>\$ 3,983,237</u>	<u>\$ 19,388,951</u>

### Component Unit

	<b>School Board</b>
Vendors	\$ 15,936,942
Wages and benefits	57,685,322
Retainages	108,596
Accrued interest	<u>110,850</u>
Total	<u>\$ 73,841,710</u>

County of Chesterfield, Virginia  
Notes to Financial Statements  
June 30, 2024

**7. Reporting Entity - Internal Transactions**

Internal receivable and payable balances at June 30, 2024, were as follows:

Fund	Internal Receivables	Internal Payables
<b>Internal Receivables/Payables Other Funds</b>		
<b>Governmental Activities:</b>		
General Fund	\$ -	\$ 385,249
<b>Business-type Activities:</b>		
Economic Development Authority	385,249	-
Total primary government	<u>\$ 385,249</u>	<u>\$ 385,249</u>
<b>Receivables/Payables Primary Government and Component Units</b>		
<b>Primary Government:</b>		
General Fund	\$ -	\$ 121,755,985
<b>Discretely Presented Component Unit:</b>		
School Board	121,755,985	-
Total	<u>\$ 121,755,985</u>	<u>\$ 121,755,985</u>

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

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

Transfers are used (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) to use revenues collected in the General Fund to finance various grants, projects or programs accounted for in other funds in accordance with budgetary authorization and (3) to provide funding for capital expenditures or budgeted subsidies for operations. Interfund transfers in the fund financial statements during fiscal year 2024 were as follows:

**Transfers In:**

**Governmental Funds**

General Fund from:

Grants Fund	\$ 2,196,300	
Mental Health Fund	<u>222,400</u>	\$ 2,418,700

County Capital Projects Fund from:

General Fund	80,007,559	
Grants Fund	12,240	
Central Virginia Transportation Authority - Local	2,944,681	
Schools Capital Project Fund	109,298	
Mental Health Fund	378,882	
Tourism Fund	<u>2,406,522</u>	85,859,182

Grants Fund from:

General Fund	2,315,439	
Mental Health Fund	269,035	
Jail Canteen Fund	<u>15,500</u>	2,599,974

Children's Services Fund from:

General Fund		1,907,700
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Mental Health Fund from:

General Fund	15,585,800	
Grants Fund	<u>15,975</u>	15,601,775

Stormwater Funds from:

General Fund		137,491
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Tourism Funds from:

General Fund		3,051,109
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**Proprietary Funds**

Economic Development Authority from:

General Fund		148,609
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Airport Fund from:

General Fund		<u>362,021</u>
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Total transfers in		<u><u>\$ 112,086,561</u></u>
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**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

**Transfers Out:**

**Governmental Funds**

General Fund to:

County Capital Projects Fund	\$ 80,007,559	
Grants Fund	2,315,439	
Children's Services Fund	1,907,700	
Stormwater Fund	137,491	
Mental Health Fund	15,585,800	
Economic Development Authority	148,609	
Airport Fund	362,021	
Tourism	<u>3,051,109</u>	\$ 103,515,728

Central Virginia Transportation Authority - Local Fund to:

County Capital Projects Fund	2,944,681
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Grants Fund to:

General Fund	2,196,300	
County Capital Projects Fund	12,240	
Mental Health Fund	<u>15,975</u>	2,224,515

Mental Health Fund to:

General Fund	222,400	
County Capital Projects Fund	378,882	
Grants Fund	<u>269,035</u>	870,317

Tourism Fund to:

County Capital Projects Fund	2,406,522
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Schools Capital Project Fund to:

County Capital Projects Fund	109,298
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Jail Canteen Fund to:

Grants Fund	<u>15,500</u>
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Total transfers out	<u><u>\$ 112,086,561</u></u>
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**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

**8. Capital and Intangible Assets**

**A. Governmental Activities**

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2024</u>
Capital assets, not being depreciated:				
Land	\$ 121,079,364	\$ 13,500,636	\$ 16,000	\$ 134,564,000
Construction in progress	104,929,706	147,830,552	62,788,077	189,972,181
Subscriptions in progress	548,018	4,898,701	266,151	5,180,568
Total assets, not being depreciated	<u>226,557,088</u>	<u>166,229,889</u>	<u>63,070,228</u>	<u>329,716,749</u>
Capital assets, being depreciated and or amortized:				
Buildings	1,657,970,269	40,225,944	9,078,697	1,689,117,516
Improvements other than buildings	128,116,552	15,547,700	24,854	143,639,398
Machinery and equipment	228,253,195	22,546,217	3,957,835	246,841,577
Infrastructure	44,743,030	680,178	-	45,423,209
Right-to-use land	124,030	-	-	124,030
Right-to-use buildings	12,043,483	310,264	1,799,374	10,554,373
Right-to-use equipment	961,954	-	-	961,954
Right-to-use subscriptions	12,426,493	3,521,806	3,106,720	12,841,579
Total at historical cost	<u>2,084,639,006</u>	<u>82,832,109</u>	<u>17,967,480</u>	<u>2,149,503,635</u>
Less accumulated depreciation and amortization for:				
Buildings	595,327,848	36,630,937	6,341,265	625,617,520
Improvements other than buildings	72,171,413	5,326,210	11,909	77,485,714
Machinery and equipment	152,656,117	17,134,532	3,545,453	166,245,196
Infrastructure	14,503,717	653,180	-	15,156,897
Right-to-use land	74,418	37,209	-	111,627
Right-to-use buildings	4,471,228	1,926,098	1,799,372	4,597,954
Right-to-use equipment	176,358	192,391	-	368,749
Right-to-use subscriptions	4,799,298	4,389,269	3,106,719	6,081,848
Total accumulated depreciation/amortization	<u>844,180,397</u>	<u>66,289,826</u>	<u>14,804,718</u>	<u>895,665,505</u>
Total capital assets, being depreciated, net	<u>1,240,458,609</u>	<u>16,542,283</u>	<u>3,162,762</u>	<u>1,253,838,130</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 1,467,015,697</u></u>	<u><u>\$ 182,772,172</u></u>	<u><u>\$ 66,232,990</u></u>	<u><u>\$ 1,583,554,879</u></u>

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

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

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

General capital assets, net	\$ 1,563,287,210
Internal Service Funds capital assets, net	<u>20,267,669</u>
Total	<u>\$ 1,583,554,879</u>

Depreciation and amortization expense was charged to the following functions:

General government	\$ 6,951,338
Administration of justice	1,748,157
Public safety	14,772,539
Public works	1,716,222
Health and welfare	2,080,471
Education - School Board	28,673,587
Parks, recreation and cultural	7,144,710
Community development	1,361,382
Capital assets held by the County's Internal Service Funds	<u>1,841,420</u>
Total depreciation expense	<u>\$ 66,289,826</u>

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

<u>Function</u>	<u>Committed at June 30, 2024</u>
General government	\$ 8,232,622
Administration of justice	1,047,428
Public safety	70,856,309
Public works	29,157,515
Parks, recreation and cultural	52,350,685
Education - School Board	204,165,819
Community development	<u>7,089,706</u>
Total construction in progress commitments	<u>\$ 372,900,084</u>

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

<u>Function</u>	<u>Committed at June 30, 2024</u>
General government	\$ 3,464,271
Administration of justice	58,110
Public Works	1,501,481
Community development	<u>156,706</u>
Total subscriptions in progress commitments	<u>\$ 5,180,568</u>

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

**B. Business-type Activities**

Intangible and capital asset activity for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
<b>Water Fund</b>				
Intangible assets:				
Capacity rights, net of amortization	\$ 65,577,093	\$ 1,239,474	\$ 2,664,675	\$ 64,151,892
Capital assets, not being depreciated:				
Land	12,515,001	1,552,614	-	14,067,615
Construction in progress	27,038,098	20,236,603	33,192,974	14,081,727
Total assets, not being depreciated	39,553,099	21,789,217	33,192,974	28,149,342
Capital assets, being depreciated:				
Buildings	81,968,603	3,185,760	-	85,154,363
Improvements other than buildings	10,925,358	8,972	-	10,934,330
Machinery and equipment	595,512,783	51,795,996	131,955	647,176,824
Totals at historical cost	688,406,744	54,990,728	131,955	743,265,517
Less accumulated depreciation for:				
Buildings	31,694,000	1,818,890	-	33,512,890
Improvements other than buildings	7,161,864	273,379	-	7,435,243
Machinery and equipment	232,721,240	13,367,615	107,139	245,981,716
Total accumulated depreciation	271,577,104	15,459,884	107,139	286,929,849
Total capital assets, being depreciated, net	416,829,640	39,530,844	24,816	456,335,668
Water capital and intangible assets, net	\$ 521,959,832	\$ 62,559,535	\$ 35,882,465	\$ 548,636,902
<b>Wastewater Fund</b>				
Intangible assets:				
Capacity rights, net of amortization	\$ 1,545,398	\$ -	\$ 118,876	\$ 1,426,522
Capital assets, not being depreciated:				
Land	5,384,900	1,001,980	-	6,386,880
Construction in progress	21,603,552	23,009,356	14,946,281	29,666,627
Total assets, not being depreciated	26,988,452	24,011,336	14,946,281	36,053,507
Capital assets, being depreciated:				
Buildings	159,373,039	111,345	-	159,484,384
Improvements other than buildings	19,740,504	568,485	22,743.00	20,286,246
Machinery and equipment	648,690,242	27,019,954	258,906	675,451,290
Totals at historical cost	827,803,785	27,699,784	281,649	855,221,920
Less accumulated depreciation for:				
Buildings	76,376,926	3,448,185	-	79,825,111
Improvements other than buildings	11,315,295	485,257	22,743.00	11,777,809
Machinery and equipment	309,900,827	17,557,492	230,674	327,227,645
Total accumulated depreciation	397,593,048	21,490,934	253,417	418,830,565
Total capital assets, being depreciated, net	430,210,737	6,208,850	28,232	436,391,355
Wastewater capital and intangible assets, net	\$ 458,744,587	\$ 30,220,186	\$ 15,093,389	\$ 473,871,384

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

<b>Non-major - Total</b>	<b>Balance June 30, 2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2024</b>
Intangible assets:				
Capacity rights, net of amortization	\$ 2,830,412	\$ -	\$ -	\$ 2,830,412
Capital assets, not being depreciated:				
Land and improvements	48,353,482	-	1,207,647	47,145,835
Construction in progress	1,249,676	2,203,581	2,328,133	1,125,124
Total assets, not being depreciated	49,603,158	2,203,581	3,535,780	48,270,959
Capital assets, being depreciated:				
Buildings	8,939,656	-	-	8,939,656
Improvements other than buildings	30,356,754	2,328,131	196,014	32,488,871
Machinery and equipment	4,171,122	80,773	-	4,251,895
Infrastructure	7,250,802	-	-	7,250,802
Totals at historical cost	50,718,334	2,408,904	196,014	52,931,224
Less accumulated depreciation for:				
Buildings	4,190,950	204,803	-	4,395,753
Improvements other than buildings	22,754,264	1,128,003	196,014	23,686,253
Machinery and equipment	1,759,061	215,559	-	1,974,620
Infrastructure	1,628,450	299,668	-	1,928,118
Total accumulated depreciation	30,332,725	1,848,033	196,014	31,984,744
Total capital assets, being depreciated, net	20,385,609	560,871	-	20,946,480
Non-major business-type activities capital assets, net	\$ 72,819,179	\$ 2,764,452	\$ 3,535,780	\$ 72,047,851

<b>Total Business-type Activities</b>	<b>Balance June 30, 2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2024</b>
Intangible assets:				
Capacity rights, net of amortization	\$ 69,952,903	\$ 1,239,474	\$ 2,783,551	\$ 68,408,826
Capital assets, not being depreciated:				
Land	66,253,383	2,554,594	1,207,647	67,600,330
Construction in progress	49,891,326	45,449,540	50,467,388	44,873,478
Total assets, not being depreciated	116,144,709	48,004,134	51,675,035	112,473,808
Capital assets, being depreciated:				
Buildings	250,281,298	3,297,105	-	253,578,403
Improvements other than buildings	61,022,616	2,905,588	218,757	63,709,447
Machinery and equipment	1,248,374,147	78,896,723	390,861	1,326,880,009
Infrastructure	7,250,802	-	-	7,250,802
Totals at historical cost	1,566,928,863	85,099,416	609,618	1,651,418,661
Less accumulated depreciation for:				
Buildings	112,261,876	5,471,878	-	117,733,754
Improvements other than buildings	41,231,423	1,886,639	218,757	42,899,305
Machinery and equipment	544,381,128	31,140,666	337,813	575,183,981
Infrastructure	1,628,450	299,668	-	1,928,118
Total accumulated depreciation	699,502,877	38,798,851	556,570	737,745,158
Total capital assets, being depreciated, net	867,425,986	46,300,565	53,048	913,673,503
Total business-type activities capital and intangible assets, net	\$ 1,053,523,598	\$ 95,544,173	\$ 54,511,634	\$ 1,094,556,137

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

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

Water	\$ 2,664,675
Wastewater	<u>118,877</u>
Total amortization expense	<u>\$ 2,783,552</u>
Water	\$ 15,459,884
Wastewater	21,490,934
Non-major funds	<u>1,848,033</u>
Total depreciation expense	<u>\$ 38,798,851</u>

**C. Component Unit - School Board**

Capital asset activity for the year ended June 30, 2024, for the School Board component unit was as follows:

	Balance <u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2024</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 205,432	\$ 21,422	\$ 173,202	\$ 53,652
Capital assets, being depreciated:				
Machinery and equipment	204,878,004	15,169,943	4,346,881	215,701,066
Right-to-use buildings	2,120,393	5,496,218	-	7,616,611
Right-to-use equipment	81,538	-	31,605	49,933
Right-to-use subscriptions	<u>5,722,994</u>	<u>4,328,668</u>	<u>-</u>	<u>10,051,662</u>
Total at historical cost	<u>212,802,929</u>	<u>24,994,829</u>	<u>4,378,486</u>	<u>233,419,272</u>
Less accumulated depreciation and amortization for:				
Machinery and equipment	121,071,425	22,253,424	4,060,030	139,264,819
Right-to-use buildings	416,224	930,157	-	1,346,381
Right-to-use equipment	44,043	18,804	31,605	31,242
Right-to-use subscriptions	<u>1,345,893</u>	<u>2,606,418</u>	<u>-</u>	<u>3,952,311</u>
Less accumulated depreciation/amortization	<u>122,877,585</u>	<u>25,808,803</u>	<u>4,091,635</u>	<u>144,594,753</u>
Total capital assets, being depreciated, net	<u>89,925,344</u>	<u>(813,974)</u>	<u>286,851</u>	<u>88,824,519</u>
School Board capital assets, net	<u>\$ 90,130,776</u>	<u>\$ (792,552)</u>	<u>\$ 460,053</u>	<u>\$ 88,878,171</u>

Current year depreciation and amortization on capital assets of the School Board was \$25,808,803.

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

**9. Long-term Obligations**

**A. General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities of the primary government and including those used by the School Board component unit. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The general obligation bonds are payable from the General Fund. In the event of default on payment of principal or interest on these bonds and upon the affidavit of any bond owner or any paying agent of the bonds, the Governor must take certain actions through the State Aid Intercept Program. These actions could include directing the Comptroller of the Commonwealth to withhold its payments to the County until such default is cured. At June 30, 2024, general obligation bonds offered for public sale were outstanding as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Total Outstanding</u>
<b>General Obligation Bonds</b>				
2011A School, due 2032	\$ 15,630,000	4.05 - 4.30%	\$780,000	\$ 6,240,000
2012B School, due 2033	18,595,000		925,000 - 930,000	8,365,000
2013A School, due 2034	18,305,000	3.05 - 5.05%	915,000	9,150,000
2014 General Improvement & Refunding, due 2025	60,645,000	4.00%	3,115,000	3,115,000
2015 General Improvement & Refunding, due 2029	92,110,000	3.00 - 5.00%	1,735,000 - 11,930,000	35,920,000
2016 General Improvement & Refunding, due 2036	86,480,000	2.125 - 5.00%	2,095,000 - 5,370,000	42,940,000
2017B General Improvement, due 2037	82,270,000	3.00 - 5.00%	4,110,000 - 4,115,000	53,465,000
2018A General Improvement, due 2038	51,450,000	3.00 - 5.00%	2,570,000 - 2,575,000	36,000,000
2018B School, due 2039	13,735,000	3.55 - 5.05%	685,000 - 690,000	10,285,000
2019A General Improvement, due 2039	69,925,000	2.50 - 5.00%	3,495,000 - 3,500,000	52,430,000
2020A School, due 2041	38,340,000	2.90%	1,915,000 - 1,920,000	32,580,000
2020 General Improvement, due 2040	59,755,000	2.00 - 5.00%	2,985,000 - 2,990,000	47,800,000
2020B General Improvement, due 2035	41,485,000	0.60 - 1.55%	1,760,000 - 5,935,000	31,770,000
2022 School, due 2042	116,605,000	2.00 - 5.00%	5,830,000 - 5,835,000	104,945,000
2023 General Improvement, due 2043	104,800,000	4.00 - 5.00%	5,370,000 - 5,375,000	102,060,000
Total general obligation bonds				577,065,000
Add: Premium				44,582,279
Net general obligation bonds				<u>\$ 621,647,279</u>

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

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

Year Ending	General Obligation Bonds			
June 30	Principal	Interest	Total	
2025	\$ 52,800,000	\$ 21,659,630	\$	74,459,630
2026	48,980,000	19,377,370		68,357,370
2027	45,580,000	17,291,229		62,871,229
2028	41,845,000	15,292,436		57,137,436
2029	38,685,000	13,395,784		52,080,784
2030-2034	173,430,000	44,829,541		218,259,541
2035-2039	129,960,000	18,545,624		148,505,624
2040-2043	45,785,000	3,152,233		48,937,233
Total	\$ 577,065,000	\$ 153,543,847	\$	730,608,847

In August 2017, the VPSA sold a refunding bond series that refinanced a series of Local School Bonds, including the County's 2011A and 2012B issues. In March 2019, the VPSA refinanced a series of Local School Bonds, including the County's 2002B issue. In October 2020, the VPSA refinanced a series of Local School Bonds, including the County's 2013A issue. The savings are being passed on to localities in the form of interest rebates, allocated and paid over the remaining amortization periods. The County continues to be responsible for its full debt service payments in accordance with the original amortization schedule and, once received, the VPSA will then disburse the credit to the County. The expected interest rebate amounts are as follows:

<b>Year Ending</b>	<b><u>Schedule of</u></b>			
	<b><u>Expected Interest Credits</u></b>			
<b><u>June 30</u></b>	<b><u>2011A</u></b>	<b><u>2012B</u></b>	<b><u>2013A</u></b>	<b><u>Total</u></b>
2025	\$ 55,025	\$ 45,175	\$ 76,437	\$ 176,637
2026	50,325	43,925	73,997	168,247
2027	51,125	42,675	70,965	164,765
2028	52,175	45,025	68,250	165,450
2029	53,475	43,825	65,504	162,804
2030-2034	<u>159,350</u>	<u>173,900</u>	<u>299,583</u>	<u>632,833</u>
Total	<u>\$ 421,475</u>	<u>\$ 394,525</u>	<u>\$ 654,736</u>	<u>\$ 1,470,736</u>

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

**B. Revenue Bonds**

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

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

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

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

Revenue bonds outstanding at June 30, 2024, are as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>				
2019 EDA Public Facility Revenue Bonds, due 2039	\$ 45,705,000	3.00 - 5.00%	\$2,285,000	\$ 34,275,000
2020 EDA Public Facility Revenue Bonds, due 2041	85,000,000	2.00 - 5.00%	4,250,000	72,250,000
2024 EDA Revenue Bonds (Mobility Projects), due 2050	284,735,000	4.00 - 5.00%	5,970,000 - 19,070,000	284,735,000
Total governmental-type activities revenue bonds				391,260,000
Add: Premium				38,541,134
Net governmental-type activities				429,801,134
<b>Business-type Activities</b>				
<b>Major Enterprise Funds</b>				
2016 Water and Sewer, due 2027	\$ 53,695,000	5.00%	\$2,005,000 - 6,315,000	10,655,000
Add: Premium				450,346
Net business-type activities				11,105,346
Total revenue bonds				\$ 440,906,480

**County of Chesterfield, Virginia**  
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The Water and Wastewater Funds are responsible for the following revenue bonds:

		<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Total revenue bonds	\$	2,240,000	\$ 8,415,000	\$ 10,655,000
Net revenue bonds		2,281,557	8,823,789	11,105,346

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

Year Ending	Governmental Activities			Business-type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 6,535,000	\$ 14,446,005	\$ 20,981,005	\$ 5,365,000	\$ 398,625	\$ 5,763,625
2026	12,505,000	17,430,900	29,935,900	3,285,000	182,375	3,467,375
2027	12,805,000	16,805,650	29,610,650	2,005,000	50,125	2,055,125
2028	13,115,000	16,165,400	29,280,400	-	-	-
2029	13,445,000	15,509,650	28,954,650	-	-	-
2030-2034	72,770,000	67,487,550	140,257,550	-	-	-
2035-2039	83,845,000	51,185,250	135,030,250	-	-	-
2040-2044	73,815,000	34,107,000	107,922,000	-	-	-
2045-2049	83,355,000	15,806,750	99,161,750	-	-	-
2050	19,070,000	762,800	19,832,800	-	-	-
Total	\$ 391,260,000	\$ 249,706,955	\$ 640,966,955	\$ 10,655,000	\$ 631,125	\$ 11,286,125

**C. Special Subfund Revenue Bonds**

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

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

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

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

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The County has a moral obligation to appropriate and pay the amounts due for subfund revenue bonds issued by the VRA from the General Fund. In the event of default, the lender may provide prompt, written notice declaring the entire unpaid balance as due and payable. The lender also has the option of applying to the State Aid Intercept Program and request that the Commonwealth withholds its payments to the County to be applied to the defaulted amount as a cure for nonpayment. Amounts outstanding as of June 30, 2024, for the Special Subfund Revenue Bonds are:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>				
2016A Virginia Resource Authority, due 2037	\$19,760,324	3.807 - 5.125%	\$330,000 - 2,034,203	\$ 8,351,247
2017A Virginia Resource Authority, due 2037	6,550,000	3.125 - 5.125%	300,000 - 475,000	5,035,000
2017B Virginia Resource Authority, due 2037	7,185,000	3.125 - 5.125%	375,000 - 380,000	4,910,000
2017C Virginia Resource Authority, due 2037	2,675,000	3.125 - 5.125%	140,000 - 145,000	1,820,000
2018A Virginia Resource Authority, due 2039	14,775,000	4.125 - 5.125%	735,000 - 740,000	11,075,000
2018B Virginia Resource Authority, due 2039	4,710,000	3.457 - 4.407%	235,000	3,525,000
Total governmental special subfund revenue bonds				34,716,247
Add: Premium				2,342,855
Less: Discount				(19,381)
Net governmental activities				37,039,721
<b>Business-type Activities</b>				
2016A Virginia Resource Authority due 2028	\$ 44,676	4.476 - 5.125%	\$ 2,618 - 5,797	13,753
Add: Premium				733
Net business-type activities				14,486
Total special subfund revenue bonds				\$ 37,054,207

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

Year Ending June 30	Primary Government					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 3,829,203	\$ 1,454,966	\$ 5,284,169	\$ 5,797	\$ 522	\$ 6,319
2026	2,932,314	1,287,300	4,219,614	2,686	309	2,995
2027	2,937,348	1,144,049	4,081,397	2,652	181	2,833
2028	2,942,382	1,004,501	3,946,883	2,618	59	2,677
2029	2,190,000	888,156	3,078,156	-	-	-
2030-2034	11,120,000	2,936,060	14,056,060	-	-	-
2035-2039	8,765,000	713,516	9,478,516	-	-	-
Total	<u>\$ 34,716,247</u>	<u>\$ 9,428,548</u>	<u>\$ 44,144,795</u>	<u>\$ 13,753</u>	<u>\$ 1,071</u>	<u>\$ 14,824</u>

**D. Public Facility Lease Revenue Bonds and Certificates of Participation**

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

Under an agreement dated March 1, 2004, the County leases real property incorporating a new Community Development Building, a replacement Chester House Rehabilitative Facility, and an additional Airport Hangar. Certificates of Participation Series 2005B and 2006B were issued to finance a portion of the cost of the acquisition, construction, installation, furnishing and equipping of these buildings, as well as an Emergency Systems Integration Project. In addition, Certificates of Participation Series 2005A and 2005B were used to finance the acquisition of a financial/human resources information management system. The outstanding Certificates of Participation Series 2005B was refunded with the 2016A VRA Bond. Certificates of Participation Series 2006B was partially refunded with Certificates of Participation Series 2012 and with the 2016A VRA Bond.

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

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

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Amounts outstanding as of June 30, 2024 on the Certificates of Participation are as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>				
2012 Certificates of Participation -				
Refunding, due 2025	\$ 19,011,905	4.00 - 5.00%	\$ 327,211	\$ 327,211
Add: Premium				<u>2,474</u>
Net governmental activities				<u>329,685</u>
<b>Business-type Activities</b>				
2012 Certificates of Participation -				
Refunding, due 2025	\$ 743,095	4.00 - 5.00%	\$ 12,789	12,789
Add: Premium				<u>99</u>
Net business-type activities				<u>12,888</u>
Total certificates of participation				<u>\$ 342,573</u>

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

<u>Year Ending</u>	<u>Primary Government</u>					
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 327,211	\$ 6,544	\$ 333,755	\$ 12,789	\$ 256	\$ 13,045

**E. Direct Borrowings**

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

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

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

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

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

**County of Chesterfield, Virginia**  
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Direct borrowings as of June 30, 2024, are as follows:

	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Future Principal Requirements</u>	<u>Total Outstanding</u>
<b>Governmental Activities</b>				
Chippenham Place Special Assessment Note, due 2032	\$ 11,774,028	2.89%	\$777,197 - \$948,731	\$ 6,884,176
2019 EDA Tax Exempt Revenue Bond, due 2032	15,000,000	2.35	691,000 - 1,459,000	10,219,000
Chester Arts Community Center, due 2032	6,899,800	3.09	459,987	3,679,896
2020C EDA Refunding Bond, due 2030	5,659,000	1.00	389,000 - 785,000	2,816,000
2020D EDA Refunding Bond, due 2025	2,611,000	0.75	638,000	638,000
2020E EDA Refunding Bond, due 2035	6,246,000	2.00	393,000 - 479,000	4,777,000
2022 EDA Spring Rock Green Loan, due 2043	23,000,000	4.34	776,000 - 1,694,000	22,401,000
Total governmental activities				<u>\$ 51,415,072</u>

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

<b>Year Ending</b>	<b>Governmental Activities</b>		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,096,184	\$ 1,614,663	\$ 6,710,847
2026	4,189,644	1,492,950	5,682,594
2027	4,279,755	1,376,618	5,656,373
2028	4,373,533	1,257,191	5,630,724
2029	4,468,998	1,134,564	5,603,562
2030-2034	15,630,958	3,912,764	19,543,722
2035-2039	7,020,000	2,123,182	9,143,182
2040-2043	6,356,000	566,674	6,922,674
Total	<u>\$ 51,415,072</u>	<u>\$ 13,478,606</u>	<u>\$ 64,893,678</u>

**F. Airport Revolving Loan**

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

As of June 30, 2024, \$1,384,500 remained outstanding on the loan. Projected future debt service payments on the full amount of the loan are as follows:

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<b>Year Ending</b>	<b>Business-type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2025	\$ 92,300	\$ 38,904	\$ 131,204
2026	92,300	36,311	128,611
2027	92,300	33,717	126,017
2028	92,300	31,124	123,424
2029	92,300	28,530	120,830
2030-2034	461,500	103,746	565,246
2035-2039	461,500	38,904	500,404
Total	\$ 1,384,500	\$ 311,236	\$ 1,695,736

**G. Defeased Debt**

In prior years, the County defeased certain general obligation bonds by placing funds in irrevocable escrow accounts to provide for future debt service payments on the defeased debt. Accordingly, the escrow account assets and the liability for the defeased debt are not included in the County's financial statements. At June 30, 2024, the outstanding balance of the defeased debt was \$10,405,000.

**H. Conduit Debt Obligations**

To further economic development in the County, the EDA has issued the following industrial development bonds that meet the definition of a conduit debt obligation. No commitments beyond the collateral, the payments from the private-sector facility, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the EDA for the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements.

Retirement Facilities First Mortgage Revenue Bonds to finance construction of facilities for the residence and care of the aged. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector facility. On June 30, 2024, the bonds had an outstanding principal balance of \$27,930,647.

Multifamily Housing Revenue Bonds to finance the acquisition, construction and equipping of multi-family housing developments. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector facility. On June 30, 2024, the outstanding principal balance was \$35,863,932 with \$315,134 remaining on a draw down structure issue.

**I. Compensated Absences Payable**

The County recorded a liability for compensated absences in the Statement of Net Position of the government-wide statements for the Primary Government and the School Board component unit and in the fund financial statements of the proprietary funds. The governmental activities of the primary government recorded \$31,562,252 and \$3,061,810 for accrued vacation and sick leave benefits, respectively, and the business-type activities of the Primary Government recorded \$1,833,994 and \$294,112 for accrued vacation and sick leave benefits, respectively. The School Board component unit recorded \$20,648,504 and \$7,484,589 for accrued vacation/personal leave and sick leave benefits, respectively. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

**J. Judgments and Claims**

The County recorded a liability for workers' compensation claims in the government-wide statements for the Primary Government and the School Board component unit and in the fund financial statements of the proprietary funds. The workers' compensation liability recorded is \$8,017,267 for the

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governmental activities of the Primary Government, \$671,733 for the business-type activities of the Primary Government and \$5,204,000 for the School Board component unit. A liability of \$5,181,101 has been recorded for judgment and claims in the Risk Management Fund. These liabilities consist of a) liabilities for claims incurred, reported and outstanding as of June 30, 2024, and b) liabilities for claims incurred but not reported as of June 30, 2024. These liabilities have been estimated based upon a case-by-case review, investigation and historical experience. Payments for workers' compensation liabilities are recorded as a charge to the fund that incurred the liability. Judgments and claims recorded in the Risk Management Fund are payable from the Risk Management Fund.

Effective January 1, 2014, the County and School Board began participating in a self-insured health care program covering medical and prescription drug costs. Medical and drug claims that exceed \$300,000 per member are covered by specific excess risk insurance. Additionally, claims in the aggregate that exceed 125% of expected medical and drug claims are covered by aggregate excess risk insurance. Claims paid by the third party claims administrator, but not reimbursed by the County as of June 30, 2024, are reported as accounts payable in the Healthcare Fund. An estimate of claims incurred but not reported as of June 30, 2024 is reported as a current claims liability in the Healthcare Fund in the amount of \$8,180,000.

In October 1991, the U. S. Environmental Protection Agency (EPA) issued a rule establishing municipal solid waste landfills (MSWLF) closure requirements for all MSWLF's that accepted solid waste after October 9, 1991 and postclosure requirements for all MSWLF's that accepted solid waste after October 9, 1993. The County operated one landfill, which was closed on October 8, 1993, and completed the final cover during fiscal year 1995. The County has met the Commonwealth's ten-year requirement to perform maintenance and monitoring postclosure functions at the site and has applied for certification from the Commonwealth to release it from further maintenance and monitoring requirements. The County anticipates it will incur an additional postclosure care liability of \$692,542 at June 30, 2024. This amount represents the estimated total current cost of landfill postclosure care for an additional ten years, based on the use of 100 percent of the estimated capacity of the landfill. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Actual costs may be lower if the County is released from postclosure maintenance and monitoring by the Commonwealth. Payments for this liability will be recorded as a charge to the General Fund. The County is not required by state and federal laws or regulations to make annual contributions to a trust to finance postclosure care. The County expects to pay additional postclosure care cost from the General Fund with charges to users of the County's solid waste transfer stations, General Fund tax revenue and/or General Fund assigned fund balance.

GAAP require that the County estimate the financial liabilities associated with pollution remediation obligations when certain obligating events occur. One such obligating event is being named by a regulator as a potentially responsible party for remediation. The U.S. Department of Interior National Park Service (NPS) has named the County as a Primary Responsible Party (PRP) for cleanup efforts for a landfill site that was closed in 1972 and subsequently transferred to the NPS by the County. As a current owner of the landfill site, the NPS is also a potentially responsible party, with the liability for paying for the costs of cleanup. In December 2015, an Engineering Evaluation and Cost Analysis report was released by the NPS estimating the future cost of cleanup. In January 2016, the County received a cost package summarizing the response costs incurred by the NPS to date. However, neither document apportions liability between the NPS and the County. Therefore, as of June 30, 2024, the County's portion of the liability of the shared costs of cleanup is not reasonably estimable.

**K. Net Pension Liabilities**

As required by GAAP, a long-term liability has been recorded for the VRS Plan, the County Supplemental Retirement Plan and the School Board Supplemental Retirement Program for the cumulative difference between the total pension liabilities and fiduciary net position as of the measurement date. The governmental activities of the Primary Government recorded net pension liabilities of \$206,569,611 for the VRS Local Plan and \$9,880,987 for the County Supplemental Retirement Plan. The business-type activities of the Primary Government recorded net pension

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liabilities of \$9,319,641 the VRS Local Plan. The School Board component unit recorded net pension liabilities of \$8,861,021 and \$412,739,836 for the VRS Local and Teachers' Pool Plans and \$2,443,924 for the School Board Supplemental Retirement Program. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

**L. Other Postemployment Benefits Liabilities**

As required by GAAP, a long-term liability has been recorded for the County and Schools OPEB - Retiree Healthcare, the County Line of Duty Plan, the County and Schools VRS Group Life Insurance Plan, the Schools VRS cost-sharing Teachers' Pool Health Insurance Credit Program and the Schools VRS Political Subdivision Health Insurance Credit Program for the cumulative difference between the total OPEB liabilities and fiduciary net position as of the measurement date. The governmental activities of the Primary Government recorded net OPEB liabilities of \$25,202,883 for OPEB-Retiree Healthcare, \$5,215,611 for OPEB-Line of Duty, and \$12,399,728 for the County's share of VRS cost-sharing Group Life Insurance Plan. The business-type activities of the Primary Government recorded net OPEB liabilities of \$2,437,322 for OPEB-Retiree Healthcare and \$973,576 for the County's share of VRS cost-sharing Group Life Insurance Plan. The School Board component unit recorded net OPEB liabilities of \$98,178,515 for OPEB-Retiree Healthcare, \$22,215,483 for the School Board's share of VRS cost-sharing Group Life Insurance Plan, \$49,572,896 for the School Board's share of the VRS cost-sharing Teacher Employee Health Insurance Credit Program, and \$1,568,422 for the School Board's share of the VRS cost-sharing Political Subdivision Health Insurance Credit Program. Payments for these liabilities are recorded as a charge to the fund that incurred the liability.

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**M. Changes in Long-term Obligations**

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 627,375,000	\$ -	\$ 50,310,000	\$ 577,065,000	\$ 52,800,000
Add: Premium	51,845,260	-	7,262,981	44,582,279	6,182,277
Net bonds payable	679,220,260	-	57,572,981	621,647,279	58,982,277
Revenue bonds payable	113,060,000	284,735,000	6,535,000	391,260,000	6,535,000
Add: Premium	13,782,710	26,296,764	1,538,340	38,541,134	3,354,508
Net bonds payable	126,842,710	311,031,764	8,073,340	429,801,134	9,889,508
Subfund revenue bonds	38,221,521	-	3,505,274	34,716,247	3,829,203
Add: Premium	2,818,043	-	475,188	2,342,855	402,920
Less: Discount	(22,098)	2,717	-	(19,381)	(2,540)
Net subfund revenue bonds payable	41,017,466	2,717	3,980,462	37,039,721	4,229,583
Certificates of participation	1,867,026	-	1,539,815	327,211	327,211
Add: Premium	22,602	-	20,128	2,474	2,474
Net certificates of participation	1,889,628	-	1,559,943	329,685	329,685
Direct borrowings	56,284,426	-	4,869,354	51,415,072	5,096,184
Total bonds and loans	905,254,490	311,034,481	76,056,080	1,140,232,890	78,527,237
Other liabilities:					
Compensated absences	34,310,052	6,176,429	5,862,419	34,624,062	5,988,831
Judgments and claims:					
Workers' compensation					
and risk claims	11,788,533	1,508,454	98,621	13,198,366	7,157,345
Healthcare claims	8,231,000	-	51,000	8,180,000	8,180,000
Landfill	701,232	-	8,690	692,542	136,837
Arbitrage	3,071,694	9,898,566	-	12,970,260	1,784,943
Total judgements and claims	23,792,459	11,407,020	158,311	35,041,168	17,259,125
Leases Payable	8,116,571	310,263	1,975,764	6,451,070	1,834,681
Subscriptions Payable	5,873,741	3,479,852	5,064,185	4,289,408	1,699,861
Net pension liabilities	176,174,351	40,276,247	-	216,450,598	-
Net other postemployment benefits obligations	53,300,923	889,473	11,372,174	42,818,222	-
Total other liabilities	301,568,097	62,539,284	24,432,853	339,674,528	26,782,498
Total long-term liabilities	\$ 1,206,822,587	\$ 373,573,765	\$ 100,488,933	\$ 1,479,907,418	\$ 105,309,735

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At year end, \$613,331 for compensated absences, \$13,819,188 for judgments and claims, \$3,821,973 for net pension liabilities, and \$975,959 for net OPEB liabilities for internal service funds are included in the above amounts. Except for the amounts for internal service funds, the long-term liabilities for governmental activities are generally liquidated by the General Fund.

**County of Chesterfield, Virginia**  
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**June 30, 2024**

	Balance <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2024</u>	Amounts Due Within <u>One Year</u>
<b>Business-type Activities</b>					
<b><u>Water Fund</u></b>					
Revenue bonds payable	\$ 5,580,000	\$ -	\$ 3,340,000	\$ 2,240,000	\$ 2,240,000
Add: Premium	<u>186,635</u>	<u>-</u>	<u>145,078</u>	<u>41,557</u>	<u>41,557</u>
Net bonds payable	<u>5,766,635</u>	<u>-</u>	<u>3,485,078</u>	<u>2,281,557</u>	<u>2,281,557</u>
Other liabilities:					
Compensated absences	1,250,882	163,721	341,411	1,073,192	180,625
Judgments and claims	181,049	416,380	-	597,429	269,624
Net pension liabilities	3,951,360	792,196	-	4,743,556	-
Net other postemployment benefits obligations	<u>1,990,019</u>	<u>29,259</u>	<u>485,493</u>	<u>1,533,785</u>	<u>-</u>
Total other liabilities	<u>7,373,310</u>	<u>1,401,556</u>	<u>826,904</u>	<u>7,947,962</u>	<u>450,249</u>
Total long-term liabilities	<u>13,139,945</u>	<u>1,401,556</u>	<u>4,311,982</u>	<u>10,229,519</u>	<u>2,731,806</u>
<b><u>Wastewater Fund</u></b>					
Revenue bonds payable	11,390,000	-	2,975,000	8,415,000	3,125,000
Add: Premium	<u>760,715</u>	<u>-</u>	<u>351,926</u>	<u>408,789</u>	<u>243,532</u>
Net bonds payable	<u>12,150,715</u>	<u>-</u>	<u>3,326,926</u>	<u>8,823,789</u>	<u>3,368,532</u>
Other liabilities:					
Compensated absences	1,097,782	181,496	256,220	1,023,058	169,740
Judgments and claims	52,522	21,782	-	74,304	33,534
Net pension liabilities	3,678,886	756,904	-	4,435,790	-
Net other postemployment benefits obligations	<u>2,334,356</u>	<u>39,236</u>	<u>550,344</u>	<u>1,823,248</u>	<u>-</u>
Total other liabilities	<u>7,163,546</u>	<u>999,418</u>	<u>806,564</u>	<u>7,356,400</u>	<u>203,274</u>
Total long-term liabilities	<u>19,314,261</u>	<u>999,418</u>	<u>4,133,490</u>	<u>16,180,189</u>	<u>3,571,806</u>
<b><u>Non-major</u></b>					
Certificates of participation	72,974	-	60,185	12,789	12,789
Add: Premium	<u>900</u>	<u>-</u>	<u>801</u>	<u>99</u>	<u>99</u>
Net certificates of participation	<u>73,874</u>	<u>-</u>	<u>60,986</u>	<u>12,888</u>	<u>12,888</u>
Subfund revenue bonds	18,479	-	4,726	13,753	5,797
Add: Premium	<u>1,253</u>	<u>-</u>	<u>520</u>	<u>733</u>	<u>350</u>
Net subfund revenue bonds payable	<u>19,732</u>	<u>-</u>	<u>5,246</u>	<u>14,486</u>	<u>6,147</u>
Airport Revolving Loan Fund	<u>1,476,800</u>	<u>-</u>	<u>92,300</u>	<u>1,384,500</u>	<u>92,300</u>
Total certificates of participation, revolving loan funds and revenue bonds payable	<u>1,570,406</u>	<u>-</u>	<u>158,532</u>	<u>1,411,874</u>	<u>111,335</u>
Other liabilities:					
Compensated absences	35,912	938	4,994	31,856	5,245
Net pension liabilities	111,496	28,799	-	140,295	-
Net other postemployment benefits obligations	<u>67,674</u>	<u>1,343</u>	<u>15,152</u>	<u>53,865</u>	<u>-</u>
Total other liabilities	<u>215,082</u>	<u>31,080</u>	<u>20,146</u>	<u>226,016</u>	<u>5,245</u>
Total long-term liabilities	<u>1,785,488</u>	<u>31,080</u>	<u>178,678</u>	<u>1,637,890</u>	<u>116,580</u>

**County of Chesterfield, Virginia**  
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	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
<u>Total Business-type Activities</u>	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Due Within</u>
Revenue bonds payable	\$ 16,970,000	\$ -	\$ 6,315,000	\$ 10,655,000	\$ 5,365,000
Add: Premium	947,350	-	497,004	450,346	285,089
Net bonds payable	17,917,350	-	6,812,004	11,105,346	5,650,089
Certificates of participation	72,974	-	60,185	12,789	12,789
Add: Premium	900	-	801	99	99
Net certificates of participation	73,874	-	60,986	12,888	12,888
Subfund revenue bonds	18,479	-	4,726	13,753	5,797
Add: Premium	1,253	-	520	733	350
Net subfund revenue bonds payable	19,732	-	5,246	14,486	6,147
Airport Revolving Loan Fund	1,476,800	-	92,300	1,384,500	92,300
Total bonds, certificates of participation revolving fund loans and revenue bonds payable	19,487,756	-	6,970,536	12,517,220	5,761,424
Other liabilities:					
Compensated absences	2,384,576	346,155	602,625	2,128,106	355,610
Judgments and claims	233,571	438,162	-	671,733	303,158
Net pension liabilities	7,741,742	1,577,899	-	9,319,641	-
Net other postemployment benefits obligations	4,392,049	69,838	1,050,989	3,410,898	-
Total other liabilities	14,751,938	2,432,054	1,653,614	15,530,378	658,768
Total long-term liabilities	\$ 34,239,694	\$ 2,432,054	\$ 8,624,150	\$ 28,047,598	\$ 6,420,192

Summaries of long-term obligation transactions for the School Board component unit for the year ended June 30, 2024, are as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
<u>School Board</u>	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Due Within</u>
Financed purchases	\$ 3,889,470	\$ -	\$ 3,889,470	\$ -	\$ -
Compensated absences	25,751,464	4,557,550	2,175,921	28,133,093	1,819,641
Judgments and claims	5,014,000	190,000	-	5,204,000	2,348,599
Leases payable	1,799,512	4,989,346	763,860	6,024,998	745,732
Subscription payable	3,162,083	4,188,669	2,672,973	4,677,779	1,739,010
Net pension liabilities	390,063,424	39,952,498	5,971,141	424,044,781	-
Net other postemployment benefits obligations	183,392,579	3,213,208	15,070,471	171,535,316	-
Total long-term liabilities	\$ 613,072,532	\$ 57,091,271	\$ 30,543,836	\$ 639,619,967	\$ 6,652,982

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

According to State law, the School Board component unit is not allowed to issue general obligation debt and, therefore, is not legally obligated to repay general obligation debt issued on its behalf by the Primary Government. Debt from general obligation bonds of \$472,703,617 is reported in the government-wide statements of the Primary Government on behalf of the School Board component unit. In addition, revenue bonds of \$42,500,000, issued by EDA on behalf of the County for use on Schools projects, are also reported in the government-wide statements on behalf of the School Board component unit.

**County of Chesterfield, Virginia**  
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In addition to the general obligation debt and financed purchase obligations, the Primary Government has also recorded accrued interest payable of \$9,060,135 in the government-wide financial statements on behalf of the School Board component unit; \$8,680,968 for the general obligation bonds and \$379,167 for the revenue bonds issued by the EDA on behalf of the County for use on School projects.

**O. Lease Payable**

As of June 30, 2024, the County had 26 active leases. The leases have payments that range from \$6,119 to \$316,740 and interest rates that range from 0.4350% to 2.9010%. The total combined value of the lease liability is \$6,451,070 and the total combined value of the short-term lease liability is \$1,834,681. The value of the right to use asset of \$11,640,357 with accumulated amortization of \$5,078,330 is included within the Lease Class activities table found below as of June 30, 2024. These leases had \$0 of variable payments and \$0 of other payments not included in the Lease Liability within the fiscal year.

<b>Governmental Activities</b>	
Land Leases	\$ 12,518
Building and Office Space Leases	5,833,168
Equipment	<u>605,384</u>
Total Governmental Activities Lease Payable	\$ <u>6,451,070</u>

The future principal and interest lease payments as of June 30, 2024, were as follows:

<b>Year Ending</b>	<b>Governmental Activities</b>		
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 1,834,681	\$ 99,652	\$ 1,934,333
2026	1,585,614	68,964	1,654,578
2027	1,187,335	41,829	1,229,164
2028	544,086	23,974	568,060
2029	470,331	16,806	487,137
2030 - 2032	<u>829,023</u>	<u>15,228</u>	<u>844,251</u>
Total	\$ <u>6,451,070</u>	\$ <u>266,453</u>	\$ <u>6,717,523</u>

As of June 30, 2024, the Schools had 8 active leases. The leases have payments that range from \$6,359 to \$242,286 and interest rates that range from 0.4350% to 3.5400%. The total combined value of the lease liability is \$6,024,998 and the total combined value of the short-term lease liability is \$745,732. The value of the right to use asset of \$7,666,544 with accumulated amortization of \$1,377,624 is included within the Lease Class activities table found below as of June 30, 2024. These leases had \$0 of variable payments and \$0 of other payments not included in the Lease Liability within the fiscal year.

**School Board Component Unit**

Bulding and office space leases	\$ 6,006,052
Vehicles and equipment	<u>18,946</u>
Total School Board Component Unit Activities Lease Payable	\$ <u>6,024,998</u>

**County of Chesterfield, Virginia**  
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The future principal and interest lease payments as of June 30, 2024, were as follows:

Year Ending	School Component Unit		
	June 30	Principal	Interest
2025	\$	745,732	\$ 165,083
2026		731,052	146,153
2027		755,039	126,769
2028		418,310	110,581
2029		381,989	101,353
2029-2041		<u>2,992,876</u>	<u>544,287</u>
Total	\$	<u>6,024,998</u>	<u>\$ 1,194,226</u>

**P. Subscription Payable**

As of June 30, 2024, the County's governmental activities had 29 active subscriptions. The subscriptions have payments that range from \$0 to \$1,964,324 and interest rates that range from 1.580% to 3.018%. The total combined value of the subscription liability is \$4,289,408, and the total combined value of the short-term subscription liability is \$1,699,861. The combined value of the right to use asset is \$12,841,579 with accumulated amortization of \$6,081,848.

As of June 30, 2024, the County's School Board Component Unit had 27 active subscriptions. The subscriptions have payments that range from \$0 to \$361,917 and interest rates that range from 1.8940% to 3.1020%. The total combined value of the subscription liability is \$4,677,779, and the total combined value of the short-term subscription liability is \$1,739,010. The combined value of the right to use asset is \$10,051,662 with accumulated amortization of \$3,952,311.

The future principal and interest subscription payments as of June 30, 2024 were as follows:

Year Ending	Governmental Activities			School Component Unit		
	June 30	Principal	Interest	Principal	Interest	Total
2025	\$	1,699,861	\$ 101,563	\$	1,739,010	\$ 110,520
2026		1,251,306	62,847		1,528,525	65,746
2027		774,366	33,483		886,265	47,203
2028		453,946	14,476		523,979	13,926
2029		22,001	2,719		-	-
2030 - 2033		<u>87,928</u>	<u>4,774</u>		<u>-</u>	<u>-</u>
Total	\$	<u>4,289,408</u>	<u>\$ 219,862</u>	\$	<u>4,677,779</u>	<u>\$ 237,395</u>

**10. Commitments and Contingent Liabilities**

**A. Other Commitments**

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

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**B. Contingent Liabilities**

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

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

**11. Risk Management - Claims Liability**

The Risk Management Fund (an Internal Service Fund) accounts for property, casualty and liability claims for the County and School Board. Third party coverage is obtained for real and personal property and some liability risks, including cyber liability insurance. Third party property and casualty coverage is maintained for the Fire Department. The County maintains a broad form Public Officials Liability insurance policy to provide catastrophe coverage for individual claims in excess of \$2,000,000 excluding property and workers' compensation. For property, the County maintains a deductible of \$250,000 per occurrence. Administration of claims impacting this coverage is reviewed routinely by the insurance company that provides the policies. There were no reductions in commercial insurance coverage from the prior year and the amount of settlements in each of the past three years did not exceed the commercial insurance. Risk Management Fund revenues are generated by charges to the departments and School Board for management's estimate of the cost of predictable losses, the cost for administering these losses, a pro rata share of insurance premiums paid, actuarial estimates for incurred but not reported claims and the Risk Management Department's operational costs. Significant claims paid by the Risk Management Fund which exceed the premium charged will be covered by increased premiums in future years to the departments and School Board. Liabilities for unpaid claims are based upon the estimate of the ultimate cost of the claims, pursuant to known information. The estimate of the claims liability does not include amounts for non-incremental claims adjustment expenses. On disputed cases, where the chances of prevailing on the legal and medical issues are less than 50%, the claim is recorded at the full exposure amount. The confidence level estimated percentage used to determine the risk management liability is 65% for property, automobile, general, professional, medical and law enforcement liabilities.

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

Workers' compensation claims are funded annually by appropriations in the various funds. The County maintains an excess insurance policy for claims greater than self-insured retention. The self-insured retention as of January 1, 2024 was \$750,000 for non-public safety county employees, \$1,000,000 for public safety employees and \$750,000 for public school employees. Claims are administered by Risk Management staff with an independent claims audit conducted periodically. Environmental, Health and Safety professionals and representatives of the third-party insurance companies provide additional loss prevention consultation.

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

	<u>County</u>		<u>School Board</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Workers' Compensation:</b>				
Liability, July 1	\$ 7,898,000	\$ 6,940,000	\$ 5,014,000	\$ 4,524,000
Current year claims	2,958,000	2,956,000	1,745,000	2,079,000
Changes in estimates	572,971	2,409,825	289,587	186,751
Claim payments	<u>(2,739,971)</u>	<u>(4,407,825)</u>	<u>(1,844,587)</u>	<u>(1,775,751)</u>
Liability, June 30	<u>\$ 8,689,000</u>	<u>\$ 7,898,000</u>	<u>\$ 5,204,000</u>	<u>\$ 5,014,000</u>

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

	<u>2024</u>	<u>2023</u>
<b>Risk Management Fund:</b>		
Liability, July 1	\$ 4,124,104	\$ 3,791,847
Current year claims	7,383,733	3,471,034
Changes in estimates	(4,240,902)	(1,522,179)
Claim payments	<u>(2,085,833)</u>	<u>(1,616,598)</u>
Liability, June 30	<u>\$ 5,181,102</u>	<u>\$ 4,124,104</u>

## 12. Retirement Plans

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

#### 1. Plan Description and Membership

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

- a. Employees hired before July 1, 2010, and who were vested as of January 1, 2013, are covered under Plan 1, a defined benefit (pension) plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- b. Employees hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2, a defined benefit (pension) plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least five years of service credit or when the sum of their age and service equals 90. Non-hazardous duty employees

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

- c. Non-hazardous duty employees hired on or after January 1, 2014 are covered by a combination of a defined benefit (pension) plan and a contribution (retirement savings) plan. Employees covered by this hybrid plan are eligible for full retirement benefits when the normal social security retirement age is reached, and with at least five years of creditable service, or when age and years of service equal 90. Employees may retire with a reduced benefit as early as age 60 with at least five years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.
- d. Eligible hazardous duty employees (law enforcement officers, firefighters and sheriffs) in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least five years of service credit.

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

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

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

	<b>Primary Government</b>	<b>Component Unit - School Board</b>
Inactive members or their beneficiaries		
currently receiving benefits	2,877	985
Inactive members:		
Vested	711	169
Non-vested	1,104	593
Active elsewhere in VRS	1,159	278
Total inactive members	2,974	1,040
Active members	3,705	853
Total	9,556	2,878

VRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements, required supplementary information and detailed information about the fiduciary net position of the VRS plans. A copy of that report may be downloaded from their web site at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf> or obtained by writing to VRS at P.O. Box 2500, Richmond, VA, 23218-2500.

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**2. Contributions**

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

**a. VRS Local Plans**

The County's and School Board's actual contributions of \$46,769,926 and \$2,441,092, representing contribution rates of 17.12% and 8.97% of covered employee compensation, respectively, were equal to contractually required contributions. The contractually required contribution rates were determined as part of the June 30, 2021, actuarial valuation. This rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**b. VRS Teachers' Pool**

The School Board's actual contribution to the VRS Teachers' Pool for fiscal year 2024 was \$70,671,030. The contractually required contribution rate for the year ended June 30, 2024, excluding the 5% member rate, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of the June 30, 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.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The School Board's share of this non-employer contribution was \$6,021,585.

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

**a. VRS Local Plans**

**Primary Government**

At June 30, 2024, the County reported a net pension liability of \$215,889,252 measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2023, the County recognized pension expense of \$49,901,531. Deferred outflows of resources and deferred inflows of resources related to the VRS Local Plan were reported from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on plan investments	\$ -	\$ 18,119,533
Differences between expected and actual experience	35,697,718	4,779,430
Contributions subsequent to the measurement date	46,769,926	-
Changes of assumptions	12,467,854	-
Total	<u>\$ 94,935,498</u>	<u>\$ 22,898,963</u>

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending June 30:</b>	<b>Deferred (Inflows)/Outflows of Resources</b>
2025	\$ 7,252,078
2026	(9,179,800)
2027	26,605,647
2028	588,684
Total	<u>\$ 25,266,609</u>

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

	<b>1% Decrease 5.75%</b>	<b>Current Discount 6.75%</b>	<b>1% Increase 7.75%</b>
Net pension liability	\$ 410,209,184	\$ 215,889,252	\$ 55,251,477

**Component Unit - School Board**

At June 30, 2024, the School Board reported a net pension liability of \$8,861,021 measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

For the year ended June 30, 2024, the School Board recognized pension income of \$484,494. Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ -	\$ 1,945,528
Difference between expected and actual experience	698,365	-
Contributions subsequent to the measurement date	<u>2,441,092</u>	<u>-</u>
Total	<u>\$ 3,139,457</u>	<u>\$ 1,945,528</u>

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

<u>Year ending June 30:</u>	<u>Deferred (Inflows)/Outflows of Resources</u>
2025	\$ (658,652)
2026	(2,316,041)
2027	1,661,386
2028	<u>66,144</u>
Total	<u>\$ (1,247,163)</u>

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

	<u>1% Decrease 5.75%</u>	<u>Current Discount 6.75%</u>	<u>1% Increase 7.75%</u>
Net pension liability	\$ 22,765,794	\$ 8,861,021	\$ (2,858,859)

**b. VRS Teachers' Pool**

At June 30, 2024, the School Board reported a net pension liability of \$412,739,836 for its proportionate share of the net pension liability in the VRS Teachers' Pool. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Board's proportionate share of net pension liability was based on actual contributions made to the plan during the measurement period. At the measurement date, the School Board's proportionate share was 4.08362%, which was an increase of 0.15403% from June 30, 2023.

For the year ended June 30, 2024, the School Board recognized pension expense of \$51,225,592. Deferred outflows of resources and deferred inflows of resources to pensions were reported from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net differences between projected and actual earnings on plan investments	\$ -	\$ 26,836,415
Difference between expected and actual experience	35,454,703	16,106,872
Changes in proportionate share of contributions	27,252,167	1,066,733
Contributions subsequent to the measurement date	70,671,030	-
Changes of assumptions	18,710,943	-
Total	<u>\$ 152,088,843</u>	<u>\$ 44,010,020</u>

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

<b>Year ending June 30:</b>	<b>Deferred (Inflows)/Outflows of Resources</b>
2025	\$ 1,282,292
2026	(14,065,873)
2027	39,586,372
2028	10,605,002
Total	<u>\$ 37,407,793</u>

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

	<b>1% Decrease 5.75%</b>	<b>Current Discount 6.75%</b>	<b>1% Increase 7.75%</b>
Net pension liability	\$ 731,640,516	\$ 412,739,836	\$ 150,577,246

#### **4. Actuarial Assumptions**

Total pension liabilities in the VRS plans were based on an actuarial valuation as of June 30, 2022, using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

##### **a. VRS Local Plans**

##### **1. Non-hazardous Duty**

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2023, applied to the total pension liabilities for non-hazardous employees in the County and School Board VRS Local Plans:

Inflation .....2.50%

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Salary increases,	
including inflation .....	3.50% - 5.35%
Investment rate of return.....	6.75%, net of pension plan investment expenses
Mortality rates:	20% of deaths are assumed to be service related
Pre-retirement.....	Pub-2010 Amount Weighted Safety Employee
	Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-retirement .....	Pub-2010 Amount Weighted Safety Healthy Retiree
	Rates projected generationally; 110% of rate for males; 105% of rates for females set forward 3 years
Post-disablement.....	Pub-2010 Amount Weighted General Disabled
	Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

**2. Hazardous Duty**

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2023, applied to the total pension liability for hazardous duty employees in the County VRS Local Plan:

Inflation .....	2.50%
Salary increases,	
including inflation .....	3.50% - 4.75%
Investment rate of return.....	6.75%, net of pension plan investment expense, including inflation
Mortality rates:	70% of deaths are assumed to be service related
Pre-retirement.....	Pub-2010 Amount Weighted Safety Employee
	Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement .....	Pub-2010 Amount Weighted Safety Healthy Retiree
	Rates projected generationally with a Modified MP-2020 Improvement Scale; 110 % of rates for males; 105% of rates for females set forward 3 years
Post-disablement.....	Pub-2010 Amount Weighted General Disabled
	Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

**b. VRS Teachers' Pool**

The following assumptions, applied to all periods included in the measure and rolled forward to the measurement date of June 30, 2023, applied to the total pension liability for employees in the School Board VRS Teachers' Pool Plan:

Inflation .....	2.50%
Salary increases,	
including inflation .....	3.50% - 5.95%
Investment rate of return.....	6.75%, net of pension plan investment expense, including inflation
Mortality rates:	

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

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

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

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
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	<u>1.00%</u>	1.20%	<u>0.01%</u>
Total	<u>100.00%</u>		<u>5.75%</u>
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>8.25%</u>

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

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that VRS member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance

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with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. Through the fiscal year ending June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, school divisions are assumed to continue to contribute 112% of the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**5. Changes in Net Pension Liabilities**

**a. VRS Local Plan - Primary Government**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balance at June 30, 2022	\$ 1,351,955,424	\$ 1,175,357,675	\$ 176,597,749
Service Cost	36,657,668	-	36,657,668
Interest	91,543,617	-	91,543,617
Difference between expected and actual experience	41,914,379	-	41,914,379
Contributions - employer	-	43,026,101	(43,026,101)
Contributions - employee	-	12,459,740	(12,459,740)
Net investment income	-	76,053,955	(76,053,955)
Benefit payments, including refunds of employee contributions	(64,822,721)	(64,822,721)	-
Administrative expense	-	(746,374)	746,374
Other changes	-	30,739	(30,739)
Net changes	<u>105,292,943</u>	<u>66,001,440</u>	<u>39,291,503</u>
Balance at June 30, 2023	<u>\$ 1,457,248,367</u>	<u>\$ 1,241,359,115</u>	<u>\$ 215,889,252</u>

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**b. VRS Local Plan - School Board Component Unit**

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2022	\$ 122,441,630	\$ 114,913,764	\$ 7,527,866
Changes:			
Service cost	2,210,947	-	2,210,947
Interest	8,139,247	-	8,139,247
Difference between expected and actual experience	1,425,828	-	1,425,828
Contributions - employer	-	2,102,424	(2,102,424)
Contributions - employee	-	1,170,011	(1,170,011)
Net investment income	-	7,258,625	(7,258,625)
Benefit payments, including refunds of employee contributions	(8,142,272)	(8,142,272)	-
Administrative expense	-	(74,306)	74,306
Other changes	-	(13,887)	13,887
Net Changes	<u>3,633,750</u>	<u>2,300,595</u>	<u>1,333,155</u>
Balance at June 30, 2023	<u>\$ 126,075,380</u>	<u>\$ 117,214,359</u>	<u>\$ 8,861,021</u>

**6. Payables to the VRS Plans**

At June 30, 2024, the County and the School Board component unit owed the following amounts to the VRS plans due to the timing of when contractually required contributions payments become due.

VRS Local plan - Primary Government	\$2,831,297
VRS Local plan - School Board	77,194
VRS Teachers' Pool - School Board	3,651,087

**B. Supplemental Retirement Plan - Primary Government**

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

**1. Summary of Significant Accounting Policies**

- a) Basis of Accounting: The Plan's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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- b) Valuation of Investments: Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales prices at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The Plan's assets do not include any securities issued by the County.

**2. Plan Description and Membership**

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

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

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

- b) Membership: Membership of the Plan consisted of the following at June 30, 2024:

Active members	1,240
Terminated members with vested rights	55
Retired members with benefits in pay status and beneficiaries of deceased members receiving benefits	<u>380</u>
Total	<u>1,675</u>

**3. Contributions**

The Plan provides for annual employer contributions at actuarially determined amounts, which will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the cost of all basic benefits when due. The actuarially determined contribution for the fiscal year ended June 30, 2024 was determined as part of the June 30, 2024 actuarial valuation. The County contributed \$2,330,814, which was greater than the actuarially determined contribution.

**4. Rate of Return**

As of June 30, 2024, the annual money-weighted rate of return on cash flows on the plan investments, net of pension plan investment expense, was 10.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

- a) Pension liabilities: The County reported a net pension liability of \$9,880,987. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2024. Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions are allocated to funds based on their proportionate share of projected monthly benefits.
- b) Pension expense: For the year ended June 30, 2024, the County recognized pension expense of \$5,657,220.
- c) Deferred outflows of resources and deferred inflows of resources related to pensions: Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 658,170	\$ -
Difference between expected and actual experience	5,962,640	1,111,649
Change in assumptions	686,966	-
Total	<u>\$ 7,307,776</u>	<u>\$ 1,111,649</u>

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

<u>Year ending June 30:</u>	<u>Deferred (Inflows)/Outflows of Resources</u>
2025	\$ 2,777,597
2026	2,659,830
2027	1,177,317
2028	<u>(418,617)</u>
Total	<u>\$ 6,196,127</u>

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**6. Changes in Net Pension Liability**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2023	\$ 56,166,556	\$ 48,848,212	\$ 7,318,344
Service cost	369,250	-	369,250
Interest	3,586,214	-	3,586,214
Contributions - employer	-	2,330,814	(2,330,814)
Net investment income	-	5,252,335	(5,252,335)
Administrative expenses	-	(92,841)	92,841
Difference between expected and actual experience	6,097,487	-	6,097,487
Benefit payments	(2,726,572)	(2,726,572)	-
Net changes	7,326,379	4,763,736	2,562,643
Balance at June 30, 2024	<u>\$ 63,492,935</u>	<u>\$ 53,611,948</u>	<u>\$ 9,880,987</u>

**7. Actuarial Methods and Significant Assumptions**

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

Measurement date.....	June 30, 2024
Actuarial cost method .....	Entry age normal
Valuation date.....	July 1, 2024
Investment rate of return.....	6.5%
Projected salary increases, including inflation.....	3.50%-5.0%
Inflation rate .....	2.50% for 2024, 2.40% for 2025 and thereafter
Mortality (post-retirement) .....	Pub-2010 General Amount-Weighted mortality table, with future generational mortality improvements projected according to Scale MP-21

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

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

	1% Decrease 5.5%	Current Discount 6.5%	1% Increase 7.5%
Net pension liability \$	18,824,970	\$ 9,880,987	\$ 2,535,132

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**8. Fiduciary Net Position**

As of June 30, 2024, the Plan fiduciary net position of \$53,611,948, as a percentage of the total pension liability, was 84.44%.

<b>Chesterfield County, Virginia</b>	
<b>Supplemental Retirement</b>	
<b>Pension Trust</b>	
Assets	
Cash and cash equivalents	\$ 1,940,479
Accounts receivable	103,309
Investments	<u>51,568,160</u>
Total assets	<u>53,611,948</u>
Fiduciary net position	
Restricted for pension benefits	<u>\$ 53,611,948</u>
Additions:	
Contributions	\$ 2,330,814
Investment earnings	5,481,346
Less investment expenses	<u>(229,011)</u>
Net investment income	<u>5,252,335</u>
Total additions, net	<u>7,583,149</u>
Deductions:	
Benefit payments	2,726,572
Administrative expenses	<u>92,841</u>
Total deductions	<u>2,819,413</u>
Increase in net position	
restricted for pension benefits	4,763,736
Fiduciary net position - July 1, 2023	<u>48,848,212</u>
Fiduciary net position - June 30, 2024	<u>\$ 53,611,948</u>

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**C. Supplemental Retirement Program - Component Unit - School Board**

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

**1. Summary of Significant Accounting Policies**

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

**2. Program Description and Membership**

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

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

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b) Membership: Membership of the Program consisted of the following at June 30, 2024:

Active participants	2,199
Retirees (vested)	551
Retirees (non-vested)	<u>122</u>
Total	<u>2,872</u>

**3. Contributions**

The Program provides for annual employer contributions based on actuarially determined rates. The actuarially determined contribution for the fiscal year ended June 30, 2024, was determined as part of the June 30, 2024 valuation. Actual contributions, by policy, are expected to be the actuarially determined amount or the amount of expected benefit payments, if higher. The School Board contributed \$4,870,100, which was greater than the actuarially determined contribution, to the Program.

**4. Rate of Return**

As of June 30, 2024, the annual money-weighted rate of return on cash flows on the Program's long-term investments, net of investment expense, was 12.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

- a) Pension liabilities: As of June 30, 2024, the School Board reported a net pension liability of \$2,443,924, measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by the June 30, 2024 actuarial valuation date.
- b) Pension expense: For the year ended June 30, 2024, the School Board recognized pension expense of \$3,887,457.
- c) Deferred outflows of resources and deferred inflows of resources related to pensions: Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ -	\$ 2,311,567
Difference between expected and actual experience	7,065,897	1,314,596
Change in assumptions	<u>2,906,819</u>	<u>648,288</u>
Total	<u>\$ 9,972,716</u>	<u>\$ 4,274,451</u>

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

<u>Year ending June 30:</u>	<u>Deferred (Inflows)/ Outflows of Resources</u>
2025	\$ 780,092
2026	2,573,876
2027	1,221,338
2028	1,122,959
Total	<u>\$ 5,698,265</u>

**6. Changes in Net Pension Liability**

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2023	\$ 83,255,033	\$ 74,839,968	\$ 8,415,065
Service cost	1,123,724	-	1,123,724
Interest	5,228,521	-	5,228,521
Differences between expected and actual experience	1,011,126	-	1,011,126
Contributions - employer	-	4,870,100	(4,870,100)
Net investment income	-	8,921,536	(8,921,536)
Administrative expenses	-	(317,496)	317,496
Other	-	(139,628)	139,628.00
Benefit payments	(7,879,956)	(7,879,956)	-
Net changes	(516,585)	5,454,556	(5,971,141)
Balance at June 30, 2024	<u>\$ 82,738,448</u>	<u>\$ 80,294,524</u>	<u>\$ 2,443,924</u>

**7. Actuarial Method and Significant Assumptions**

- a) Actuarial methods and significant assumptions: The total pension liability was determined as part of the actuarial valuation at June 30, 2024. Assumptions were determined from an experience study dated May 19, 2022.

Actuarial cost method .....	Entry age normal
Projected salary increase, including inflation .....	3.25-4.75%
Inflation rate .....	2.0%
Mortality .....	Pub-2010 General Amount-Weighted mortality table, with future generational improvements projected according to Scale MP-19

- b) Discount Rate: The projection of cash flows used to determine the discount rate assumed that School Board contributions will be made at the current contribution rates. Based on this assumption, the Program's fiduciary net position was projected to be available to make

**County of Chesterfield, Virginia**  
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all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 6.5% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount	1% Increase
	<u>5.5%</u>	<u>6.5%</u>	<u>7.5%</u>
Net pension liability \$	7,913,981	\$ 2,443,924	\$ (2,581,589)

**8. Fiduciary Net Position**

As of June 30, 2024, the Plan fiduciary net position of \$80,294,524 as a percentage of the pension total liability was 97.05%.

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

<b>Assets</b>	
Cash, cash equivalents and investments	\$ 80,162,523
Interest Receivable	135,126
Total assets	<u>80,297,649</u>
<b>Liabilities</b>	
Due to broker	<u>3,125</u>
Fiduciary Net Position	
Restricted for pension benefits	<u>\$ 80,294,524</u>
<b>Additions:</b>	
Contributions	\$ 4,870,100
Investment earnings	<u>8,921,536</u>
Total additions	<u>13,791,636</u>
<b>Deductions:</b>	
Benefit payments	7,879,956
Administrative expenses	317,496
Other	<u>139,628</u>
Total deductions	<u>8,337,080</u>
Increase in net position restricted for pension benefits	5,454,556
Fiduciary net position - July 1, 2023	<u>74,839,968</u>
Fiduciary net position - June 30, 2024	<u>\$ 80,294,524</u>

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>Deferred Outflows of Resources related to Pensions</b>				
Deferred contributions:				
VRS Local Plan	\$ 44,891,702	\$ 1,878,224	\$ 46,769,926	\$ 2,441,092
VRS Teachers' Pool	-	-	-	70,671,030
Deferred investment experience:				
Supplemental Retirement Plan	658,170	-	658,170	-
Deferred pension difference between expected and actual:				
VRS Local Plan	34,264,142	1,433,576	35,697,718	698,365
VRS Teachers Pool	-	-	-	35,454,703
Supplemental Retirement Plan	5,962,640	-	5,962,640	7,065,897
Deferred change in assumptions:				
VRS Local Plan	11,967,161	500,693	12,467,854	-
VRS Teachers Pool	-	-	-	18,710,943
Supplemental Retirement Plan	686,966	-	686,966	2,906,819
Deferred change in proportionate share:				
VRS Teachers' Pool	-	-	-	27,252,167
Total deferred outflows of resources related to pensions	<u>\$ 98,430,781</u>	<u>\$ 3,812,493</u>	<u>\$ 102,243,274</u>	<u>\$ 165,201,016</u>

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>Deferred Inflows of Resources related to Pensions</b>				
Deferred investment experience:				
VRS Local Plan	\$ 17,391,872	\$ 727,662	\$ 18,119,534	\$ 1,945,528
VRS Teachers' Pool	-	-	-	26,836,415
Supplemental Retirement Plan	-	-	-	2,311,567
Deferred pension difference between expected and actual:				
VRS Local Plan	4,587,493	191,937	4,779,430	-
VRS Teachers' Pool	-	-	-	16,106,872
Supplemental Retirement Plan	1,111,649	-	1,111,649	1,314,596
Deferred change in assumptions:				
Supplemental Retirement Plan	-	-	-	648,288
Deferred change in proportionate share:				
VRS Teachers' Pool	-	-	-	1,066,733
Total deferred inflows of resources related to pensions	<u>\$ 23,091,014</u>	<u>\$ 919,599</u>	<u>\$ 24,010,613</u>	<u>\$ 50,229,999</u>

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<u>Enterprise funds</u>	<u>Water</u>	<u>Wastewater</u>	<u>Non-major Airport</u>	<u>Total</u>
<b>Deferred Outflows of Resources related to Pensions</b>				
Deferred contributions:				
VRS Local Plan	\$ 942,975	\$ 900,968	\$ 34,281	\$ 1,878,224
Deferred pension difference between expected and actual:				
VRS Local Plan	719,739	687,673	26,164	1,433,576
Deferred change in assumptions:				
VRS Local Plan	<u>251,377</u>	<u>240,181</u>	<u>9,135</u>	<u>500,693</u>
Total deferred outflows of resources related to pensions	<u>\$ 1,914,091</u>	<u>\$ 1,828,822</u>	<u>\$ 69,580</u>	<u>\$ 3,812,493</u>

<u>Enterprise funds</u>	<u>Water</u>	<u>Wastewater</u>	<u>Non-major Airport</u>	<u>Total</u>
<b>Deferred Inflows of Resources related to Pensions</b>				
Deferred investment experience:				
VRS Local Plan	\$ 365,326	\$ 349,054	\$ 13,282	\$ 727,662
Deferred pension difference between expected and actual:				
VRS Local Plan	<u>96,366</u>	<u>92,069</u>	<u>3,502</u>	<u>191,937</u>
Total deferred inflows of resources related to pensions	<u>\$ 461,692</u>	<u>\$ 441,123</u>	<u>\$ 16,784</u>	<u>\$ 919,599</u>

<u>Internal Service funds</u>	<u>Vehicle and Communications</u>	<u>Risk Management</u>	<u>Total</u>
<b>Deferred Outflows of Resources related to Pensions</b>			
Deferred contributions:			
VRS Local Plan	\$ 663,543	\$ 175,213	\$ 838,756
Deferred pension difference between expected and actual:			
VRS Local Plan	506,457	133,734	640,191
Deferred change in assumptions:			
VRS Local Plan	<u>176,886</u>	<u>46,710</u>	<u>223,596</u>
Total deferred outflows of resources related to pensions	<u>\$ 1,346,886</u>	<u>\$ 355,657</u>	<u>\$ 1,702,543</u>

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<u>Internal Service funds</u>	<u>Vehicle and Communications</u>	<u>Risk Management</u>	<u>Total</u>
<b>Deferred Inflows of Resources related to Pensions</b>			
Deferred investment experience:			
VRS Local Plan	\$ 257,071	\$ 67,874	\$ 324,945
Deferred pension difference between expected and actual:			
VRS Local Plan	<u>67,804</u>	<u>17,909</u>	<u>85,713</u>
Total deferred inflows of resources related to pensions	<u>\$ 324,875</u>	<u>\$ 85,783</u>	<u>\$ 410,658</u>

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

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>School Board</u>
<b>Net Pension Liability</b>				
VRS Local	\$ 206,569,611	\$ 9,319,641	\$ 215,889,252	\$ 8,861,021
VRS Local - Teachers' Pool	-	-	-	412,739,836
Supplemental Retirement	<u>9,880,987</u>	<u>-</u>	<u>9,880,987</u>	<u>2,443,924</u>
Total net pension liability	<u>\$ 216,450,598</u>	<u>\$ 9,319,641</u>	<u>\$ 225,770,239</u>	<u>\$ 424,044,781</u>
<b>Pension Expense</b>				
VRS Local	\$ 47,897,545	\$ 2,003,986	\$ 49,901,531	\$ (484,494)
VRS Local - Teachers' Pool	-	-	-	51,225,593
Supplemental Retirement	<u>5,657,220</u>	<u>-</u>	<u>5,657,220</u>	<u>3,887,457</u>
Total pension expense	<u>\$ 53,554,765</u>	<u>\$ 2,003,986</u>	<u>\$ 55,558,751</u>	<u>\$ 54,628,556</u>

<u>Enterprise funds</u>	<u>Water</u>	<u>Wastewater</u>	<u>Non-major Airport</u>	<u>Total</u>
<b>Net Pension Liability</b>				
VRS Local	<u>\$ 4,743,556</u>	<u>\$ 4,435,790</u>	<u>\$ 140,295</u>	<u>\$ 9,319,641</u>
<b>Pension Expense</b>				
VRS Local	<u>\$ 1,006,115</u>	<u>\$ 961,294</u>	<u>\$ 36,577</u>	<u>\$ 2,003,986</u>

**County of Chesterfield, Virginia**  
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Internal Service funds	Vehicle and Communications	Risk Management	Total
<b>Net Pension Liability</b>			
VRS Local	\$ 3,320,854	\$ 501,119	\$ 3,821,973
<b>Pension Expense</b>			
VRS Local	\$ 707,972	\$ 186,944	\$ 894,916

### 13. Other Postemployment Benefits Plans

#### A. Postemployment Retiree Healthcare Benefits - Primary Government

##### 1. Plan Description

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

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

County contributions for pre-65 health and dental benefits at June 30, 2023 are:

Years of Service	Grandfathered	Non-grandfathered
0 to 9	-	-
10 to 14	50%	-
15 to 19	100%*	\$216 per month
20 to 24	100%*	\$323 per month
25+	100%*	\$430 per month

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

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

All retired employees, active employees who are age 65 and over, public safety employees with 25 or more years of service and non-public safety employees with 30 or more years of service (all as of January 1, 2009), will receive a County contribution toward their post-Medicare coverage no greater than \$263 per month indexed at 3% per year plus up to \$40 per month reimbursement for prescription coverage. For all other retirees, with the exception of access only, the County limits its contribution toward post-Medicare coverage based on years of service. The County will contribute \$4 per month for each year of service plus up to \$40 per month for a Medicare Part D plan cost reimbursement.

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

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

	<b>Primary Government</b>
Inactive members or their beneficiaries currently receiving benefits	1,303
Active members	3,810
Total	<u>5,113</u>

**2. Contributions**

As of June 30, 2024, the County has \$46,401,314 in plan fiduciary net position accumulated for payment of future benefits. The County made contributions and paid premiums to the trust totaling \$7,558,064, which was greater than the actuarially determined contribution (ADC) of \$6,042,605. The County intends to fully fund the ADC in future fiscal years. Actual contributions to the plan are appropriated on an annual basis. Employees' contributions vary according to individual elections of coverage and the level of County contribution, which is based on eligibility requirements.

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

At June 30, 2024, the County reported a net OPEB liability of \$27,640,205, measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2024. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2024, the County recognized OPEB income of \$1,095,312. Deferred outflows of resources and deferred inflows of resources related to the County's OPEB-Retiree Healthcare was reported from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on plan investments	\$ 575,526	\$ -
Difference between expected and actual experience	2,044,879	8,233,981
Change in assumptions or other inputs	<u>390,673</u>	<u>10,375,512</u>
Total	<u>\$ 3,011,078</u>	<u>\$ 18,609,493</u>

**County of Chesterfield, Virginia**  
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Amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	<u>Deferred (Inflows) of Resources</u>
2024	\$ (5,010,049)
2025	(3,171,401)
2026	(3,081,535)
2027	(2,023,420)
2028	(1,312,289)
Thereafter	(999,721)
Total	<u>\$ (15,598,415)</u>

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

<b>Net OPEB liability</b>			
<b>Discount Rate</b>			
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>6%</b>	<b>7%</b>	<b>8%</b>
<b>Net OPEB liability</b>	\$ 33,755,137	\$ 27,640,205	\$ 22,246,286

<b>Net OPEB liability</b>			
<b>Health Care Cost Trend</b>			
	<b>1% Decrease</b>	<b>Current Cost Trend</b>	<b>1% Increase</b>
<b>Net OPEB liability</b>	\$ 23,615,820	\$ 27,640,205	\$ 32,241,868

#### 4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for the Primary Government were based on an actuarial valuation as of June 30, 2024, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP. The total OPEB liability was determined as part of the actuarial valuation at the date indicated, using the following actuarial assumptions:

Valuation date .....	June 30, 2024
Investment rate of return .....	7.00%
Inflation.....	2.70%
Salary increases.....	3.50% - 5.35%; based on Top 10 non-Hazardous Duty and Top 10 Hazardous Duty assumption used in the June 30, 2021 VRS valuation
Healthcare cost trend rates .....	6.75% for 2024 decreasing to and ultimate rate of 4.04% by 2075+

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Mortality-locality non-hazardous duty employees:

Pre-retirement .....	Pub-2010 General Employees Headcount- Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement .....	Pub-2010 General Retirees Headcount- Weighted Mortality Table projected fully generationally using scale MP-2021

Mortality-locality hazardous duty employees:

Pre-retirement .....	Pub-2010 Public Safety Employees Headcount- Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement .....	Pub-2010 Public Safety Retirees Headcount- Weighted Mortality Table projected fully generationally using scale MP-2021

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Real Rate</b>
Total Equity		
Large Cap Equity	21.00%	7.15%
Small Cap Equity	10.00%	8.58%
International Equity	13.00%	8.03%
Emerging Markets Equity	5.00%	9.29%
Private Equity	10.00%	10.51%
Long/Short Equity	6.00%	5.55%
Fixed Income		
Core Bonds	5.00%	2.56%
Core Plus	11.00%	2.87%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.49%
Opportunistic Real Estate	<u>5.00%</u>	9.49%
Total	<u>100.00%</u>	6.95%

**County of Chesterfield, Virginia**  
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**5. Changes to Net OPEB Liability**

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at July 1, 2023	\$ 81,970,901	\$ 42,412,080	\$ 39,558,821
Service cost	1,073,684	-	1,073,684
Interest	5,553,063	-	5,553,063
Change in assumptions	(5,052,178)	-	(5,052,178)
Differences in expected and actual experience	(1,945,887)	-	(1,945,887)
Net investment income	-	3,989,734	(3,989,734)
Administrative expenses	-	(500)	500
Employer contributions	-	7,558,064	(7,558,064)
Benefit payments	(7,558,064)	(7,558,064)	-
Net changes	(7,929,382)	3,989,234	(11,918,616)
Balance at June 30, 2024	<u>\$ 74,041,519</u>	<u>\$ 46,401,314</u>	<u>\$ 27,640,205</u>

**6. OPEB Liability**

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

- a) Rate of Return: As of June 30, 2024, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 9.41%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2024 were as follows:

	<b><u>Net OPEB Liability</u></b>
Total OPEB liability	\$ 74,041,519
Plan fiduciary net position	(46,401,314)
Net OPEB liability	<u>\$ 27,640,205</u>

62.7%

**County of Chesterfield, Virginia**  
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**Chesterfield County, Virginia**  
**Postemployment Retiree Healthcare**  
**Benefits Trust - County**

Assets	
Cash, investments and receivable	<u>\$ 46,401,314</u>
Fiduciary net position	
Restricted for other postemployment benefits	<u>\$ 46,401,314</u>
Additions:	
Contributions	\$ 7,558,064
Investment earnings	4,019,290
Less investment expenses	<u>(29,556)</u>
Net investment income	<u>3,989,734</u>
Total additions, net	<u>11,547,798</u>
Deductions:	
Benefit payments	7,558,064
Administrative expenses	<u>500</u>
Total deductions	<u>7,558,564</u>
Increase in net position restricted for other postemployment benefits	3,989,234
Fiduciary net position - July 1, 2023	<u>42,412,080</u>
Fiduciary net position - June 30, 2024	<u>\$ 46,401,314</u>

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

**1. Plan Description**

The OPEB - Line of Duty Trust, created during fiscal year 2012, is a single employer defined benefit plan that provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. There were approximately 1,569 participants in the program in fiscal year 2023. A Board of Trustees, appointed by the County Board, administers the plan. The OPEB - Line of Duty Trust is considered part of the County's reporting entity and is included in the County's financial statements as an OPEB Trust Fund. No separately audited financial statements are available. The County joined other Virginia localities by opting to participate in the VML/VACo Trust Fund for the purpose of investing OPEB contributions. VML/VACo issues audited financial statements which can be obtained by contacting the VML/VACo Finance Program, 919 E. Main Street Suite 1100, Richmond, Virginia 23219.

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**2. Contributions**

As of June 30, 2024, the County had \$19,324,883 in plan fiduciary net position accumulated for payment of future benefits. The County made contributions and paid premiums to the trust totaling \$2,298,762, which was greater than the actuarially determined contribution (ADC) of \$2,168,131. The County intends to fund at least the ADC amount in future fiscal years. Actual contributions to the plan are appropriated on an annual basis.

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

At June 30, 2024, the County reported a net OPEB liability of \$5,215,611, measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2024. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2024, the County recognized OPEB expense of \$2,200,698. Deferred outflows of resources and deferred inflows of resources related to the County's OPEB-Retiree Healthcare was reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 174,696	\$ -
Difference between expected and actual experience	2,516,613	2,379,087
Change in assumptions	<u>3,468,111</u>	<u>3,191,542</u>
Total	<u>\$ 6,159,420</u>	<u>\$ 5,570,629</u>

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

<u>Year ending June 30:</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2024	\$ (21,866)
2025	442,819
2026	(16,997)
2027	(21,628)
2028	51,908
Thereafter	<u>154,555</u>
Total	<u>\$ 588,791</u>

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

Net OPEB liability			
Discount Rate			
	1% Decrease	Current Discount	1% Increase
	6%	7%	8%
Net OPEB liability	\$ 8,189,818	\$ 5,215,611	\$ 2,756,893

Net OPEB liability			
Health Care Cost Trend			
	1% Decrease	Current Cost Trend	1% Increase
Net OPEB liability	\$ 1,836,620	\$ 5,215,611	\$ 9,381,782

#### 4. Actuarial Assumptions

Total OPEB liabilities in the OPEB Plan for the Primary Government - Line of Duty were based on an actuarial valuation as of June 30, 2024, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP.

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

Valuation date .....	June 30, 2024
Investment rate of return .....	7.0%
Inflation.....	2.7%
Salary increases.....	3.50% - 4.75%; based on top 10 Hazardous Duty assumption used in the June 30, 2021 VRS LODA valuation
Healthcare cost trend rates .....	6.75% for 2024 and decreasing to an ultimate rate of 4.14% by 2075
Pre-retirement mortality.....	Pub-2010 Public Safety Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement mortality .....	Pub-2010 Public Safety Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Disabled .....	Pub-2010 Public Safety Disabled Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Real Rate</u>
Total Equity		
Large Cap Equity	21.00%	7.15%
Small Cap Equity	10.00%	8.58%
International Equity	13.00%	8.03%
Emerging Markets Equity	5.00%	9.29%
Private Equity	10.00%	10.51%
Long/Short Equity	6.00%	5.55%
Fixed Income		
Core Bonds	5.00%	2.56%
Core Plus	11.00%	2.87%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.49%
Opportunistic Real Estate	<u>5.00%</u>	9.49%
Total	<u>100.00%</u>	6.95%

**5. Changes to Net OPEB Liability**

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2023	\$ 22,277,562	\$ 16,557,404	\$ 5,720,158
Service cost	1,703,032	-	1,703,032
Interest	1,640,835	-	1,640,835
Change in assumptions	(177,430)	-	(177,430)
Differences in expected and actual experience	195,257	-	195,257
Net investment income		1,567,979	(1,567,979)
Administrative expenses		(500)	500
Employer contributions		2,298,762	(2,298,762)
Benefit payments	<u>(1,098,762)</u>	<u>(1,098,762)</u>	<u>-</u>
Net changes	<u>2,262,932</u>	<u>2,767,479</u>	<u>(504,547)</u>
Balance at June 30, 2024	<u>\$ 24,540,494</u>	<u>\$ 19,324,883</u>	<u>\$ 5,215,611</u>

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**6. OPEB Liability**

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

- a) Rate of Return: As of June 30, 2024, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 9.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2024, were as follows:

	<u><b>Net OPEB Liability</b></u>
Total OPEB liability	\$ 24,540,494
Plan fiduciary net position	<u>(19,324,883)</u>
Net OPEB liability	<u><u>\$ 5,215,611</u></u>
Fiduciary net position as a percent of total OPEB liability	78.75%

**Chesterfield County, Virginia**  
**Postemployment Retiree Healthcare**  
**Benefits Trust - Line of Duty**

<b>Assets</b>	
Cash, investments and receivable	<u>\$ 19,324,883</u>
<b>Fiduciary Net Position</b>	
Restricted for other postemployment benefits	<u>\$ 19,324,883</u>
<b>Additions:</b>	
Contributions	\$ 2,298,762
Investment earnings	1,579,479
Less investment expenses	<u>(11,500)</u>
Net investment income	<u>1,567,979</u>
Total additions, net	<u>3,866,741</u>
<b>Deductions:</b>	
Benefit payments	1,098,762
Administrative expenses	<u>500</u>
Total deductions	<u>1,099,262</u>
Increase in net position restricted for other postemployment benefits	2,767,479
Fiduciary net position - July 1, 2023	<u>16,557,404</u>
Fiduciary net position - June 30, 2024	<u><u>\$ 19,324,883</u></u>

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

**1. Plan Description**

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

Employees with a combination of age and fulltime service greater than or equal to 60 years as of July 1, 2007, including at least 10 years of service, will be grandfathered. Non-grandfathered employees will receive health benefits at age 55 or disabled with at least 15 years of full-time Chesterfield County Public Schools service. Employees retiring between age 50 - 55 with at least 30 years of full-time Chesterfield County Public Schools service will be allowed to purchase retiree healthcare at the School Board's group rate with no School Board contribution from the time of retirement until age 55. At age 55, they will begin to receive the School Board contribution based on years of service. School Board contributions for pre-65 health and dental benefits at July 1, 2023 are:

<b>Years of Service</b>	<b>Grandfathered</b>	<b>Non-grandfathered</b>
0 to 9	-	-
10 to 14	100%*	-
15 to 19	100%*	\$227 per month
20 to 24	100%*	\$340 per month
25+	100%*	\$454 per month

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

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

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

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

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

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**2. Contributions**

As of June 30, 2024, the School Board has \$31,950,181 in plan fiduciary net position accumulated for payment of future benefits. The School Board made contributions and paid premiums to the trust totaling \$14,984,256, which was greater than the actuarially determined contribution (ADC) of \$11,389,544. At a minimum, the School Board intends to fund the ADC amount in future fiscal years. Actual contributions to the plan are appropriated on an annual basis.

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

At June 30, 2024, the School Board reported a net OPEB liability of \$98,178,515, measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2024. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are allocated to funds based on their proportionate share of projected monthly benefits.

For the year ended June 30, 2024, the School Board recognized OPEB income of \$3,284,814. Deferred outflows of resources and deferred inflows of resources related to the School Board's OPEB - Retiree Healthcare was reported from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 274,272	\$ -
Difference between expected and actual experience	65,777	20,534,516
Change in assumptions	<u>1,706,859</u>	<u>7,173,577</u>
Total	<u>\$ 2,046,908</u>	<u>\$ 27,708,093</u>

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

<u>Year ending June 30:</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2024	\$ (9,893,935)
2025	(7,805,525)
2026	(5,848,186)
2027	<u>(2,113,539)</u>
Total	<u>\$ (25,661,185)</u>

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

Net OPEB liability			
Discount Rate			
	1% Decrease 6%	Current Discount 7%	1% Increase 8%
Net OPEB liability	\$ 108,495,615	\$ 98,178,515	\$ 89,080,569

Net OPEB liability			
Health Care Cost Trend			
	1% Decrease	Current Cost Trend	1% Increase
Net OPEB liability	\$ 91,759,035	\$ 98,178,515	\$ 105,406,757

**4. Actuarial Assumptions**

Total OPEB liabilities in the OPEB Plan for Retiree Healthcare - School Board were based on an actuarial valuation as of June 30, 2024, using census data and recent health care cost information for current retirees and active employees eligible for coverage under the plan. The projections are based on GAAP, using the entry age normal actuarial cost method and the following actuarial assumptions based on GAAP.

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

Valuation date .....	June 30, 2024
Investment rate of return.....	7.0%
Inflation.....	2.60%
Salary increases .....	3.50% - 5.95% for Teachers (based on Teachers assumption used in the June 30, 2021 VRS valuation) 3.50% - 5.35% for non-Teachers (based on Top 10 non-Hazardous Duty assumption used in the June 30, 2021 VRS valuation)
Healthcare cost trend rates.....	6.75% for 2024 decreasing to and ultimate rate of 4.14% by 2075+
Pre-retirement mortality .....	Teachers: Pub-2010 Teachers Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021 Non-Teachers: Pub-2010 General Employees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021
Post-retirement mortality.....	Teachers: Pub-2010 Teachers Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021 Non-Teachers: Pub-2010 General Retirees Headcount-Weighted Mortality Table projected fully generationally using scale MP-2021

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Real Rate</u>
Total Equity		
Large Cap Equity	21.00%	7.15%
Small Cap Equity	10.00%	8.58%
International Equity	13.00%	8.03%
Emerging Markets Equity	5.00%	9.29%
Private Equity	10.00%	10.51%
Long/Short Equity	6.00%	5.55%
Fixed Income		
Core Bonds	5.00%	2.56%
Core Plus	11.00%	2.87%
Liquid Absolute Return	4.00%	3.25%
Real Assets		
Core Real Estate	10.00%	6.49%
Opportunistic Real Estate	<u>5.00%</u>	9.49%
Total	<u>100.00%</u>	6.95%

**County of Chesterfield, Virginia**  
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**5. Changes to Net OPEB Liability**

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at July 1, 2023	\$ 140,799,493	\$ 28,285,245	\$ 112,514,248
Service cost	1,274,289	-	1,274,289
Interest	9,463,994	-	9,463,994
Change in assumptions	(5,020,179)	-	(5,020,179)
Differences in expected and actual experience	(2,404,645)	-	(2,404,645)
Net investment income	-	2,665,436	(2,665,436)
Administrative expenses	-	(500)	500
Employer contributions	-	14,984,256	(14,984,256)
Benefit payments	(13,984,256)	(13,984,256)	-
Net changes	(10,670,797)	3,664,936	(14,335,733)
Balance at June 30, 2024	<u>\$ 130,128,696</u>	<u>\$ 31,950,181</u>	<u>\$ 98,178,515</u>

**6. OPEB Liability**

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

- a) Rate of Return: As of June 30, 2024, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense, was 9.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- b) Net OPEB Liability: The components of the net OPEB liability as of June 30, 2024 were as follows:

	<b><u>Net OPEB Liability</u></b>
Total OPEB liability	\$ 130,128,696
Plan fiduciary net position	(31,950,181)
Net OPEB liability	<u>\$ 98,178,515</u>
Fiduciary net position as a percent of total OPEB liability	24.55%

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**Chesterfield County, Virginia**  
**Postemployment Retiree Healthcare**  
**Benefits Trust - Schools**

Assets	
Cash, investments and receivable	\$ 31,950,181
Fiduciary Net Position	
Restricted for other postemployment benefits	\$ 31,950,181
Additions:	
Contributions	\$ 14,984,256
Investment earnings	2,685,117
Less investment expenses	(19,681)
Net investment income	2,665,436
Total additions, net	17,649,692
Deductions:	
Benefit payments	13,984,256
Administrative expenses	500
Total deductions	13,984,756
Increase in net position restricted for other postemployment benefits	3,664,936
Fiduciary net position - July 1, 2023	28,285,245
Fiduciary net position - June 30, 2024	\$ 31,950,181

**D. Other Postemployment Benefits - Group Life Insurance Program**

**1. Plan Description**

The County and School Board component unit participate in the VRS GLI Program, a multiple employer, cost-sharing defined benefit plan. Upon employment, all full-time, salaried and permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by GLI Program. Coverage ends for employees who leave their positions before retirement eligibility or who take a refund of their member contributions and accrued interest. This plan is administered by VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth. Detail information about the GLI Program's fiduciary net position is available in the separately issued VRS 2023 ACFR. A copy of the 202 VRS ACFR may be downloaded from the VRS website at [VRS ACFR for the Fiscal Year Ended June 30, 2023 \(varetire.org\)](https://varetire.org) or by writing to the VRS system's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.

- a) Benefit - The GLI Program is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to the basic natural and accidental death benefits, the program provides benefits provided under specific circumstances that include accidental dismemberment, safety belt, repatriation and felonious assault benefits and an accelerated death benefit option. The benefit amounts provided are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, the minimum benefit payable was

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set at \$8,000 by statute in 2015, increased annually based on the VRS Plan 2 (pension plan) cost of living adjustment and is currently \$9,254 as of June 30, 2024.

- b) Contribution - The total contribution rate for the GLI Program was 1.34% of covered employee compensation. This rate was allocated into an employee and an employer component using a 60/40 split. Although not required, the County and School Board component unit elected to pay the employee component, which is separate from the contractually required employer contribution. Each participating employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was determined from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program for the years ended June 30, 2024 and June 30, 2023 by the County and School Board component unit are as follows:

<u>Description</u>	<u>2024</u>	<u>2023</u>
County	\$1,548,864	\$1,419,348
School Board - non-professional	170,009	146,180
School Board - professional	2,427,285	2,209,987

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 a Budget Amendment included in Chapter 2 of the Acts of Assembly Reconvened Session and is classified as a special employer contribution.

- c) Liabilities - At June 30, 2024, the County, School Board component unit non-professional and Professional groups reported liabilities of \$13,373,304, \$1,378,251 and \$20,837,232, respectively, for their proportionate shares of the net Group Life Insurance Program OPEB (GLI OPEB) liability. The net GLI OPEB liability was measured as of June 30, 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 contributions to the GLI Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. The proportion for the County, School Board component unit non-professional and professional groups for the years ended June 30, 2023 and June 30, 2022 were as follows:

<u>Description</u>	<u>2023</u>	<u>2022</u>
County	1.11508%	1.03098%
School Board - non-professional	0.11492%	0.11208%
School Board - professional	1.73743%	1.69313%

For the year ended June 30, 2024, the County recognized GLI OPEB expense of \$858,160 and School Board component unit non-professional group recognized GLI OPEB expense of \$102,760. The School Board component unit professional group recognized GLI OPEB expense of \$1,364,533. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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At June 30, 2024, the County, School Board component unit non-professional and professional groups reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

(i) County:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,335,666	\$ 405,948
Net difference between projected and actual earnings on GLI OPEB program investments	-	537,415
Change in assumptions	285,860	926,555
Changes in proportion	1,240,333	14,121
Employer contributions subsequent to measurement date	1,548,864	-
Total	<u>\$ 4,410,723</u>	<u>\$ 1,884,039</u>

(ii) School Board - non-professional group:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 137,654	\$ 41,837
Net difference between projected and actual earnings on GLI OPEB program investments	-	55,386
Change in assumptions	29,461	95,491
Changes in proportion	209,993	55,881
Employer contributions subsequent to the measurement date	170,009	-
Total	<u>\$ 547,117</u>	<u>\$ 248,595</u>

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(iii) School Board - professional group:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 2,081,130	\$ 632,517
Net difference between projected and actual earnings on GLI OPEB program investments	-	837,358
Change in assumptions	445,405	1,443,685
Changes in proportion	1,502,907	136,611
Employer contributions subsequent to the measurement date	<u>2,427,285</u>	<u>-</u>
Total	<u>\$ 6,456,727</u>	<u>\$ 3,050,171</u>

County, School Board component unit non-professional and professional contributions of \$1,548,864, \$170,009, and \$2,427,285, respectively, made subsequent to the measurement date and recognized as deferred outflows of resources related to the GLI OPEB will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 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:

<b>Year ended June 30</b>	<b>County</b>	<b>School Board Non-Professional</b>	<b>School Board Professional</b>
2024	\$ 177,763	\$ 55,315	\$ 208,080
2025	(271,687)	(27,118)	(526,641)
2026	494,290	43,531	723,117
2027	270,261	37,260	276,756
2028	307,193	19,525	297,959
Thereafter	-	-	-
Total	<u>\$ 977,820</u>	<u>\$ 128,513</u>	<u>\$ 979,271</u>

d) 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.

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

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

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

The actuarial assumptions used in the June 30, 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 (all).....	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement rates.....	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal rates .....	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability rates.....	No change
Salary scale.....	No change
Discount rate .....	No change

2) Mortality rates - locality hazardous duty employees:

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

The actuarial assumptions used in the June 30, 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.

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

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

3) Mortality rates - School Board - professional:

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

The actuarial assumptions used in the June 30, 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 are as follows:

Mortality rates (all).....	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement rates.....	Adjusted rates to better fit experience for Plan1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal rates .....	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability rates.....	No change
Salary scale.....	No change
Discount rate .....	No change

- e) Net GLI OPEB Liabilities - The net GLI OPEB liability represents the GLI program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of the measurement date June 30, 2023, the net GLI OPEB liability is as follows (amounts expressed in thousands):

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<b>Total for the Cost-Sharing Employer Plans - GLI (all employers)</b>	<b>Group Life Insurance OPEB Program</b>
Total GLI OPEB Liability	\$ 3,907,052
Plan Fiduciary Net Position	<u>2,707,739</u>
Employers' Net GLI OPEB Liability	<u>\$ 1,199,313</u>
Plan Fiduciary Net Position as a % of the Total GLI OPEB Liability	69.30%

The total GLI OPEB liability is calculated by the VRS system's actuary and each plan's fiduciary net position is reported in the VRS system's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GAAP in the VRS system's notes to the financial statements and required supplementary information.

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

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
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	<u>1.00%</u>	1.20%	<u>0.01%</u>
Total	<u>100.00%</u>		<u>5.75%</u>
	Inflation		<u>2.50%</u>
		*Expected arithmetic nominal return	<u>8.25%</u>

\*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45<sup>th</sup> 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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- g) Discounts - The discount rate used to measure the total GLI OPEB Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 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 contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

- h) Sensitivity - The following presents the employers' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current discount rate.

<b>Employer's proportionate share of the net GLI OPEB liability</b>	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
County	\$ 19,823,416	\$ 13,373,304	\$ 8,158,347
School Board - non-professional	2,042,999	1,378,251	840,798
School Board - professional	30,887,288	20,837,232	12,711,695

- i) Payables - At June 30, 2024, the County and School Board component unit owed the following amounts to the VRS GLI Program due to the timing of when contractually required contribution payments become due.

County	\$ 133,743
School Board - non-professional	14,652
School Board - professional	216,669

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

**1. Plan Description**

Professional staff of the School Board component unit participate in the VRS Teacher Employee Health Insurance Credit (HIC) Program, a multiple employer, cost-sharing defined benefit plan. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Program. The benefit vests with eligible employees who retire with at least 15 years of service credit. The benefit ends upon the retiree's death. This plan is administered by VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth. Detail information about the HIC Program's fiduciary net position is available in the separately issued VRS 2023 ACFR. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023 \(varetire.org\)](https://www.varetire.org) or by writing to the VRS system's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.

- a) Benefit - Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to the VRS. The HIC is a tax-free reimbursement in an amount set by the Virginia General Assembly for each year of service

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credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering spouses or dependents, and cannot exceed the actual amount of the premium paid. For teacher and other professional school employees who retire, the monthly benefit is \$4 per year of service per month with no cap on the benefit amount. For teachers and other professional employees who retire on disability, the monthly benefit is either \$4 per month multiplied by twice the amount of service credit or \$4 per month multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

- b) Contribution - Each school division's contractually required employer contribution rate for the year ended June 30, 2023 and 2024 was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 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 from the school division to the HIC Program were \$5,437,827 and \$4,937,179 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4.0 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer.

- c) Liabilities - At June 30, 2024, the School Board component unit reported a liability of \$49,572,896 for its proportionate share of the net HIC Program OPEB (HIC OPEB) liability. The net HIC OPEB liability was measured as of June 30, 2023 and the total HIC Program OPEB liability used to calculate the net HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The School Board component unit's proportionate share of the net HIC OPEB liability was based on the school division's actuarially determined employer contributions to the HIC OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board component unit's proportion of the HIC Program was 4.092% compared to 3.934% at June 30, 2022.

For the year ended June 30, 2023, the School Board component unit recognized HIC OPEB expense of \$4,648,234. Since there was a change in proportionate share between June 30, 2022 and June 30, 2023, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the School Board component unit reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 2,181,952
Net difference between projected and actual earnings on HIC OPEB program investments	24,877	-
Change in assumptions	1,153,973	49,954
Changes in proportion	3,999,612	322,782
Employer contributions subsequent to measurement date	<u>5,437,827</u>	<u>-</u>
Total	<u>\$ 10,616,289</u>	<u>\$ 2,554,688</u>

\$5,437,827 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board component unit's contributions subsequent to the measurement date will be recognized as a reduction of the net HIC OPEB liability in the fiscal year ending June 30, 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:

<b>Year ended June 30</b>	<b>School Board Professional</b>
2025	\$ 561,551
2026	484,385
2027	590,818
2028	482,583
2029	318,829
Thereafter	<u>185,608</u>
Total	<u>\$ 2,623,774</u>

- d) 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 ..... 2.5%  
Salary increased, including inflation:  
Teachers ..... 3.50% - 5.95%  
Investment rate of return ..... 6.75%, net of investment expenses,  
including inflation

Mortality rates:

Pre-retirement.....Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males  
  
Post-retirement.....Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

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

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

The actuarial assumptions used in the June 30, 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 (all).....Updated to PUB2010 public sector mortality tables.  
For future mortality improvements, replace load  
with a modified Mortality Improvement Scale MP-  
2020

Retirement rates.....Adjusted rates to better fit experience for Plan 1;  
set separate rates based on experience for Plan  
2/Hybrid; changed final retirement age from 75 to  
80 for all

Withdrawal rates .....Adjusted rates to better fit experience at each age  
and service decrement through 9 years of service

Disability rates.....No change

Salary scale.....No change

Discount rate .....No change

- e) Net HIC OPEB Liabilities - The net HIC OPEB liability represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2023, the net HIC OPEB liability is as follows (amounts expressed in thousands):

<b>Total for the Cost-Sharing Employer Plans - HIC (all employers)</b>	<b>Insurance Credit Program</b>
Total HIC OPEB Liability	\$ 1,475,471
Plan Fiduciary Net Position	(264,054)
Employers' Net HIC OPEB Liability	<u>\$ 1,211,417</u>
Plan Fiduciary Net Position as a % of the Total HIC OPEB Liability	17.90%

The total HIC OPEB liability is calculated by the VRS system's actuary, and each plan's fiduciary net position is reported in the VRS system's financial statements. The net HIC OPEB liability is disclosed in accordance with the requirements of GAAP in the VRS system's notes to the financial statements and required supplementary information.

- f) Long-term expected rate of return - The long-term expected rate of return on OPEB investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the

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

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
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	<u>1.00%</u>	1.20%	<u>0.01%</u>
Total	<u>100.00%</u>		<u>5.75%</u>
	Inflation		<u>2.50%</u>
			<u>8.25%</u>

\*Expected arithmetic nominal return

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

- g) Discounts - The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by participating entities for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's Program's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.
- h) Sensitivity - The following presents the employers proportionate share of the net HIC OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current discount rate.

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	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Employer's proportionate share of the net HIC OPEB liability	\$ 56,072,482	\$ 49,572,896	\$ 44,065,062

- i) Payables - At June 30, 2024, the School Board component unit owed \$485,071 to the VRS HIC Program due to the timing of when contractually required contribution payments become due.

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

**1. Plan Description**

The School Board participates in the VRS Political Subdivision Health Insurance Credit (PSHIC) Program, a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employees. All full-time, salaried permanent employees of participating public school divisions are automatically covered by the VRS PSHIC Program upon employment. The plan is administered by the VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. The benefit ends upon the retiree's death. Detail information about the PSHIC Program's fiduciary net position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report. A copy of the 2023 VRS Annual Comprehensive Financial Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf> or by writing to the VRS system's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.

- a) Benefit - For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 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 per month. The benefit vests with eligible employees who retire with at least 15 years of service credit.

As of the June 30, 2022 actuarial valuation, the School Board had the following employees covered by the benefit terms of the PSHIC Plan:

Active employees	719
Inactive employees and beneficiaries	<u>476</u>
Total	<u>1,195</u>

- b) Contribution – The School Board's contractually required employer contribution rate for the year ended June 30, 2024 was 1.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the PSHIC Program

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were \$313,150 and \$267,206 for the years ended June 30, 2024 and June 30, 2023 respectively.

- b) Liabilities – The School Board’s net PSHIC OPEB liability was measured as of June 20, 2023. The total PSHIC 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.

For the year ended June 30, 2024, the School Board recognized \$48,218 of PSHIC expense.

- c) Actuarial assumptions – The total PSHIC 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 increased, including inflation .....	3.50% - 5.35%
Investment rate of return .....	6.75%, net of investment expenses, including inflation

Mortality rates:

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

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 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 are as follows:

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

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- d) Net PSHIC OPEB Liabilities – The net PSHIC OPEB liability represents the program’s total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2024, the net HIC OPEB liability was \$1,568,422.

The total PSHIC OPEB liability is calculated by the VRS system’s actuary, and each plan’s fiduciary net position is reported in the VRS system’s financial statements. The net HIC OPEB liability is disclosed in accordance with the requirements of GAAP in the VRS system’s notes to the financial statements and required supplementary information.

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

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
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	<u>1.00%</u>	1.20%	<u>0.01%</u>
Total	<u>100.00%</u>		<u>5.75%</u>
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>8.25%</u>

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

- f) Discounts – The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 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

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benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

g) Changes in Net PSHIC OPEB Liability:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net</u> <u>Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2022	\$ 2,527,132	\$ 223,972	\$ 2,303,160
Changes for the year:			
Service cost	19,452	-	19,452
Interest	166,907	-	166,907
Differences in expected and actual experience	(636,069)	-	(636,069)
Net investment income	-	18,159	(18,159)
Administrative expenses	-	(498)	498
Employer contributions	-	267,206	(267,206)
Benefit payments	(147,774)	(147,774)	-
Other changes	-	161	(161)
Net changes	<u>(597,484)</u>	<u>137,254</u>	<u>(734,738)</u>
Balance at June 30, 2023	<u>\$ 1,929,648</u>	<u>\$ 361,226</u>	<u>\$ 1,568,422</u>

h) Sensitivity – The following presents the employers proportionate share of the net HIC OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current discount rate.

	<u>1% Decrease (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Employer's proportionate share of the net HIC OPEB liability	\$ 1,756,223	\$ 1,568,422	\$ 1,407,888

i) At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to the PSHIC OPEB from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 37,103	\$ 459,873
Net difference between projected and actual earnings on HIC OPEB	3,166	-
program investments		
Change in assumptions	65,948	-
Employer contributions subsequent to measurement date	313,150	-
Total	<u>\$ 419,367</u>	<u>\$ 459,873</u>

\$315,150 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:

<b>Year ended June 30</b>	<b>Political Sudvision Health Insurance Credit Program</b>
2025	(119,341)
2026	(130,162)
2027	(104,347)
2028	194
Total	<u>\$ (353,656)</u>

- j) Payables – At June 30, 2024, the School owed \$27,009 to the VRS PSHIC Program due to the timing of when contractually required contribution payments become due.

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

**G.Summary of Deferred Outflows of Resources and Deferred Inflows of Resources by OPEB Plan**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>Deferred Outflows of Resources related to OPEB</b>				
Deferred investment experience:				
Other Postemployment Benefit Trust	\$ 356,224	\$ 34,449	\$ 390,673	\$ 274,272
Other Postemployment Benefit Trust - Line of Duty	174,696	-	174,696	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	24,877
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	3,166
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	524,775	50,751	575,526	65,777
Other Postemployment Benefit Trust - Line of Duty	2,516,613	-	2,516,613	-
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	37,103
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	2,081,130
VRS cost-sharing Group Life Insurance Plan	1,238,432	97,234	1,335,666	137,654
Deferred change in assumptions	-	-	-	-
Deferred change in assumptions:				
Other Postemployment Benefit Trust	1,864,562	180,317	2,044,879	1,706,859
Other Postemployment Benefit Trust - Line of Duty	3,468,111	-	3,468,111	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	1,153,973
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	65,948
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	445,405
VRS cost-sharing Group Life Insurance Plan	265,048	20,812	285,860	29,461
Deferred change in proportionate share:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	3,999,612
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,502,907
VRS cost-sharing Group Life Insurance Plan	1,150,037	90,296	1,240,333	209,993
Deferred contributions:				
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	5,437,827
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	313,150
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	2,427,285
VRS cost-sharing Group Life Insurance Plan	1,436,107	112,757	1,548,864	170,009
Total deferred outflows of resources related to OPEB	<u>\$ 12,994,605</u>	<u>\$ 586,616</u>	<u>\$ 13,581,221</u>	<u>\$ 20,086,408</u>

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board

**Deferred Inflows of Resources related to OPEB**

Deferred investment experience:

VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	\$ 837,358
VRS cost-sharing Group Life Insurance Plan	\$ 498,297	\$ 39,118	\$ 537,415	55,386

Deferred OPEB difference between expected and actual:

Other Postemployment Benefit Trust	7,507,904	726,077	8,233,981	20,534,516
Other Postemployment Benefit Trust - Line of Duty	2,379,087	-	2,379,087	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	2,181,952
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	459,873
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	632,517
VRS cost-sharing Group Life Insurance Plan	376,392	29,556	405,948	41,837

Deferred change in assumptions:

Other Postemployment Benefit Trust	9,460,596	914,916	10,375,512	7,173,577
Other Postemployment Benefit Trust - Line of Duty	3,191,542	-	3,191,542	-
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	49,954
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	-
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,443,685
VRS cost-sharing Group Life Insurance Plan	859,101	67,454	926,555	95,491

Deferred change in proportionate share:

VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	322,782
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	136,611
VRS cost-sharing Group Life Insurance Plan	13,094	1,027	14,121	55,881

Total deferred inflows of resources related to OPEB

\$ 24,286,013	\$ 1,778,148	\$ 26,064,161	\$ 34,021,420
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**Enterprise funds**

Water	Wastewater	Non-major Airport	Total
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**Deferred Outflows of Resources related OPEB**

Deferred investment experience:

Other Postemployment Benefit Trust	\$ 15,913	\$ 18,040	\$ 496	\$ 34,449
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Deferred OPEB difference between expected and actual:

Other Postemployment Benefit Trust	23,445	26,572	734	50,751
VRS cost-sharing Group Life Insurance Plan	40,738	54,628	1,868	97,234

Deferred change in assumptions:

Other Postemployment Benefit Trust	83,294	94,424	2,599	180,317
VRS cost-sharing Group Life Insurance Plan	8,718	11,694	400	20,812

Deferred change in proportionate share:

VRS cost-sharing Group Life Insurance Plan	37,829	50,730	1,737	90,296
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Deferred contributions:

VRS cost-sharing Group Life Insurance Plan	47,240	63,349	2,168	112,757
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Total deferred outflows of resources related to OPEB

\$ 257,177	\$ 319,437	\$ 10,002	\$ 586,616
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**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

<b>Enterprise funds</b>	<b>Water</b>	<b>Wastewater</b>	<b>Non-major Airport</b>	<b>Total</b>
<b>Deferred Inflows of Resources related to OPEB</b>				
Deferred investment experience:				
VRS cost-sharing Group Life Insurance Plan	\$ 16,391	\$ 21,977	\$ 750	\$ 39,118
Deferred OPEB difference between expected and actual:				
Other Postemployment Benefit Trust	335,403	380,208	10,466	726,077
VRS cost-sharing Group Life Insurance Plan	12,381	16,606	569	29,556
Deferred change in assumptions:				
Other Postemployment Benefit Trust	422,636	479,090	13,190	914,916
VRS cost-sharing Group Life Insurance Plan	28,260	37,897	1,297	67,454
Deferred change in proportionate share:				
VRS cost-sharing Group Life Insurance Plan	429	580	18	1,027
Total deferred inflows of resources related to OPEB	<u>\$ 815,500</u>	<u>\$ 936,358</u>	<u>\$ 26,290</u>	<u>\$ 1,778,148</u>

<b>Internal Service funds</b>	<b>Vehicle and Communications</b>	<b>Risk Management</b>	<b>Total</b>
<b>Deferred Outflows of Resources related to OPEB</b>			
Deferred investment experience:			
Other Postemployment Benefit Trust	\$ 7,958	\$ 958	\$ 8,916
Deferred OPEB difference between expected and actual:			
Other Postemployment Benefit Trust	11,722	1,414	13,136
VRS cost-sharing Group Life Insurance Plan	26,714	7,746	34,460
Deferred change in assumptions:			
Other Postemployment Benefit Trust	41,654	5,024	46,678
VRS cost-sharing Group Life Insurance Plan	5,718	1,658	7,376
Deferred change in proportionate share:			
VRS cost-sharing Group Life Insurance Plan	24,806	7,192	31,998
Deferred contributions:			
VRS cost-sharing Group Life Insurance Plan	30,977	8,983	39,960
Total deferred outflows of resources related to OPEB	<u>\$ 149,549</u>	<u>\$ 32,975</u>	<u>\$ 182,524</u>

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
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Internal Service funds	Vehicle and Communications	Risk Management	Total
<b>Deferred Inflows of Resources related to OPEB</b>			
Deferred investment experience:			
VRS cost-sharing Group Life Insurance Plan	\$ 10,750	\$ 3,120	\$ 13,870
Deferred OPEB difference between expected and actual:			
Other Postemployment Benefit Trust	167,729	20,223	187,952
VRS cost-sharing Group Life Insurance Plan	8,118	2,352	10,470
Deferred change in assumptions:			
Other Postemployment Benefit Trust	211,353	25,481	236,834
VRS cost-sharing Group Life Insurance Plan	18,532	5,374	23,906
Deferred change in proportionate share:			
VRS cost-sharing Group Life Insurance Plan	283	78	361
Total deferred inflows of resources related to OPEB	<u>\$ 416,765</u>	<u>\$ 56,628</u>	<u>\$ 473,393</u>

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

	Primary Government			Component Unit
	Governmental	Business-type		School Board
	Activities	Activities	Total	
<b>Net OPEB Liability</b>				
Postemployment Retiree Healthcare Benefits	\$ 25,202,883	\$ 2,437,322	\$ 27,640,205	\$ 98,178,515
Line of Duty	5,215,611	-	5,215,611	-
VRS cost-sharing Group Life Insurance Plan	12,399,728	973,576	13,373,304	1,378,251
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	20,837,232
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	49,572,896
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	1,568,422
Total net OPEB liability	<u>\$ 42,818,222</u>	<u>\$ 3,410,898</u>	<u>\$ 46,229,120</u>	<u>\$ 171,535,316</u>
<b>OPEB Expense (Income)</b>				
Postemployment Retiree Healthcare Benefits	\$ (998,727)	\$ (96,585)	\$ (1,095,312)	\$ (3,284,814)
Line of Duty	2,200,698	-	2,200,698	-
VRS cost-sharing Group Life Insurance Plan	795,686	62,474	858,160	102,760
VRS cost-sharing Group Life Insurance Plan - Teachers' Pool	-	-	-	1,364,533
VRS cost-sharing Teacher Health Insurance Credit Program	-	-	-	4,648,234
VRS cost-sharing Political Subdivision Health Insurance Credit Program	-	-	-	48,218
Total OPEB expense	<u>\$ 1,997,657</u>	<u>\$ (34,111)</u>	<u>\$ 1,963,546</u>	<u>\$ 2,878,931</u>

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

Enterprise funds	Water	Wastewater	Non-major Airport	Total
<b>Net OPEB Liability</b>				
Postemployment Retiree Healthcare Benefits	\$ 1,125,899	\$ 1,276,281	\$ 35,142	\$ 2,437,322
VRS cost-sharing Group Life Insurance Plan	407,886	546,967	18,723	973,576
Total net OPEB liability	<u>\$ 1,533,785</u>	<u>\$ 1,823,248</u>	<u>\$ 53,865</u>	<u>\$ 3,410,898</u>

<b>OPEB Expense (Income)</b>				
Postemployment Retiree Healthcare Benefits	\$ (44,616)	\$ (50,576)	\$ (1,393)	\$ (96,585)
VRS cost-sharing Group Life Insurance Plan	26,174	35,099	1,201	62,474
Total OPEB expense	<u>\$ (18,442)</u>	<u>\$ (15,477)</u>	<u>\$ (192)</u>	<u>\$ (34,111)</u>

Internal Service funds	Vehicle and Communications	Risk Management	Total
<b>Net OPEB Liability</b>			
Postemployment Retiree Healthcare Benefits	\$ 563,042	\$ 67,886	\$ 630,928
VRS cost-sharing Group Life Insurance Plan	267,466	77,565	345,031
Total net OPEB liability	<u>\$ 830,508</u>	<u>\$ 145,451</u>	<u>\$ 975,959</u>

<b>OPEB Expense (Income)</b>			
Postemployment Retiree Healthcare Benefits	\$ (22,312)	\$ (2,691)	\$ (25,003)
VRS cost-sharing Group Life Insurance Plan	17,163	4,977	22,140
Total OPEB expense	<u>\$ (5,149)</u>	<u>\$ 2,286</u>	<u>\$ (2,863)</u>

## 14. Tax Abatements

### A. General

Incentive Program for Rehabilitation of Commercial Properties - The County has adopted an ordinance granting a partial tax exemption for certain commercial or industrial structures that have been rehabilitated, renovated or replaced. This program is established under the authority provided by the Code of Virginia §58.1-3221. Upon approval, the partial exemption will be in effect for seven years. The amount of the exemption is based solely on the increase in assessed value and does not change over the seven-year period. Generally, to qualify, the commercial or industrial structures must be no less than 25 years of age, the increase in assessed value must be 15% or more and the taxpayer must apply for the exemption within 12 months after the filing date of the building permit application for the rehabilitation, renovation or replacement structure. Because real property taxes are not abated until after the improvements have been made, there are no provisions for recapturing abated taxes. In fiscal year 2024, tax abatements for the County's incentive program for rehabilitation of commercial properties totaled \$191,075. No other commitments are made by the County as part of these agreements.

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
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**B. Technology Zone Programs**

The County has five technology zones, which are distinct geographical areas of the County, that provide a package of incentives designed to encourage business expansion and recruitment. This program is established under the authority provided by the Code of Virginia §58.1-3245.

Machinery and Tools – Any business which after January 1, 2006 either locates in a technology zone or undergoes a facility expansion or renovation which results in an increase of 15% or \$50,000, whichever is greater, in the assessed value of its machinery and tools over the value of its machinery and tools from the previous year can qualify for a 100% rebate of the increase in machinery and tools taxes for five consecutive years. The taxpayer must apply for and access the rebate within one year of start of operations in the technology zone, or within one year of a qualifying facility expansion or renovation in order to receive the rebate. In fiscal year 2024, tax abatements for the County's Technology Zone Programs for Machinery and Tools taxes totaled \$69,778. No other commitments are made by the County as part of these agreements.

Business License – Any business required to obtain a license based on gross receipts or purchases and is located in or makes improvements to a building within a technology zone, on or after the date on which the technology zone was established, may be qualified to receive tax relief of the increase in gross receipts or purchases over the business' gross receipts or purchase during the base year. To qualify for the relief, the business must apply within one year of start of operations in the zone. The tax and fee relief period will begin in the tax year after the business qualifies for the relief and will last for four additional tax years, or for so long as the business remains within any technology zone, whichever period is shorter. In fiscal year 2024, tax abatements for the County's Technology Zone Programs for Business License fees totaled \$77,333. No other commitments are made by the County as part of these agreements.

**C. Tourism, Public Entertainment and Recreation, and Other Grants**

Under the authority provided by the Code of Virginia §15.2-4905, the Board may approve, through local resolution, individual incentive packages to encourage growth that provides significant economic benefits to the County in terms of capital investment, sports tourism and/or public entertainment and recreation. Economic Development staff negotiate the terms of these agreements and the County agrees to rebate a portion of agreed upon taxes and, in exchange, the taxpayer agrees to meet certain performance measures, which typically include a minimum capital investment and the creation of a minimum number of new, full-time jobs. Each performance agreement specifies the duration of the tax abatement period and other any terms or conditions that apply to the transaction. In fiscal year 2024, the County rebated \$346,802 under this program.

**D. Tax Increment Financing**

Under the authority of Code of Virginia §58.1-3245.2, the County adopted various tax increment financing agreements with community development authorities that were created by the County for the purpose of financing, planning, acquisition and construction of infrastructure improvements within each authority's designated development district. The authorities have pledged the tax increments to pay debt service on long-term debt issued to finance infrastructure improvements. Based on the individual agreements, the County has agreed to pay a range of 64% to 100% of incremental real estate taxes that exceed base amounts to each authority. The County also agreed to pay from 34% to 100% of its the local portion of sales tax revenue collected each calendar year from retail establishments within the districts to each authority. For fiscal year 2024, there were no real property tax increment or sales tax revenue payments paid by the County due to the Chippenham Place Community Development Authority's completion of its organizational purpose and dissolution during fiscal year 2023.

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
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**E. Land Trust**

Under the authority of Code of Virginia §15.2-7501 the County designated Maggie Walker Community Land Trust to carry out the functions of a land bank entity for the purpose of assisting the County to address vacant, abandoned, and tax delinquent properties in the County. Under the authority of Code of Virginia §15.2-7509 when real property is conveyed by the land bank entity, fifty percent of the real property taxes collected on such property shall be remitted to the land bank entity. Such remittance of real property taxes collected shall commence with the first taxable year following the date of conveyance and continue for a period of ten years. The remittance shall not be renewed at the conclusion of the ten-year period. In fiscal year 2024, the County made a \$14,339 remittance payment to the Land Bank.

**15. Joint Ventures**

**A. Appomattox River Water Authority**

The County, in conjunction with the Counties of Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights, participated in the creation of the Appomattox River Water Authority (Water Authority). The Water Authority was established under the provisions of the Virginia Water and Sewer Authorities Act. The Water Authority, whose five-member board is comprised of one representative from each participating entity, is responsible for providing a supply of filtered water to be purchased by the members of the Water Authority and for improvements and expansion to meet the current and future demands of the participating jurisdictions.

The County retains an ongoing financial responsibility for the joint venture due to the requirement to purchase water and the capacity rights, (note 1.D.6), received in connection with the expansion of the treatment plant. The County's purchases of water for the year ended June 30, 2024 were \$9,610,211. Complete financial statements for the Water Authority can be obtained from the Water Authority's Office at 21300 Chesdin Road, South Chesterfield, Virginia 23803.

**B. Capital Region Airport Commission**

The County, together with the City of Richmond and the Counties of Henrico and Hanover, participates in an intergovernmental joint venture, the Capital Region Airport Commission (Commission). The Commission owns and operates the Richmond International Airport (Airport).

The Commission is comprised of a fourteen-member board of directors, with four members each being appointed by the City of Richmond, County of Henrico and County of Chesterfield governing bodies and two members being appointed by the County of Hanover governing body. The Commission generates revenues from service charges to users of the Airport facilities to recover the costs of maintaining, repairing and operating the Airport. Virginia law requires that the Commission submit an annual budget showing estimated revenues and estimated expenditures to the governing bodies of the localities for their approval. The Commission's budget submittal must identify any deficits and the proportion of the deficit to be borne by, or requested of, each participating locality's governing body. Allocation of the Commission's deficit among the participating localities shall be proportionate to their respective populations. If a participating locality's governing body approves the Commission's operating and capital budgets with deficits, the locality shall appropriate to the Commission its share of the deficit. If during any fiscal year the Commission shall receive general fund revenues in excess of those estimated in its approved operating budget, the budgeted deficit shall be reduced and so shall the proportionate appropriation of the participating localities unless otherwise agreed upon by the parties. No contribution was made by the County in fiscal year 2024. Complete financial statements for the Commission can be obtained from the Commission's Office at Richmond International Airport, 1 Richard E. Byrd Terminal Dr., Suite A, Richmond, VA 23250.

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
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**C. Greater Richmond Convention Center Authority**

The Greater Richmond Convention Center Authority (the Convention Authority) is a political subdivision of the Commonwealth of Virginia and was created by the City of Richmond and the Counties of Chesterfield, Hanover and Henrico for the purpose of expanding, owning and operating a regional convention center facility. The Convention Authority is governed by a five-member commission comprised of the chief administrative officer of each of the four incorporating political subdivisions and the President of the InUnison (<https://inunison.org/>).

Each participating jurisdiction is authorized to levy an 8% transient occupancy tax and has agreed in the Hotel Tax Payment Agreement to appropriate and to pay to the Convention Authority an amount equal to the total amount of transient occupancy tax collected. The County recorded an expenditure of \$1,862,929 for transient occupancy tax to the Convention Authority during the year ended June 30, 2024.

Each participating jurisdiction intends that its respective tax payment will be sufficient to fund its allocated share of operating costs as defined in the Interlocal Agreement. The County received \$7,438,894 from the Convention Authority for tax payments made in excess of its allocated share of operating costs during the year ended June 30, 2024.

On May 19, 1998, the Convention Authority entered into a fiscal services agreement with the County. The agreement specifies that the County provide services to the Convention Authority to (1) direct and monitor the investment and disbursement of funds from future revenue bonds held by the trustee; (2) receive and manage revenues transferred on behalf of the Convention Authority to the Treasurer of Chesterfield County; (3) maintain accounting records in accordance with generally accepted accounting principles and coordinate with outside independent auditors; (4) monitor and control the Convention Authority's budget; and (5) secure arbitrage reporting and financial advisory services. In accordance with the terms of the fiscal agent agreement, the Convention Authority made payments of \$138,262 to the County for the year ended June 30, 2024. The agreement is effective until the Convention Authority or the County gives written notice to the other of its desire to terminate the agreement. Complete financial statements for the Convention Authority can be obtained from Chesterfield County, Accounting Department, 9901 Lori Road, Chesterfield, VA 23832.

**D. Greater Richmond Transit Company**

The Greater Richmond Transit Company (GRTC) is a public service corporation organized to provide mass transportation services to the Richmond metropolitan area. GRTC is owned jointly by the County and the City of Richmond, each owning a 50% share of the corporation. The County does not have an explicit or measurable claim to the resources of GRTC.

The Board of Directors is comprised of nine members, with three members each representing the jurisdictions of the City of Richmond, Chesterfield County and Henrico County. The majority of the capital, operating and liability costs are paid by fare revenue, state and federal grants, and when necessary, route subsidies. Each locality participates in GRTC's cost only to the extent that the locality chooses to have GRTC operate routes within its jurisdiction. The County's ongoing financial responsibility in GRTC is due to this commitment. A \$253,883 contribution was made by the County in fiscal year 2024. Complete financial statements for GRTC can be obtained from GRTC at 301 East Belt Blvd., Richmond, VA, 23224.

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
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**E. Riverside Regional Jail Authority**

The Riverside Regional Jail Authority (RRJA) was created by Chapter 726 of the 1990 Acts of the General Assembly and was formed on June 21, 1990. RRJA is comprised of the Cities of Colonial Heights, Hopewell and Petersburg and the Counties of Charles City, Chesterfield, Prince George and Surry. A fourteen-member board comprised of one appointed member and the sheriff from each participating jurisdiction governs RRJA. Each member must reside in and be appointed by the governing body of his political subdivision.

The regional jail is located in the County of Prince George adjacent to the Federal Correctional Institution and is used to hold prisoners primarily from each member jurisdiction. In accordance with the Jail Authority Service Agreement, each participating locality is required to commit a determined percentage of its inmates, paying per diem rates, to the jail. The County retains an ongoing financial responsibility for this joint venture due to this requirement of the agreement. The County's per diem payments for the year ended June 30, 2024 were \$7,197,892. Complete financial statements for RRJA can be obtained from the Riverside Regional Jail Authority's office at 500 Folar Trail, North Prince George, VA 23860.

**F. South Central Wastewater Authority**

On July 2, 1996, the County, in conjunction with the Counties of Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights participated in the creation of the South Central Wastewater Authority (Wastewater Authority), by concurrent resolutions in accordance with the Virginia Water and Sewer Authorities Act. The purpose of the Wastewater Authority, whose five-member board is comprised of one representative from each participating jurisdiction, is to acquire, finance, construct, expand, improve, operate and maintain wastewater treatment and related facilities and for compliance with all requirements of applicable laws and regulations, except as otherwise provided in the service agreements.

The County paid \$4,786,709 on July 2, 1996, representing its share of acquired debt and an initial operations and maintenance deposit. The County will be responsible for its portion of operation and maintenance expenses on a monthly basis, based on the Service Agreement. The County's purchases of wastewater services for the year ended June 30, 2024 were \$855,920. Complete financial statements for the Wastewater Authority can be obtained from the South Central Wastewater Authority's Office at 900 Magazine Road, Petersburg, VA 23803.

**16. Related Organizations and Jointly Governed Organizations**

**A. Health Center Commission for the County of Chesterfield**

The Health Center Commission for the County of Chesterfield (Health Center Commission) was created on January 13, 1993 by the County Board, pursuant to Chapter 37, Title 15.1 of the Code of Virginia, for the purpose of operating a long-term care facility and independent living campus (Lucy Corr Village). The seven members of the Health Center Commission are appointed by the Board; however there is no ability of the Board to direct the members of the Health Center Commission with respect to carrying out the Health Center Commission's fiscal and management functions and the Health Center Commission has no significant financial benefit or financial burden relationship with the County. The County provides support services to the Health Center Commission on a cost basis. For fiscal year 2024, the County received \$10,989 from the Health Center Commission for providing support services.

**County of Chesterfield, Virginia**  
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**B. Central Virginia Waste Management Authority**

The Central Virginia Waste Management Authority (Waste Authority) was established under the provision of the Virginia Water and Sewer Authorities Act. The Waste Authority's board is comprised of representatives from the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George, the Cities of Colonial Heights, Petersburg, Hopewell and Richmond and the Town of Ashland. The twenty member board is comprised of no less than one and up to no more than four members from each of the participating jurisdictions, determined on a population basis. The County has three representatives serving. The Waste Authority is responsible for creating and implementing recycling and solid waste management programs for its local member jurisdictions in order to meet waste reduction mandates set by the Virginia General Assembly. Except for contribution requirements and direct payments for special projects, no participant has any ongoing financial interest or responsibility in the Waste Authority. The County's contribution and direct payments for special projects for the year ended June 30, 2024 were \$1,984,882.

**C. Greater Richmond Partnership**

The Greater Richmond Partnership is comprised of members from the City of Richmond and the Counties of Chesterfield, Hanover, and Henrico. Together in partnership with the business leadership of the area, the Greater Richmond Partnership's purpose is to further economic development of the metropolitan area. The County has two representatives serving on the Greater Richmond Partnership's sixteen member Board of Directors and contributed \$385,000 for the year ended June 30, 2024.

**D. Richmond Region Tourism**

Richmond Region Tourism (RRT), formerly the Richmond Metropolitan Convention and Visitors Bureau, serves the Cities of Richmond and Colonial Heights, the Town of Ashland and the Counties of Chesterfield, Hanover, Henrico, and New Kent by promoting conventions, tourism and development in the Metropolitan Richmond area in order to increase revenues, provide increased employment and improve the economic health of all jurisdictions involved. The RRT recently approved a new Tourism Improvement District. The TID provides supplemental and protected funds exclusively for tourism promotion activities and is a self-assessment by the region's hotel industry. Each participating jurisdiction shall collect a 2% assessment on lodging businesses with 41+ rooms and pay to RRT an amount equal to the total assessment collected. The RRT has twenty-five members and the County has one representative serving on RRT's Board of Directors and contributed \$1,623,403 for the year ended June 30, 2024.

**E. Plan RVA**

Plan RVA, (formerly Richmond Regional Planning District Commission) is comprised of thirty-three members from the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, the City of Richmond and the Town of Ashland. The major objectives of Plan RVA are to promote regional cooperation; coordinate the activities and policies of member local governments; resolve service delivery problems involving more than one government within the region and provide planning assistance to local governments. In accordance with its Charter, Plan RVA promotes the orderly physical, social and economic development of the region through planning and encouraging local governments to plan for the future. The County has seven representatives serving on Plan RVA and paid total dues of \$194,599 for the year ended June 30, 2024.

**F. Lower Magnolia Green Community Development Authority**

Lower Magnolia Green Community Development Authority (LMGCDA) was established by an ordinance adopted by the County's Board of Supervisors on August 22, 2007 at the request of the owner of the property at that time, and pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Section 15.2-5152 of the Code of Virginia. The sole purpose of the LMGCD is to finance,

**County of Chesterfield, Virginia**  
**Notes to Financial Statements**  
**June 30, 2024**

construct and maintain certain public improvements within the Lower Magnolia Green Special Assessment District (LMGSAD). The operating revenue of LMGCDAs is primarily from Special Assessments collected by the County on behalf of LMGCDAs against the taxable real property in the LMGSAD. The County agreed to manage the construction of road improvements to be paid for by LMGCDAs. The total cost of the project is estimated to be \$25,000,000. This project has been completed and there were no expenditures for fiscal year 2024.

**17. Subsequent Events**

On August 13<sup>th</sup>, 2024, the County issued its \$90,000,000 General Obligation Public Improvement Bonds, Series 2024B, to finance various capital improvement projects for (i) public school system purposes, (ii) public safety purposes, (iii) public library purposes and (iv) parks and recreation purposes and to pay the related costs of issuing the 2024B bonds. The Series 2024B Bonds are due January 1 in each of the years 2026 through 2044. Interest on these bonds is due semi-annually in January and July with rates ranging from 4% to 5%, beginning in January 2025.

## REQUIRED SUPPLEMENTARY INFORMATION

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**Primary Government**  
**(See Accompanying Report of the Independent Auditor)**  
**Virginia Retirement System - Local Plan**

**Schedule of Changes in Net Pension Liability and Related Ratios**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Total pension liability</b>										
Service cost	\$ 22,359,979	\$ 22,190,584	\$ 22,272,468	\$ 23,239,284	\$ 23,782,639	\$ 23,887,734	\$ 26,311,332	\$ 26,220,272	\$ 30,587,307	\$ 36,657,668
Interest	60,537,206	63,626,498	65,494,255	67,908,912	70,546,359	73,176,982	75,395,644	79,713,046	86,866,400	91,543,617
Changes of assumptions	-	-	-	2,022,586	-	33,012,481	-	48,781,987	-	-
Difference between expected and actual experience	-	(17,191,373)	(8,183,531)	(6,527,022)	(3,619,063)	(2,807,910)	20,446,165	(18,700,096)	9,028,885	41,914,379
Benefit payments, including refunds of member contributions	(37,609,453)	(39,919,429)	(43,967,501)	(46,208,684)	(51,723,215)	(54,535,995)	(56,828,478)	(59,554,807)	(61,698,983)	(64,822,721)
Net change in total pension liability	45,287,732	28,706,280	35,615,691	40,435,076	38,986,720	72,733,292	65,324,663	76,460,402	64,783,609	105,292,943
Plan total pension liability - beginning	883,621,959	928,909,691	957,615,971	993,231,662	1,033,666,738	1,072,653,458	1,145,386,750	1,210,711,413	1,287,171,815	1,351,955,424
Plan total pension liability - ending	<u>\$ 928,909,691</u>	<u>\$ 957,615,971</u>	<u>\$ 993,231,662</u>	<u>\$ 1,033,666,738</u>	<u>\$ 1,072,653,458</u>	<u>\$ 1,145,386,750</u>	<u>\$ 1,210,711,413</u>	<u>\$ 1,287,171,815</u>	<u>\$ 1,351,955,424</u>	<u>\$ 1,457,248,367</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 26,084,703	\$ 26,685,876	\$ 27,306,288	\$ 23,642,700	\$ 24,044,622	\$ 25,567,311	\$ 26,735,004	\$ 29,952,331	\$ 32,237,745	\$ 43,026,101
Contributions - employee	8,820,383	8,787,349	9,096,346	9,245,876	9,212,218	9,462,407	9,910,875	10,001,761	10,722,370	12,459,740
Net investment income	103,473,934	34,502,076	13,653,023	95,910,844	64,159,374	60,814,725	18,184,370	259,941,671	(1,233,341)	76,053,955
Benefit payments, including refunds of member contributions	(37,609,453)	(39,919,429)	(43,967,501)	(46,208,684)	(51,723,215)	(54,535,995)	(56,828,478)	(59,554,807)	(61,698,983)	(64,822,721)
Administrative expense	(554,506)	(469,584)	(484,906)	(555,458)	(558,774)	(606,813)	(625,503)	(648,038)	(741,927)	(746,374)
Other changes	5,455	(7,320)	(5,789)	(85,337)	(56,997)	(38,278)	(21,791)	21,064	27,618	30,739
Net change in Plan fiduciary net position	100,220,516	29,578,968	5,597,461	81,949,941	45,077,228	40,663,357	(2,645,523)	239,713,982	(20,686,518)	66,001,440
Plan fiduciary net position - beginning	655,888,263	756,108,779	785,687,747	791,285,208	873,235,149	918,312,377	958,975,734	956,330,211	1,196,044,193	1,175,357,675
Plan fiduciary net position - ending	<u>\$ 756,108,779</u>	<u>\$ 785,687,747</u>	<u>\$ 791,285,208</u>	<u>\$ 873,235,149</u>	<u>\$ 918,312,377</u>	<u>\$ 958,975,734</u>	<u>\$ 956,330,211</u>	<u>\$ 1,196,044,193</u>	<u>\$ 1,175,357,675</u>	<u>\$ 1,241,359,115</u>
Plan net pension liability - ending	<u>\$ 172,800,912</u>	<u>\$ 171,928,224</u>	<u>\$ 201,946,454</u>	<u>\$ 160,431,589</u>	<u>\$ 154,341,081</u>	<u>\$ 186,411,016</u>	<u>\$ 254,381,202</u>	<u>\$ 91,127,622</u>	<u>\$ 176,597,749</u>	<u>\$ 215,889,252</u>
Plan fiduciary net position as a percentage of the total pension liability	81.40%	82.05%	79.67%	84.48%	85.61%	83.73%	78.99%	92.92%	86.94%	85.19%
Covered payroll	\$ 173,942,815	\$ 175,451,036	\$ 181,566,910	\$ 184,361,751	\$ 187,590,142	\$ 202,738,683	\$ 202,618,965	\$ 218,503,269	\$ 258,376,156	\$ 261,445,033
Plan net pension liability as a percentage of covered payroll	99.34%	97.99%	111.22%	87.02%	82.28%	91.95%	125.55%	41.71%	68.35%	82.58%

Notes to Schedule:

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

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

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**School Board Component Unit**  
**(See Accompanying Report of the Independent Auditor)**  
**Virginia Retirement System - Local Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total pension liability</b>										
Service cost	\$ 2,949,849	\$ 2,915,998	\$ 2,651,127	\$ 2,018,689	\$ 1,479,580	\$ 1,744,280	\$ 1,829,998	\$ 1,836,935	\$ 1,662,841	\$ 2,210,947
Interest	7,295,839	7,583,876	7,846,485	7,895,142	7,789,094	7,694,378	7,676,782	7,763,263	8,210,649	8,139,247
Difference between expected and actual experience	-	406,101	(1,687,860)	(2,853,536)	(2,665,360)	(532,711)	(211,953)	(1,107,815)	(3,497,194)	1,425,828
Changes of assumptions	-	-	-	(400,345)	-	2,931,319	-	4,361,917	-	-
Benefit payments, including refunds of member contributions	(5,762,476)	(6,499,271)	(7,809,560)	(8,419,736)	(7,930,103)	(7,982,718)	(8,070,970)	(7,956,272)	(7,822,138)	(8,142,272)
Net change in total pension liability	4,483,212	4,406,704	1,000,192	(1,759,786)	(1,326,789)	3,854,548	1,223,857	4,898,028	(1,445,842)	3,633,750
Plan total pension liability - beginning	107,107,506	111,590,718	115,997,422	116,997,614	115,237,828	113,911,039	117,765,587	118,989,444	123,887,472	122,441,630
Plan total pension liability - ending	\$ 111,590,718	\$ 115,997,422	\$ 116,997,614	\$ 115,237,828	\$ 113,911,039	\$ 117,765,587	\$ 118,989,444	\$ 123,887,472	\$ 122,441,630	\$ 126,075,380
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 3,168,042	\$ 2,839,204	\$ 2,166,394	\$ 1,485,751	\$ 1,585,825	\$ 2,490,225	\$ 2,478,507	\$ 1,775,380	\$ 2,085,968	\$ 2,102,424
Contributions - employee	1,388,336	1,317,080	994,249	772,643	815,103	999,604	970,747	921,367	1,062,855	1,170,011
Net investment income	12,967,640	4,266,413	1,577,265	10,957,663	7,077,891	6,456,989	1,896,056	26,368,154	(55,453)	7,258,625
Benefit payments, including refunds of member contributions	(5,762,476)	(6,499,271)	(7,809,560)	(8,419,736)	(7,930,103)	(7,982,718)	(8,070,970)	(7,956,272)	(7,822,138)	(8,142,272)
Administrative expense	(70,338)	(59,811)	(61,331)	(67,765)	(64,350)	(66,968)	(67,564)	(68,836)	(75,309)	(74,306)
Other changes	683	(897)	(685)	(9,587)	(6,181)	(4,052)	(3,378)	2,249	(2,259)	(13,887)
Net change in Plan fiduciary net position	11,691,887	1,862,718	(3,133,668)	4,718,969	1,478,185	1,893,080	(2,796,602)	21,042,042	(4,806,336)	2,300,595
Plan fiduciary net position - beginning	82,963,489	94,655,376	96,518,094	93,384,426	98,103,395	99,581,580	101,474,660	98,678,058	119,720,100	114,913,764
Plan fiduciary net position - ending	\$ 94,655,376	\$ 96,518,094	\$ 93,384,426	\$ 98,103,395	\$ 99,581,580	\$ 101,474,660	\$ 98,678,058	\$ 119,720,100	\$ 114,913,764	\$ 117,214,359
Plan net pension liability - ending	\$ 16,935,342	\$ 19,479,328	\$ 23,613,188	\$ 17,134,433	\$ 14,329,459	\$ 16,290,927	\$ 20,311,386	\$ 4,167,372	\$ 7,527,866	\$ 8,861,021
Plan fiduciary net position as a percentage of the total pension liability	84.82%	83.21%	79.82%	85.13%	87.42%	86.17%	82.93%	96.64%	93.85%	92.97%
Covered payroll	\$ 27,158,776	\$ 25,240,789	\$ 19,762,536	\$ 16,006,363	\$ 17,089,386	\$ 20,822,912	\$ 21,813,838	\$ 20,159,457	\$ 26,972,026	\$ 26,838,927
Plan net pension liability as a percentage of covered payroll	62.36%	77.17%	119.48%	107.05%	83.85%	78.24%	93.11%	20.67%	27.91%	33.02%

## Notes to Schedule:

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

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

County of Chesterfield, Virginia  
Required Supplementary Information (Unaudited)  
School Board Component Unit  
(See Accompanying Report of the Independent Auditor)  
Virginia Retirement System - Teachers' Pool

Schedule of School Board's Proportionate Share of the Net Pension Liability

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Employer's proportion of the Net Pension Liability	3.65792%	3.68087%	3.64488%	3.68164%	3.75075%	3.72883%	3.70121%	3.80244%	3.92959%	4.08362%
Employer's proportionate share of the Net Pension Liability	\$ 442,048,000	\$ 463,287,000	\$ 510,798,000	\$ 452,768,000	\$ 441,087,000	\$ 490,735,218	\$ 538,623,255	\$ 295,187,120	\$ 374,120,493	\$ 412,739,836
Employer's covered payroll	267,338,117	273,364,177	277,791,240	290,256,816	303,034,105	312,334,155	323,215,546	336,644,633	370,997,230	408,031,322
Employer's proportionate share of the Net Pension Liability as a percentage of its covered payroll	165.35%	169.48%	183.88%	155.99%	145.56%	157.12%	166.65%	87.69%	100.84%	101.15%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.88%	70.68%	68.28%	72.92%	74.81%	73.51%	71.48%	85.82%	82.51%	82.35%

Notes to Schedule:

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

County of Chesterfield, Virginia  
 Required Supplementary Information (Unaudited)  
 Primary Government & School Board Component Unit  
 (See Accompanying Report of the Independent Auditor)  
 Schedule of Employer VRS Contributions

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<b>Primary Government</b>					
2015	\$ 26,685,876	\$ 26,685,876	\$ -	\$ 175,451,036	15.21%
2016	27,306,288	27,306,288	-	181,566,910	15.04
2017	23,642,700	23,642,700	-	184,361,751	12.82
2018	24,044,622	24,044,622	-	187,590,142	12.82
2019	25,567,311	25,567,311	-	202,738,683	12.61
2020	26,735,004	26,735,004	-	202,618,965	13.19
2021	29,952,322	29,952,322	-	218,503,269	13.71
2022	32,237,731	32,237,731	-	258,376,156	12.48
2023	43,027,384	43,027,384	-	261,445,033	16.46
2024	46,769,926	46,769,926	-	285,862,900	16.36
<b>School Board Component Unit - Non-professional</b>					
2015	\$ 2,839,204	\$ 2,839,204	\$ -	\$ 25,240,789	11.25%
2016	2,166,394	2,166,394	-	19,762,536	10.96
2017	1,485,751	1,485,751	-	16,006,363	9.28
2018	1,585,825	1,585,825	-	17,089,386	9.25
2019	2,490,225	2,490,225	-	20,822,912	11.96
2020	2,478,507	2,478,507	-	21,813,838	11.36
2021	1,775,565	1,775,565	-	20,159,457	8.63
2022	2,085,968	2,085,968	-	26,972,026	7.73
2023	2,102,568	2,102,568	-	26,838,927	7.83
2024	2,441,092	2,441,092	-	31,319,581	7.79
<b>School Board Component Unit - Professional (Teachers)</b>					
2015	\$ 39,521,472	\$ 39,521,472	\$ -	\$ 273,364,177	14.46%
2016	38,757,881	38,757,881	-	277,791,240	13.95
2017	41,864,534	41,864,534	-	290,256,816	14.42
2018	48,478,812	48,478,812	-	303,034,105	16.00
2019	47,755,750	47,755,750	-	312,334,155	15.29
2020	48,971,623	48,971,623	-	323,215,546	15.15
2021	53,746,776	53,746,776	-	336,644,633	15.97
2022	58,258,828	58,258,828	-	370,997,230	15.70
2023	64,494,566	64,494,566	-	408,031,322	15.81
2024	70,671,030	70,671,030	-	448,790,349	15.75

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

**Change in benefit terms -**

**Primary Government and School Board Component Unit Non-professional:**

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

**Changes of assumptions -**

**Primary Government and School Board Component Unit Non-professional:**

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

**Largest 10 - Non-Hazardous Duty:**

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age

- Adjusted rates to better fit experience at each year age and service through 9 years of age

- No change to disability rates

- No change to line of duty disability rate

- No change to discount rate

**Largest 10 - Hazardous Duty:**

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

- Adjusted rates to better fit experience and changed final retirement age from 65 to 70

- Decreased withdrawal rates

- No change to disability rates

- No change to salary scale

- No change to line of duty disability

- No change to discount rate

**VRS Teachers Pool:**

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

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service

- No change to disability rates

- No change to discount rate

**Methods and assumptions used to determine contribution rates:**

**Primary Government and School Board Component Unit - Non-professional:**

	<b><u>Non-Hazardous</u></b>	<b><u>Hazardous Duty</u></b>
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percent closed	Level percent closed
Remaining amortization period	14-23 years	14-23 years
Asset valuation method	5-year smoothed fair value	5-year smoothed fair value
Inflation rate	2.5%	2.5%
Projected salary increases	3.50% - 5.35%	3.50% - 4.75 %
Investment rate of return	6.75%	6.75%

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**Primary Government**  
**(See Accompanying Report of the Independent Auditor)**  
**Supplemental Retirement Plan**

**Schedule of Changes in Net Pension Liability and Related Ratios**

	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
<b>Total pension liability</b>										
Service cost	\$ 403,634	\$ 389,168	\$ 341,753	\$ 276,487	\$ 278,100	\$ 282,413	\$ 267,803	\$ 376,731	\$ 453,634	\$ 369,250
Interest	2,230,938	2,246,553	2,356,749	2,328,557	2,390,185	2,474,123	2,623,719	3,121,684	3,556,824	3,586,214
Difference between expected and actual experience	(771,910)	314,521	(1,267,047)	272,174	690,599	(1,741,882)	6,964,276	5,558,100	(2,223,299)	6,097,487
Changes of assumptions	-	-	-	-	-	3,491,791	-	-	1,373,934	-
Benefit payments, including refunds of member contributions	(1,467,615)	(1,574,809)	(1,753,487)	(1,846,337)	(2,015,074)	(2,128,601)	(2,252,109)	(2,355,365)	(2,522,540)	(2,726,572)
Net change in total pension liability	395,047	1,375,433	(322,032)	1,030,881	1,343,810	2,377,844	7,603,689	6,701,150	638,553	7,326,379
Plan total pension liability - beginning	35,022,181	35,417,228	36,792,661	36,470,629	37,501,510	38,845,320	41,223,164	48,826,853	55,528,003	56,166,556
Plan total pension liability - ending	<u>\$ 35,417,228</u>	<u>\$ 36,792,661</u>	<u>\$ 36,470,629</u>	<u>\$ 37,501,510</u>	<u>\$ 38,845,320</u>	<u>\$ 41,223,164</u>	<u>\$ 48,826,853</u>	<u>\$ 55,528,003</u>	<u>\$ 56,166,556</u>	<u>\$ 63,492,935</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 2,200,000	\$ 1,779,372	\$ 1,614,144	\$ 1,210,600	\$ 734,151	\$ 711,711	\$ 1,554,869	\$ 6,687,871	\$ 3,869,688	\$ 2,330,814
Net investment income (loss)	836,727	(68,103)	3,212,058	2,482,713	2,287,966	1,197,704	8,807,696	(5,340,399)	2,607,329	5,252,335
Benefit payments, including refunds of member contributions	(1,467,615)	(1,574,809)	(1,753,487)	(1,846,337)	(2,015,074)	(2,128,601)	(2,252,109)	(2,355,365)	(2,522,540)	(2,726,572)
Administrative expense	(76,370)	(77,676)	(78,142)	(92,337)	(81,499)	(82,843)	(84,400)	(90,758)	(100,172)	(92,841)
Net change in Plan fiduciary net position	1,492,742	58,784	2,994,573	1,754,639	925,544	(302,029)	8,026,056	(1,098,651)	3,854,305	4,763,736
Plan fiduciary net position - beginning	31,142,249	32,634,991	32,693,775	35,688,348	37,442,987	38,368,531	38,066,502	46,092,558	44,993,907	48,848,212
Plan fiduciary net position - ending	<u>\$ 32,634,991</u>	<u>\$ 32,693,775</u>	<u>\$ 35,688,348</u>	<u>\$ 37,442,987</u>	<u>\$ 38,368,531</u>	<u>\$ 38,066,502</u>	<u>\$ 46,092,558</u>	<u>\$ 44,993,907</u>	<u>\$ 48,848,212</u>	<u>\$ 53,611,948</u>
Plan net pension liability - ending	<u>\$ 2,782,237</u>	<u>\$ 4,098,886</u>	<u>\$ 782,281</u>	<u>\$ 58,523</u>	<u>\$ 476,789</u>	<u>\$ 3,156,662</u>	<u>\$ 2,734,295</u>	<u>\$ 10,534,096</u>	<u>\$ 7,318,344</u>	<u>\$ 9,880,987</u>
Plan fiduciary net position as a percentage of the total pension liability	92.14%	88.86%	97.86%	99.84%	98.77%	92.34%	94.40%	81.03%	86.97%	84.44%
Covered payroll	\$ 146,058,394	\$ 137,953,101	\$ 127,044,622	\$ 126,065,622	\$ 122,908,897	\$ 113,542,877	\$ 111,878,471	\$ 120,058,140	\$ 119,379,659	\$ 119,422,305
Plan net pension liability as a percentage of covered payroll	1.90%	2.97%	0.62%	0.05%	0.39%	2.78%	2.44%	8.77%	6.13%	8.27%

Notes to Schedule:

There were no benefit changes or changes to actuarial assumptions or methods for the 2014-2016 Plan year. In 2017, the inflation rate was changed to 2%.

	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Annual money-weighted rate of return	3.37%	0.30%	11.34%	6.94%	6.39%	3.02%	23.60%	(11.20%)	7.87%	10.92%

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**School Board Component Unit**  
**(See Accompanying Report of the Independent Auditor)**  
**Supplemental Retirement Program**

**Schedule of Changes in Net Pension Liability and Related Ratios**

	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
<b>Total pension liability</b>										
Service cost	\$ 1,668,165	\$ 1,915,218	\$ 2,888,145	\$ 1,000,515	\$ 926,887	\$ 874,851	\$ 860,716	\$ 836,867	\$ 1,140,205	\$ 1,123,724
Interest	5,057,421	4,964,736	5,476,927	6,582,063	5,110,745	4,864,125	4,704,307	4,774,409	5,160,201	5,228,521
Change in benefit terms	-	-	-	(7,428,337)	-	-	-	-	-	-
Difference between expected and actual experience	-	8,053,289	3,425,955	(5,915,675)	3,648,076	1,465,604	3,510,913	2,258,905	2,167,670	1,011,126
Changes of assumptions	(2,088,417)	10,225,013	(11,095,641)	(2,062,950)	-	1,021,847	-	4,416,348	-	-
Benefit payments, including refunds of member contributions	(12,268,111)	(11,252,201)	(12,270,541)	(14,402,588)	(15,072,710)	(11,782,929)	(9,559,129)	(6,388,086)	(6,921,101)	(7,879,956)
Net change in total pension liability	(7,630,942)	13,906,055	(11,575,155)	(22,226,972)	(5,387,002)	(3,556,502)	(483,193)	5,898,443	1,546,975	(516,585)
Program total pension liability - beginning	86,475,216	105,132,384	119,038,439	107,463,284	85,236,312	79,849,310	76,292,808	75,809,615	81,708,058	83,255,033
Program total pension liability - ending	<u>\$ 78,844,274</u>	<u>\$ 119,038,439</u>	<u>\$ 107,463,284</u>	<u>\$ 85,236,312</u>	<u>\$ 79,849,310</u>	<u>\$ 76,292,808</u>	<u>\$ 75,809,615</u>	<u>\$ 81,708,058</u>	<u>\$ 83,255,033</u>	<u>\$ 82,738,448</u>
<b>Program fiduciary net position</b>										
Contributions - employer	\$ 11,161,699	\$ 10,305,625	\$ 14,840,273	\$ 16,270,315	\$ 15,947,949	\$ 14,523,844	\$ 13,123,712	\$ 34,300,000	\$ 4,715,000	\$ 4,870,100
Net investment income	522,611	72,592	1,954,218	1,965,443	2,580,666	1,509,679	10,428,903	(7,099,525)	7,543,486	8,921,536
Benefit payments, including refunds of member contributions	(12,268,111)	(11,252,201)	(12,270,641)	(14,402,588)	(15,072,710)	(11,782,929)	(9,559,129)	(6,388,086)	(6,921,101)	(7,879,956)
Other	-	-	-	2,187	-	-	-	-	-	(139,628)
Administrative expense	(84,314)	(73,670)	(85,363)	(109,809)	(140,253)	(181,632)	(210,888)	(233,202)	(248,090)	(317,496)
Net change in Program fiduciary net position	(668,115)	(947,654)	4,438,487	3,725,548	3,315,652	4,068,962	13,782,598	20,579,187	5,089,295	5,454,556
Program fiduciary net position - beginning	21,456,008	20,787,893	19,840,239	24,278,726	28,004,274	31,319,926	35,388,888	49,171,486	69,750,673	74,839,968
Program fiduciary net position - ending	<u>\$ 20,787,893</u>	<u>\$ 19,840,239</u>	<u>\$ 24,278,726</u>	<u>\$ 28,004,274</u>	<u>\$ 31,319,926</u>	<u>\$ 35,388,888</u>	<u>\$ 49,171,486</u>	<u>\$ 69,750,673</u>	<u>\$ 74,839,968</u>	<u>\$ 80,294,524</u>
Program net pension liability - ending	<u>\$ 58,056,381</u>	<u>\$ 99,198,200</u>	<u>\$ 83,184,558</u>	<u>\$ 57,232,038</u>	<u>\$ 48,529,384</u>	<u>\$ 40,903,920</u>	<u>\$ 26,638,129</u>	<u>\$ 11,957,385</u>	<u>\$ 8,415,065</u>	<u>\$ 2,443,924</u>
Program fiduciary net position as a percentage of the total pension liability	26.37%	16.67%	22.59%	32.85%	39.22%	46.39%	64.86%	85.37%	89.89%	97.05%
Covered payroll	\$ 267,847,464	\$ 205,589,540	\$ 212,785,174	\$ 188,769,652	\$ 176,753,714	\$ 167,675,124	\$ 163,038,026	\$ 161,614,324	\$ 161,248,804	\$ 158,770,752
Program net pension liability as a percentage of covered payroll	21.68%	48.25%	39.09%	30.32%	27.46%	24.39%	16.34%	7.40%	5.22%	1.54%

Notes to Schedule:

Beginning balance for FY2016 was adjusted to correct for the application of retirement eligibility criteria consistent with the Program.

Changes in assumptions: Projected salary increases were changed from 3.5% to 3.0% effective June 30, 2016.

The increase in assumed contribution as a percentage of the recommended contribution is based on the actual experience over the last five years. Eligibility criteria and benefits were amended July 1, 2018.

	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Discount rate used to estimate total pension liability	6.16%	6.60%	4.73%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Annual money-weighted rate of return	15.75%	2.36%	0.33%	9.63%	6.30%	6.45%	4.49%	29.49%	(15.30%)	12.24%

County of Chesterfield, Virginia  
 Required Supplementary Information (Unaudited)  
 Primary Government & School Board Component Unit  
 (See Accompanying Report of the Independent Auditor)  
 Schedule of Employer SRP Contributions

Date	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<b>Primary Government</b>					
2015	\$ 1,703,209	\$ 2,200,000	\$ (496,791)	\$ 146,058,394	1.51%
2016	1,579,372	1,779,372	(200,000)	137,953,101	1.29
2017	1,614,144	1,614,144	-	123,324,780	1.31
2018	736,003	1,210,600	(474,597)	126,065,622	0.96
2019	734,151	734,151	-	123,343,213	0.60
2020	711,711	711,711	-	113,542,877	0.63
2021	854,869	1,554,869	(700,000)	111,878,471	1.39
2022	1,337,871	6,687,871	(5,350,000)	120,058,140	5.57
2023	1,451,688	3,869,688	(2,418,000)	119,379,659	3.24
2024	1,230,814	2,330,814	(1,100,000)	119,422,305	1.95
<b>School Board Component Unit</b>					
2015	\$ 13,306,271	\$ 11,161,699	\$ 2,144,572	\$ 267,847,464	4.17%
2016	13,352,847	10,305,625	3,047,222	205,589,540	5.01
2017	12,367,273	14,840,273	(2,473,000)	212,785,174	6.97
2018	9,965,431	16,270,315	(6,304,884)	188,769,652	8.62
2019	9,028,451	15,947,949	(6,919,498)	176,753,714	9.02
2020	8,240,043	14,523,844	(6,283,801)	167,675,127	8.66
2021	7,536,373	13,123,712	(5,587,339)	163,038,026	8.05
2022	5,933,497	34,300,000	(28,366,503)	161,614,324	21.22
2023	2,714,288	4,715,000	(2,000,712)	161,248,804	2.92
2024	2,270,019	4,870,100	(2,600,081)	158,770,752	3.07

## Notes to Schedule:

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

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

**Methods and assumptions used to determine contribution rates:**

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

	<u>Primary Government:</u>		<u>School Board Component Unit:</u>	
Actuarial Cost Method	Entry Age Method		Entry Age Normal Cost Method, Level % of P	
Amortization Method	Level dollar		Level dollar	
Amortization period	20 years		12 years closed	
Asset Valuation Method	Fair Value of Assets		Fair Value of Assets	
Inflation Rates	2.5% for 2024; 2.4% for 2025 and thereafter		2%	
Annual Pay Increases	5.0% per year (age 30-39); 4.5% per year (age 40-44); 4.0% per year (age 45-59); 3.5% per year (age 60+)		4.50% per year (<=10 years of service), 4.75% per year (10-14 years of service), 4.50% per year (15-24 years of service), 3.75% (25-29 years of service), 3.25% (30+ years of service)	
Interest Rates - Expected Long Term Rate of Return	6.5% net of investment expenses		6.5% net of investment expenses	
Retirement Rates	Less than 30 years of service		Reduced retirement	Unreduced retirement
	Age	Age	Age	Age
	55 5%	55 10%	55-59 10%	55-59 30%
	56 5%	56 10%	60-64 15%	60-64 25%
	57 5%	57 10%	65-69 N/A	65-69 35%
	58 5%	58 15%		
	59 5%	59 15%		
	60 5%	60 20%		
	61 15%	61 20%		
	62 15%	62 20%		
	63 15%	63 20%		
	64 15%	64 20%		
	65 30%	65 40%		
	66 40%	66 40%		
	67 40%	67 30%		
	68 40%	68 30%		
	69 40%	69 30%		
	70+ 100%	70+ 100%		
Mortality Rates	PUB-2010 General Amount-weighted mortality table, with future generational mortality improvements projected according to Scale MP-21.		PUB-2010 General Amount-Weighted mortality table, with future generational improvements projected according to Scale MP-19	

Other information:

The Plan was closed to all Primary Government employees hired or rehired with an effective date on or after July 1, 2012.  
The Program was closed to all School Board Component Unit employees hired or rehired with an effective date on or after July 1, 2013.

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**Primary Government**  
**(See Accompanying Report of the Independent Auditor)**  
**Other Postemployment Benefits Plan - Retiree Healthcare**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Total OPEB liability</b>								
Service cost	\$ 927,910	\$ 890,903	\$ 861,270	\$ 960,293	\$ 969,038	\$ 1,049,858	\$ 977,095	\$ 1,073,684
Interest	8,038,741	8,564,885	7,081,545	6,335,601	6,183,125	6,150,197	5,790,594	5,553,063
Difference between expected and actual experience	-	(2,083,231)	(3,376,015)	756,151	838,797	(2,729,064)	(4,836,568)	(1,945,887)
Changes of assumptions	-	(13,070,740)	(7,295,365)	(1,639,704)	357,028	(819,561)	2,648,613	(5,052,178)
Benefit payments, including refunds of member contributions	<u>(8,620,676)</u>	<u>(8,738,195)</u>	<u>(7,786,765)</u>	<u>(8,275,080)</u>	<u>(8,934,721)</u>	<u>(8,862,469)</u>	<u>(8,564,180)</u>	<u>(7,558,064)</u>
Net change in total OPEB liability	345,975	(14,436,378)	(10,515,330)	(1,862,739)	(586,733)	(5,211,039)	(3,984,446)	(7,929,382)
Plan total OPEB liability - beginning	<u>118,221,591</u>	<u>118,567,566</u>	<u>104,131,188</u>	<u>93,615,858</u>	<u>91,753,119</u>	<u>91,166,386</u>	<u>85,955,347</u>	<u>81,970,901</u>
Plan total OPEB liability - ending	<u>\$ 118,567,566</u>	<u>\$ 104,131,188</u>	<u>\$ 93,615,858</u>	<u>\$ 91,753,119</u>	<u>\$ 91,166,386</u>	<u>\$ 85,955,347</u>	<u>\$ 81,970,901</u>	<u>\$ 74,041,519</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 9,120,677	\$ 9,368,195	\$ 8,186,765	\$ 8,612,080	\$ 9,841,721	\$ 8,862,469	\$ 8,564,180	\$ 7,558,064
Net investment income	2,954,980	2,519,903	1,341,593	934,117	9,817,235	(4,045,596)	2,976,721	3,989,734
Benefit payments, including refunds of member contributions	<u>(8,620,677)</u>	<u>(8,738,195)</u>	<u>(7,786,765)</u>	<u>(8,275,080)</u>	<u>(8,934,721)</u>	<u>(8,862,469)</u>	<u>(8,564,180)</u>	<u>(7,558,064)</u>
Administrative expense	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>
Net change in Plan fiduciary net position	3,454,480	3,149,403	1,741,093	1,270,617	10,723,735	(4,046,096)	2,976,221	3,989,234
Plan fiduciary net position - beginning	<u>23,142,627</u>	<u>26,597,107</u>	<u>29,746,510</u>	<u>31,487,603</u>	<u>32,758,220</u>	<u>43,481,955</u>	<u>39,435,859</u>	<u>42,412,080</u>
Plan fiduciary net position - ending	<u>\$ 26,597,107</u>	<u>\$ 29,746,510</u>	<u>\$ 31,487,603</u>	<u>\$ 32,758,220</u>	<u>\$ 43,481,955</u>	<u>\$ 39,435,859</u>	<u>\$ 42,412,080</u>	<u>\$ 46,401,314</u>
Plan net OPEB liability - ending	<u>\$ 91,970,459</u>	<u>\$ 74,384,678</u>	<u>\$ 62,128,255</u>	<u>\$ 58,994,899</u>	<u>\$ 47,684,431</u>	<u>\$ 46,519,488</u>	<u>\$ 39,558,821</u>	<u>\$ 27,640,205</u>
Plan fiduciary net position as a percentage of the total OPEB liability	22.43%	28.57%	33.63%	35.70%	47.70%	45.88%	51.74%	62.67%
Covered payroll	\$ 181,884,658	\$ 188,928,493	193,640,564	203,568,979	202,192,740	219,426,121	261,357,268	276,456,877
Plan net OPEB liability as a percentage of covered payroll	50.57%	39.37%	32.08%	28.98%	23.58%	21.20%	15.14%	10.00%

## Notes to Schedule:

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)	7.55%	9.41%

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**Primary Government**  
**(See Accompanying Report of the Independent Auditor)**  
**Other Postemployment Benefits Plan - Line of Duty**  
**Schedule of Changes in Net OPEB Liability and Related Ratios\***

<b>Total OPEB liability</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Service cost	\$ 601,750	\$ 792,650	\$ 766,287	\$ 1,017,086	\$ 1,026,697	\$ 1,141,895	\$ 1,287,800	\$ 1,703,032
Interest	945,421	975,937	852,476	1,126,955	1,116,343	1,185,232	1,339,078	1,640,835
Difference between expected and actual experience	-	1,125,285	1,928,493	(1,459,176)	(1,163,500)	975,881	(866,881)	195,257
Changes of assumptions	-	(4,886,754)	689,110	(70,620)	701,804	(383,053)	3,165,231	(177,430)
Benefit payments	(368,000)	(650,950)	(430,589)	(706,164)	(847,139)	(776,477)	(962,808)	(1,098,762)
Net change in total OPEB liability	1,179,171	(2,643,832)	3,805,777	(91,919)	834,205	2,143,478	3,962,420	2,262,932
Plan total OPEB liability - beginning	13,088,262	14,267,433	11,623,601	15,429,378	15,337,459	16,171,664	18,315,142	22,277,562
Plan total OPEB liability - ending	<u>\$ 14,267,433</u>	<u>\$ 11,623,601</u>	<u>\$ 15,429,378</u>	<u>\$ 15,337,459</u>	<u>\$ 16,171,664</u>	<u>\$ 18,315,142</u>	<u>\$ 22,277,562</u>	<u>\$ 24,540,494</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 959,000	\$ 1,080,950	\$ 730,589	\$ 1,432,164	\$ 1,647,139	\$ 776,477	\$ 3,762,808	\$ 2,298,762
Net investment income	773,132	702,889	385,669	274,013	3,067,393	(1,311,960)	968,420	1,567,979
Benefit payments	(368,000)	(650,950)	(430,589)	(706,164)	(847,139)	(776,477)	(962,808)	(1,098,762)
Administrative expense	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Net change in Plan fiduciary net position	1,363,632	1,132,389	685,169	999,513	3,866,893	(1,312,460)	3,767,920	2,767,479
Plan fiduciary net position - beginning	6,054,348	7,417,980	8,550,369	9,235,538	10,235,051	14,101,944	12,789,484	16,557,404
Plan fiduciary net position - ending	<u>\$ 7,417,980</u>	<u>\$ 8,550,369</u>	<u>\$ 9,235,538</u>	<u>\$ 10,235,051</u>	<u>\$ 14,101,944</u>	<u>\$ 12,789,484</u>	<u>\$ 16,557,404</u>	<u>\$ 19,324,883</u>
Plan net OPEB liability - ending	<u>\$ 6,849,453</u>	<u>\$ 3,073,232</u>	<u>\$ 6,193,840</u>	<u>\$ 5,102,408</u>	<u>\$ 2,069,720</u>	<u>\$ 5,525,658</u>	<u>\$ 5,720,158</u>	<u>\$ 5,215,611</u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.99%	73.56%	59.86%	66.73%	87.20%	69.83%	74.32%	78.75%
Covered payroll	\$ 65,181,494	\$ 67,756,971	\$ 67,615,562	\$ 73,410,549	\$ 75,017,926	\$ 87,967,796	\$ 98,033,921	\$ 100,884,695
Plan net OPEB liability as a percentage of covered payroll	10.51%	4.54%	9.16%	6.95%	2.76%	6.28%	5.83%	5.17%

## Notes to Schedule:

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

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Annual money-weighted rate of return	13.04%	9.52%	4.67%	3.01%	30.00%	(9.30%)	7.57%	9.47%

\* Schedules are intended to show information for 10 years. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**School Board Component Unit**  
**(See Accompanying Report of the Independent Auditor)**  
**Other Postemployment Benefits Plan - Retiree Healthcare**  
**Schedule of Changes in Net OPEB Liability and Related Ratios\***

<b>Total OPEB liability</b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Service cost	\$ 1,806,182	\$ 1,342,954	\$ 1,298,283	\$ 1,695,437	\$ 1,507,807	\$ 1,658,089	\$ 1,505,537	\$ 1,274,289
Interest	14,953,724	14,878,280	13,615,717	12,490,441	12,061,650	11,561,650	9,884,061	9,463,994
Difference between expected and actual experience	-	2,742,227	(20,512,870)	(2,322,927)	(115,678)	(21,208,196)	(3,679,163)	(2,404,645)
Changes of assumptions	-	(22,407,529)	4,990,088	(1,932,185)	(5,284,318)	(1,073,020)	689,007	(5,020,179)
Benefit payments, including refunds of member contributions	(15,784,000)	(16,279,013)	(15,769,337)	(15,961,410)	(15,772,821)	(15,141,717)	(14,347,907)	(13,984,256)
Net change in total OPEB liability	975,906	(19,723,081)	(16,378,119)	(6,030,644)	(7,603,360)	(24,203,194)	(5,948,465)	(10,670,797)
Plan total OPEB liability - beginning	219,710,450	220,686,356	200,963,275	184,585,156	178,554,512	170,951,152	146,747,958	140,799,493
Plan total OPEB liability - ending	<u>\$ 220,686,356</u>	<u>\$ 200,963,275</u>	<u>\$ 184,585,156</u>	<u>\$ 178,554,512</u>	<u>\$ 170,951,152</u>	<u>\$ 146,747,958</u>	<u>\$ 140,799,493</u>	<u>\$ 130,128,696</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 17,652,329	\$ 17,279,013	\$ 16,769,337	\$ 16,961,410	\$ 16,772,821	\$ 16,141,717	\$ 15,347,907	14,984,256
Net investment income	1,403,555	1,351,473	749,403	544,814	5,965,480	(2,499,723)	1,915,835	2,665,436
Benefit payments, including refunds of member contributions	(15,784,000)	(16,279,013)	(15,769,337)	(15,961,410)	(15,772,821)	(15,141,717)	(14,347,907)	(13,984,256)
Administrative expense	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Net change in Plan fiduciary net position	3,271,384	2,350,973	1,748,903	1,544,314	6,964,980	(1,500,223)	2,915,335	3,664,936
Plan fiduciary net position - beginning	10,989,579	14,260,963	16,611,936	18,360,839	19,905,153	26,870,133	25,369,910	28,285,245
Plan fiduciary net position - ending	<u>\$ 14,260,963</u>	<u>\$ 16,611,936</u>	<u>\$ 18,360,839</u>	<u>\$ 19,905,153</u>	<u>\$ 26,870,133</u>	<u>\$ 25,369,910</u>	<u>\$ 28,285,245</u>	<u>\$ 31,950,181</u>
Plan net OPEB liability - ending	<u>\$ 206,425,393</u>	<u>\$ 184,351,339</u>	<u>\$ 166,224,317</u>	<u>\$ 158,649,359</u>	<u>\$ 144,081,019</u>	<u>\$ 121,378,048</u>	<u>\$ 112,514,248</u>	<u>\$ 98,178,515</u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.46%	8.27%	9.95%	11.15%	15.72%	17.29%	20.09%	24.55%
Covered payroll	\$ 319,003,486	\$ 323,355,357	335,848,117	343,080,214	354,671,638	387,128,329	435,677,331	477,863,223
Plan net OPEB liability as a percentage of covered payroll	64.71%	57.01%	49.49%	46.24%	40.62%	31.35%	25.83%	20.55%

Notes to Schedule:

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

\* Schedules are intended to show information for 10 years. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**Primary Government & School Board Component Unit**  
**(See Accompanying Report of the Independent Auditor)**  
**Schedule of Employer OPEB Contributions - Retiree Healthcare and Line of Duty\***

<b>Date</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
<b>Primary Government - Retiree Healthcare*</b>					
2017	\$ 8,409,418	\$ 9,120,677	\$ (711,259)	\$ 181,884,658	5.01%
2018	8,534,872	9,368,195	(833,323)	188,928,493	4.96
2019	7,298,780	8,186,765	(887,985)	193,640,564	4.23
2020	6,869,108	8,612,080	(1,742,972)	203,568,979	4.23
2021	6,919,321	9,841,721	(2,922,400)	202,192,740	4.87
2022	6,195,120	8,862,469	(2,667,349)	219,426,121	4.04
2023	6,359,768	8,564,180	(2,204,412)	261,357,268	3.28
2024	6,042,605	7,558,064	(1,515,459)	276,456,877	2.73
<b>School Board Component Unit - Retiree Healthcare*</b>					
2017	\$ 15,478,605	\$ 17,652,329	\$ (2,173,724)	\$ 319,003,486	5.53%
2018	15,895,413	17,279,013	(1,383,600)	323,355,357	5.34
2019	14,182,931	16,769,337	(2,586,406)	335,848,117	4.99
2020	14,234,480	16,961,410	(2,726,930)	343,080,214	4.94
2021	13,940,805	16,772,821	(2,832,016)	354,671,638	4.73
2022	13,451,395	16,141,717	(2,690,322)	387,128,329	4.17
2023	11,906,200	15,347,907	(3,441,707)	435,677,331	3.52
2024	11,389,544	14,984,256	(3,594,712)	477,863,223	3.14
<b>Primary Government - Line of Duty*</b>					
2017	\$ 999,464	\$ 959,000	\$ 40,464	\$ 65,181,494	1.47%
2018	1,011,363	1,080,950	(69,587)	67,756,971	1.60
2019	957,372	730,589	226,783	67,615,562	1.08
2020	1,431,687	1,432,164	(477)	73,410,549	1.95
2021	1,387,159	1,647,139	(259,980)	75,017,926	2.20
2022	1,341,382	776,477	564,905	87,967,796	0.88
2023	1,704,305	3,762,808	(2,058,503)	98,033,921	3.84
2024	2,168,131	2,298,762	(130,631)	100,884,695	2.28

**Notes to Schedule**

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

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay
Asset valuation method	Fair value
Healthcare cost trend rate	5.80-4.14% (2017); 5.50-3.84% (2018); 5.40-3.94% (2019); 4.70-4.04% (2020) 6.00-4.04% (2021); 6.00-3.94% (2022) 6.80-4.14% (2023)    6.75-4.14% (2024)
Projected long-term salary increases	3.50-5.95%
Investment rate of return	7.0% per annum, compounded annually
Remaining amortization period:	
Primary Government-Retiree Healthcare	9 years
School Board Component Unit-Retiree Healthcare	14 years
Primary Government-Line of Duty	25 years

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

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**(See Accompanying Report of the Independent Auditor)**  
**Virginia Retirement System - Group Life Insurance Program**  
**Schedule of Employers' Proportionate Share of the Net OPEB Liability\***

**Primary Government**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Employer's proportion of the Net GLI OPEB Liability	1.00018%	0.99337%	0.99219%	0.99689%	1.00612%	1.03098%	1.11508%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 15,052,000	\$ 15,087,000	\$ 16,145,572	\$ 16,636,462	\$ 11,713,967	\$ 12,413,993	\$ 13,373,304
Employer's covered payroll	184,488,316	188,887,754	194,504,842	205,164,275	207,726,561	224,265,166	262,661,163
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.54%	5.09%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%

Notes to Schedule:

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

**Component Unit - School Board - Non-professional Plan**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Employer's proportion of the Net GLI OPEB Liability	0.08521%	0.09024%	0.10825%	0.10526%	0.09994%	0.11208%	0.11492%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 1,282,000	\$ 1,371,000	\$ 1,761,516	\$ 1,756,617	\$ 1,163,573	\$ 1,349,551	\$ 1,378,251
Employer's covered payroll	15,718,215	17,158,846	21,219,445	21,663,068	20,663,804	24,379,756	27,070,430
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.64%	5.09%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%

Notes to Schedule:

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

**Component Unit - School Board - Professional Plan**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Employer's proportion of the Net GLI OPEB Liability	1.57670%	1.59756%	1.59763%	1.57354%	1.63459%	1.69313%	1.73743%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 23,727,000	\$ 24,263,000	\$ 25,997,693	\$ 26,259,806	\$ 19,031,063	\$ 20,386,918	\$ 20,837,232
Employer's covered payroll	290,828,580	303,772,620	313,188,521	323,840,126	337,481,425	368,299,777	409,256,847
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	8.16%	7.99%	8.30%	8.11%	5.64%	5.54%	5.09%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%

Notes to Schedule:

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

\* Schedules are intended to show information for 10 years. Since 2017 is the first year of this presentation, no other data is available. Additional years will be included as they become available.

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**Primary Government & School Board Component Unit**  
**(See Accompanying Report of the Independent Auditor)**  
**Schedule of Employer OPEB-VRS Group Life Insurance Contributions\***

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
<b>Primary Government*</b>					
2017	\$ 959,339	\$ 959,339	\$ -	\$ 184,488,316	0.52%
2018	982,216	982,216	-	188,887,754	0.52
2019	1,011,422	1,011,422	-	194,504,842	0.52
2020	1,066,854	1,066,854	-	205,164,275	0.52
2021	1,121,723	1,121,723	-	207,726,561	0.54
2022	1,211,011	1,211,011	-	224,265,166	0.54
2023	1,419,348	1,419,348	-	262,661,163	0.54
2024	1,548,864	1,548,864	-	286,800,457	0.54
<b>School Board Component Unit - Non-professional*</b>					
2017	\$ 81,735	\$ 81,735	\$ -	\$ 15,718,215	0.52%
2018	89,226	89,226	-	17,158,846	0.52
2019	110,341	110,341	-	21,219,445	0.52
2020	112,648	112,648	-	21,663,068	0.52
2021	111,423	111,423	-	20,663,804	0.54
2022	131,343	131,343	-	24,379,756	0.54
2023	146,180	146,180	-	27,070,430	0.54
2024	170,009	170,009	-	31,483,097	0.54
<b>School Board Component Unit - Professional (Teachers)*</b>					
2017	\$ 1,512,309	\$ 1,512,309	\$ -	\$ 290,828,580	0.52%
2018	1,579,618	1,579,618	-	303,772,620	0.52
2019	1,628,580	1,628,580	-	313,188,521	0.52
2020	1,683,969	1,683,969	-	323,840,126	0.52
2021	1,822,400	1,822,400	-	337,481,425	0.54
2022	1,986,082	1,986,082	-	368,299,777	0.54
2023	2,209,987	2,209,987	-	409,256,847	0.54
2024	2,427,285	2,427,285	-	449,497,229	0.54

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

**County of Chesterfield, Virginia  
Required Supplementary Information (Unaudited)  
Primary Government & School Board Component Unit  
(See Accompanying Report of the Independent Auditor)  
Other Postemployment Benefits - Group Life Insurance Program  
Notes to VRS Required Supplemental Information**

**Change in benefit terms -**

**Primary Government and School Board Component Unit:**

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

**Changes of assumptions -**

**Primary Government and School Board Component Unit Non-professional:**

The actuarial assumptions used in the June 30, 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:

**Largest 10 - Non-Hazardous Duty:**

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

**Largest 10 - Hazardous Duty:**

- Updated to Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decreased termination rates
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate

**VRS Teachers Pool:**

The actuarial assumptions used in the June 30, 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:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service decrement through 9 years of service
- No change to disability rates
- No change to the discount rate

**County of Chesterfield, Virginia**  
**Required Supplementary Information (Unaudited)**  
**Component Unit - School Board**  
**(See Accompanying Report of the Independent Auditor)**  
**Virginia Retirement System - Teacher Health Insurance Credit Plan**  
**Schedule of School Board's Proportionate Share of the Net OPEB Liability\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Employer's proportion of the Net HIC OPEB Liability	3.68064%	3.74939%	3.72923%	3.68972%	3.80733%	3.93435%	4.09214%
Employer's proportionate share of the Net HIC OPEB Liability	\$ 46,693,000	\$ 47,605,000	\$ 48,819,247	\$ 48,133,006	\$ 48,869,714	\$ 49,141,862	\$ 49,572,896
Employer's covered payroll	290,476,817	303,227,835	312,796,215	323,468,947	336,718,341	366,687,755	408,031,322
Employer's proportionate share of the Net HIC OPEB Liability as a percentage of its covered payroll	16.07%	15.70%	15.61%	14.88%	14.51%	13.40%	12.15%
Plan Fiduciary Net Position as a percentage of the Total HIC OPEB Liability	7.04%	8.08%	8.97%	9.95%	13.15%	15.08%	17.90%

Notes to Schedule:

Per GAAP, Net HIC OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date. Schedule is intended to show information for 10 years.

\*Since 2017 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

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

**Schedule of Changes in Net HIC OPEB Liability and Related Ratios<sup>(1)</sup>**

<b>Total HIC OPEB liability</b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Service cost	\$ 28,389	\$ 29,505	\$ 19,452
Interest	141,314	153,927	166,907
Difference between expected and actual experience	-	74,207	(636,069)
Changes of assumptions	63,303	94,240	-
Contributions - employer	(162,004)	(190,774)	(267,206)
Net investment income	(21,521)	930	(18,159)
Administrative expense	718	326	498
Other changes	-	(2,933)	(161)
Net change in total HIC OPEB liability	50,199	159,428	(734,738)
Total HIC Net liability - beginning	2,093,533	2,143,732	2,303,160
Total HIC Net liability - ending	<u>\$ 2,143,732</u>	<u>\$ 2,303,160</u>	<u>\$ 1,568,422</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 162,004	\$ 190,774	\$ 267,206
Net investment income	21,521	(930)	18,159
Administrative charges	(718)	(326)	(498)
Benefit payments	-	(151,286)	(147,774)
Other changes	-	2,933	161
Net change in plan fiduciary net position	182,807	41,165	137,254
Plan fiduciary net position - beginning	-	182,807	223,972
Plan fiduciary net position - ending	<u>\$ 182,807</u>	<u>\$ 223,972</u>	<u>\$ 361,226</u>
Plan net HIC liability - ending	<u>\$ 1,960,925</u>	<u>\$ 2,079,188</u>	<u>\$ 1,207,196</u>
Political subdivision's net HIC OPEB liability - ending	8.53%	9.72%	23.03%
Covered payroll	\$ 20,663,804	\$ 24,167,059	\$ 26,836,909
Political subdivision's net HIC OPEB liability as a percentage of its covered payroll	9.49%	8.60%	4.50%

<sup>(1)</sup> Since 2021 is the first year for this presentation, only 3 years of data is available. Additional years will be included as they become available.

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

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<b>Political Subdivision Health Insurance Credit Program</b>					
2022	\$ 190,920	\$ 190,920	\$ -	\$ 24,167,059	0.79%
2023	267,206	267,206	-	26,836,909	1.00
2024	313,150	313,150	-	31,319,581	1.00
<b>School Board Component Unit</b>					
2017	\$ 3,224,293	\$ 3,224,293	\$ -	\$ 290,476,817	1.11%
2018	3,729,702	3,729,702	-	303,227,835	1.23
2019	3,753,555	3,753,555	-	312,796,215	1.20
2020	3,881,627	3,881,627	-	323,468,947	1.20
2021	4,074,292	4,074,292	-	336,718,341	1.21
2022	4,436,922	4,436,922	-	366,687,755	1.21
2023	4,937,179	4,937,179	-	408,031,322	1.21
2024	5,437,287	5,437,287	-	448,790,349	1.21

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

**County of Chesterfield, Virginia  
Required Supplementary Information (Unaudited)  
School Board Component Unit  
(See Accompanying Report of the Independent Auditor)  
Virginia Retirement System - Teacher Health Insurance Credit Plan  
Notes to VRS Required Supplemental Information**

**Change in benefit terms -**

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

**Changes of assumptions -**

The actuarial assumptions used in the June 30, 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:

**Largest 10 - Non-Hazardous Duty:**

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to line of duty disability rate
- No change to the discount rate



## SUPPLEMENTARY INFORMATION



# Non-major Governmental Funds

## Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of revenue sources that are legally restricted to expenditure for specified purposes.

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

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

**Grants Fund** - This fund reflects revenues and expenditures related to various federal and state programs such as the federal government's Department of Housing and Urban Development grants, Community Corrections and Supervision grants and Virginia Juvenile Community Crime Control Act.

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

**Children's Services Fund** - This fund reflects the revenues and expenditures of providing child-centered, family focused and locally based services for at-risk youth.

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

**County of Chesterfield, Virginia**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2024**

**Special Revenue Funds**

	<u>Tourism</u>	<u>Stormwater</u>	<u>Grants</u>	<u>Mental Health</u>	<u>Children's Services</u>	<u>Jail Canteen</u>	<u>Total Non-major Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,267,362	\$ 25,119,957	\$ 15,842,086	\$ 10,044,791	\$ 5,216,441	\$ 299,509	\$ 58,790,146
Accounts receivable, net	-	2,474,324	9,082,623	6,627,126	304,407	15,705	18,504,185
Due from other governments	-	-	2,327,290	225,897	2,088,106	-	4,641,293
Total assets	<u>\$ 2,267,362</u>	<u>\$ 27,594,281</u>	<u>\$ 27,251,999</u>	<u>\$ 16,897,814</u>	<u>\$ 7,608,954</u>	<u>\$ 315,214</u>	<u>\$ 81,935,624</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 531,427	\$ 1,164,093	\$ 1,498,814	\$ 563,363	\$ 1,602,586	\$ 13,915	\$ 5,374,198
Accrued liabilities	13,382	-	244,893	1,343,401	-	-	1,601,676
Retainages payable	-	390,477	-	-	-	-	390,477
Unearned revenues	-	-	374,257	877,550	-	-	1,251,807
Total liabilities	<u>544,809</u>	<u>1,554,570</u>	<u>2,117,964</u>	<u>2,784,314</u>	<u>1,602,586</u>	<u>13,915</u>	<u>8,618,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenues	-	2,360,216	-	-	-	-	2,360,216
Unavailable revenues	-	114,108	7,651,129	1,220,857	102,954	-	9,089,048
Total deferred inflows of resources	<u>-</u>	<u>2,474,324</u>	<u>7,651,129</u>	<u>1,220,857</u>	<u>102,954</u>	<u>-</u>	<u>11,449,264</u>
<b>FUND BALANCES</b>							
Restricted	1,722,553	23,565,387	5,501,417	-	-	-	30,789,357
Assigned	-	-	11,981,489	12,892,643	5,903,414	301,299	31,078,845
Total fund balances	<u>1,722,553</u>	<u>23,565,387</u>	<u>17,482,906</u>	<u>12,892,643</u>	<u>5,903,414</u>	<u>301,299</u>	<u>61,868,202</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,267,362</u>	<u>\$ 27,594,281</u>	<u>\$ 27,251,999</u>	<u>\$ 16,897,814</u>	<u>\$ 7,608,954</u>	<u>\$ 315,214</u>	<u>\$ 81,935,624</u>

See accompanying independent auditors' report.

**County of Chesterfield, Virginia**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>Special Revenue Funds</b>							<b>Total Non-major Governmental Funds</b>
	<b>Tourism</b>	<b>Stormwater</b>	<b>Grants</b>	<b>Mental Health</b>	<b>Children's Services</b>	<b>Jail Canteen</b>	<b>Central VA Transportation Authority Local</b>	
<b>Revenues</b>								
From local sources:								
Use of money and property	\$ -	\$ 1,016,229	\$ 9,869	\$ -	\$ -	\$ -	\$ -	\$ 1,026,098
Charges for services	-	4,812,992	11,011,240	29,884,599	53,214	-	-	45,762,045
Miscellaneous	-	-	1,677,366	20,969	-	163,488	-	1,861,823
Recovered costs	3,404,208	-	98,172	169,088	879,166	-	-	4,550,634
Donations and contributions	3,500	-	166,295	-	-	-	-	169,795
From component unit - School Board	-	-	-	-	5,143,200	-	-	5,143,200
Transient occupancy tax	5,575,966	-	-	-	-	-	-	5,575,966
From other governments	-	564,411	13,329,424	10,214,985	12,210,930	-	-	36,319,750
Total revenues	8,983,674	6,393,632	26,292,366	40,289,641	18,286,510	163,488	-	100,409,311
<b>Expenses</b>								
Current:								
Administration of justice	-	-	1,424,412	-	-	-	-	1,424,412
Public safety	-	-	11,039,564	-	-	128,243	-	11,167,807
Public works	-	5,409,610	-	-	-	-	-	5,409,610
Health and welfare	-	-	5,870,550	54,295,654	20,167,882	-	-	80,334,086
Parks, recreation and cultural	-	-	117,638	-	-	-	-	117,638
Community development	7,905,708	-	2,399,182	-	-	-	-	10,304,890
Debt Service:								
Principal	-	-	531,911	560,612	-	-	-	1,092,523
Interest	-	-	47,776	20,502	-	-	-	68,278
Capital Outlay	-	-	310,263	-	-	-	-	310,263
Total expenditures	7,905,708	5,409,610	21,741,296	54,876,768	20,167,882	128,243	-	110,229,507
Excess (deficiency) of revenues over (under) expenditures	1,077,966	984,022	4,551,070	(14,587,127)	(1,881,372)	35,245	-	(9,820,196)
<b>Other financing sources (uses)</b>								
Leases	-	-	310,263	-	-	-	-	310,263
Transfers in	3,051,109	137,491	2,599,974	15,601,775	1,907,700	-	-	23,298,049
Transfers out	(2,406,522)	-	(2,224,515)	(870,317)	-	(15,500)	-	(5,516,854)
Total other financing sources (uses), net	644,587	137,491	685,722	14,731,458	1,907,700	(15,500)	-	18,091,458
Net change in fund balances	1,722,553	1,121,513	5,236,792	144,331	26,328	19,745	-	8,271,262
Fund balances June 30, 2023 as previously presented	-	22,443,874	12,246,114	12,748,312	5,877,086	281,554	70,342,622	123,939,562
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-	-	(70,342,622)	(70,342,622)
Total fund balances, June 30, 2023 as adjusted	-	22,443,874	12,246,114	12,748,312	5,877,086	281,554	-	53,596,940
Total fund balances, June 30, 2024	\$ 1,722,553	\$ 23,565,387	\$ 17,482,906	\$ 12,892,643	\$ 5,903,414	\$ 301,299	\$ -	\$ 61,868,202

See accompanying independent auditors' report.



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

## **General Fund**

This fund reflects the general operations of the government and is used to account for all financial resources except those required to be accounted for in another fund.

## **Central Virginia Transportation Authority - Local Fund**

This fund was established to receive sales and vehicle fuel tax distributed by CVTA where use is restricted to funding approved transportation projects.

## **Children's Services Fund**

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

## **Mental Health Support Services Fund**

This fund reflects the revenues and expenditures for providing mental health, developmental disabilities and substance abuse disorder services for children and adults in the County.

## **Stormwater**

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
From local sources:				
General property taxes:				
Real property taxes current	\$ 511,355,700	\$ 511,355,700	\$ 506,683,309	\$ (4,672,391)
Real property taxes delinquent	3,500,000	3,500,000	21,732,688	18,232,688
Real and personal public service corporation taxes current	15,874,600	15,874,600	15,689,864	(184,736)
Personal property taxes current	96,740,000	108,376,401	100,424,971	(7,951,430)
Personal property taxes delinquent	16,500,000	16,500,000	23,258,567	6,758,567
Machinery and tools taxes current	5,260,000	5,260,000	8,344,213	3,084,213
Penalties and interest	4,902,800	5,752,800	7,291,810	1,539,010
Special assessments and service districts	2,413,300	2,413,300	4,062,425	1,649,125
Total general property taxes	<u>656,546,400</u>	<u>669,032,801</u>	<u>687,487,847</u>	<u>18,455,046</u>
Other local taxes:				
Bank stock tax	2,600,000	2,850,000	3,277,861	427,861
Business license taxes	23,559,800	24,950,871	30,839,476	5,888,605
Consumer utility taxes	8,723,900	8,723,900	8,598,427	(125,473)
Incremental sales tax	535,000	535,000	-	(535,000)
Local sales and use taxes	72,209,700	73,904,610	76,531,984	2,627,374
Motor vehicle licenses	7,850,400	8,084,098	8,310,135	226,037
Recordation tax	7,258,400	7,308,400	7,593,819	285,419
Short-term rental tax	675,000	1,175,000	1,186,142	11,142
Telecommunications tax	9,513,800	9,513,800	9,588,300	74,500
Transient occupancy tax	1,760,900	1,760,900	1,862,929	102,029
Total other local taxes	<u>134,686,900</u>	<u>138,806,579</u>	<u>147,789,073</u>	<u>8,982,494</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	44,000	44,000	43,447	(553)
Building permits	6,495,000	13,918,101	14,143,848	225,747
Erosion control fees	120,000	120,000	111,100	(8,900)
Permits and other licenses	622,500	622,500	751,012	128,512
Plan review fees	302,000	302,000	334,833	32,833
Planning fees	817,400	827,400	853,182	25,782
Total permits, privilege fees and regulatory licenses	<u>8,400,900</u>	<u>15,834,001</u>	<u>16,237,422</u>	<u>403,421</u>
Fines and forfeitures	<u>1,231,200</u>	<u>1,602,802</u>	<u>2,015,885</u>	<u>413,083</u>
Use of money and property:				
Use of money	6,779,800	9,459,515	32,705,429	23,245,914
Use of property	1,151,100	1,331,100	1,224,998	(106,102)
Total use of money and property	<u>7,930,900</u>	<u>10,790,615</u>	<u>33,930,427</u>	<u>23,139,812</u>
Charges for services:				
Building inspection administrative fee	45,000	45,000	43,320	(1,680)
Building rental	916,200	916,200	947,191	30,991
Courthouse maintenance fees	54,000	54,000	19,045	(34,955)
DMV stop fees	450,000	450,000	878,331	428,331
Employee Medical Center	621,000	771,000	996,705	225,705
False alarm charges	60,000	60,000	102,471	42,471
Juvenile Detention Home fees	40,000	40,000	93,370	53,370
Landfill fees	1,974,200	1,974,200	2,022,372	48,172
Law Library	100,000	100,000	135,990	35,990
Library fines and services	131,300	165,300	117,119	(48,181)
Med-flight services	506,700	506,700	1,253,200	746,500

(Continued)

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Charges for services: (continued)				
Parks and Recreation fees	\$ 800,600	\$ 900,600	\$ 1,063,369	\$ 162,769
Police miscellaneous fees	91,200	91,200	54,751	(36,449)
Police officers fees	1,169,100	1,383,100	1,318,632	(64,468)
Recycling proceeds	209,300	209,300	217,378	8,078
Sale of publications and maps	2,400	2,400	934	(1,466)
Sheriff fees	843,600	843,600	762,147	(81,453)
Traffic offenses	370,000	370,000	343,312	(26,688)
Treasurer's administrative fees	2,077,000	2,577,000	2,420,231	(156,769)
Other	3,472,300	3,472,300	3,187,263	(285,037)
Total charges for services	13,933,900	14,931,900	15,977,131	1,045,231
Miscellaneous:				
Public phone commission	140,000	140,000	223,435	83,435
Other miscellaneous	1,288,500	1,892,127	3,796,490	1,904,363
Total miscellaneous	1,428,500	2,032,127	4,019,925	1,987,798
Recovered costs:				
Interfund reimbursements	1,293,400	1,440,930	1,282,385	(158,545)
Reimbursed by other localities	945,300	945,300	848,914	(96,386)
Other	1,769,900	1,795,900	1,949,826	153,926
Total recovered costs	4,008,600	4,182,130	4,081,125	(101,005)
Donations and contributions	57,200	60,095	69,857	9,762
Total revenues from local sources	828,224,500	857,273,050	911,608,692	54,335,642
From other governments:				
From the Commonwealth:				
Non-categorical aid:				
Clerk's excess fees	653,200	653,200	271,261	(381,939)
Mobile home sales tax	39,600	59,600	97,272	37,672
Personal property tax relief	41,092,000	41,092,000	41,092,048	48
Rolling stock tax	95,000	95,000	106,223	11,223
Vehicle rental tax	1,720,000	2,220,000	2,331,708	111,708
Total non-categorical aid	43,599,800	44,119,800	43,898,512	(221,288)
Shared expenditures:				
Clerk of Circuit Court	1,463,700	1,463,700	1,626,113	162,413
Commissioner of the Revenue	602,000	652,000	705,509	53,509
Commonwealth's Attorney	2,561,900	2,861,900	2,930,073	68,173
Sheriff	4,430,000	4,561,000	4,973,802	412,802
Treasurer	562,400	562,400	656,728	94,328
Other	244,800	444,800	448,895	4,095
Total shared expenditures	9,864,800	10,545,800	11,341,120	795,320
From other governments:				
From the Commonwealth:				
Categorical aid:				
Annexation House Bill 599	10,801,200	10,801,200	9,592,490	(1,208,710)
Chesterfield County Jail	751,700	751,700	673,116	(78,584)
Emergency medical services	370,100	370,100	372,146	2,046

(Continued)

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
From other governments: (continued)				
From the Commonwealth:				
Categorical aid:				
Fire programs	\$ 1,462,600	\$ 1,601,860	\$ 1,641,361	\$ 39,501
Juvenile Detention Home	1,913,800	2,113,800	2,102,249	(11,551)
Library	235,200	235,200	319,763	84,563
Sheriff programs	2,316,200	2,316,200	2,647,994	331,794
Welfare	5,712,400	5,912,400	5,714,457	(197,943)
Other	3,364,300	4,054,300	4,530,006	475,706
Total categorical aid	<u>26,927,500</u>	<u>28,156,760</u>	<u>27,593,582</u>	<u>(563,178)</u>
Total from the Commonwealth	<u>80,392,100</u>	<u>82,822,360</u>	<u>82,833,214</u>	<u>10,854</u>
From the federal government:				
Categorical aid:				
Public safety	26,400	26,400	-	(26,400)
Welfare	10,255,200	11,055,200	11,941,165	885,965
Other	81,000	10,855,271	10,854,504	(767)
Total from the federal government	<u>10,362,600</u>	<u>21,936,871</u>	<u>22,795,669</u>	<u>858,798</u>
Total revenues from other governments	<u>90,754,700</u>	<u>104,759,231</u>	<u>105,628,883</u>	<u>869,652</u>
Total revenues	<u>918,979,200</u>	<u>962,032,281</u>	<u>1,017,237,575</u>	<u>55,205,294</u>
<b>Expenditures</b>				
General government:				
Accounting	5,384,136	5,577,409	5,531,841	45,568
Board of Supervisors	380,100	460,100	435,753	24,347
Budget and Management	1,290,310	1,165,310	1,143,445	21,865
Commissioner of the Revenue	3,879,100	4,186,850	4,073,973	112,877
Constituent Services	2,264,154	2,244,703	2,227,266	17,437
County Administration	2,350,300	2,300,300	2,222,070	78,230
County Attorney	2,343,223	2,458,223	2,418,103	40,120
Employee benefits	17,742,300	9,780,139	9,477,843	302,296
General Services	768,600	843,600	810,384	33,216
Human Resource Management	4,965,334	5,360,334	5,216,879	143,455
Information Systems Technology	25,865,296	25,781,853	25,094,737	687,116
Interest paid on tax refunds	30,000	80,000	63,084	16,916
Intergovernmental Relations	315,400	315,400	298,879	16,521
Internal Audit	1,208,400	1,038,400	989,584	48,816
Learning and Performance Center	1,717,077	1,667,077	1,659,106	7,971
Non-departmental	-	-	21,330	(21,330)
Procurement	2,551,500	2,551,500	2,363,293	188,207
Real Estate Assessments	3,895,200	4,025,200	4,003,800	21,400
Registrar	2,222,215	3,204,868	3,109,049	95,819
Treasurer	5,632,008	6,612,924	6,589,199	23,725
Total general government	<u>84,804,653</u>	<u>79,654,190</u>	<u>77,749,618</u>	<u>1,904,572</u>

(Continued)

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Administration of justice:				
Circuit Court Clerk	\$ 5,012,500	\$ 5,092,500	\$ 5,068,725	\$ 23,775
Circuit Court Judges	940,007	1,011,111	983,970	27,141
Commonwealth's Attorney	6,466,765	6,844,830	6,731,690	113,140
General District Court	303,600	353,600	316,351	37,249
Juvenile and Domestic Relations Court	269,300	275,300	266,118	9,182
Law Library	130,900	135,900	134,539	1,361
Magistrate	6,500	6,500	6,379	121
Total administration of justice	<u>13,129,572</u>	<u>13,719,741</u>	<u>13,507,772</u>	<u>211,969</u>
Public safety:				
Building Inspections	6,523,300	6,791,440	6,750,157	41,283
Community Corrections	4,563,760	4,723,998	4,662,957	61,041
Emergency Communications Center	10,051,684	9,230,742	8,801,481	429,261
Fire and EMS	85,618,738	89,878,573	88,025,062	1,853,511
Juvenile Detention Home	7,114,448	7,579,858	7,434,625	145,233
Juvenile Probation	95,900	105,900	88,834	17,066
Police	95,699,732	99,871,087	97,504,444	2,366,643
Regional Jail	8,356,100	7,306,100	7,197,892	108,208
Sheriff and Jail	35,535,932	40,584,023	40,319,189	264,834
Total public safety	<u>253,559,594</u>	<u>266,071,721</u>	<u>260,784,641</u>	<u>5,287,080</u>
Public works:				
Buildings and Grounds	10,493,301	10,912,615	10,837,822	74,793
Capital Projects Management	1,219,900	1,234,900	1,203,254	31,646
Environmental Engineering	7,395,700	7,364,077	7,228,820	135,257
Right of Way	20,000	90,000	80,140	9,860
Street lights and road improvements	906,264	1,021,195	997,246	23,949
Waste and Resource Recovery	7,038,931	7,669,639	7,303,393	366,246
Total public works	<u>27,074,096</u>	<u>28,292,426</u>	<u>27,650,675</u>	<u>641,751</u>
Health and welfare:				
Citizen Information	3,221,600	4,633,100	4,582,514	50,586
Health	2,505,300	2,829,502	2,829,101	401
Social Services	25,399,838	23,012,081	22,960,796	51,285
Tax relief for the elderly	18,865,600	19,111,398	19,088,487	22,911
Total health and welfare	<u>49,992,338</u>	<u>49,586,081</u>	<u>49,460,898</u>	<u>125,183</u>
Parks, recreation and cultural:				
Community Contracts	1,221,300	1,211,300	1,211,190	110
District Improvements Funds	167,500	100,912	-	100,912
Library	13,278,300	14,115,075	14,048,191	66,884
Parks and Recreation	17,648,406	20,242,127	19,609,378	632,749
Total parks, recreation and cultural	<u>32,315,506</u>	<u>35,669,414</u>	<u>34,868,759</u>	<u>800,655</u>

(Continued)

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Community development:				
Community Enhancement	\$ 3,013,454	\$ 3,245,133	\$ 3,179,932	\$ 65,201
Convention Center	1,760,900	310,900	1,865,429	(1,554,529)
Cooperative Extension	547,300	367,300	358,998	8,302
Economic Development	2,955,699	3,855,699	3,364,461	491,238
Economic development incentives	210,000	210,000	50,000	160,000
Planning	6,112,518	6,012,885	5,003,871	1,009,014
Tax increment financing payments	3,013,400	3,013,400	1,558,968	1,454,432
Transportation	2,185,200	2,088,550	1,908,720	179,830
Total community development	19,798,471	19,103,867	17,290,379	1,813,488
Non-departmental	1,474,200	76,102	-	76,102
Debt service:				
Retirement of principal	21,234,700	21,234,700	23,788,041	(2,553,341)
Interest	8,140,900	8,140,900	9,386,383	(1,245,483)
Other	400,000	4,027,280	202,400	3,824,880
Total debt service	29,775,600	33,402,880	33,376,824	26,056
Total expenditures	511,924,030	525,576,422	514,689,566	10,886,856
Excess of revenues over expenditures	407,055,170	436,455,859	502,548,009	66,092,150
<b>Other financing sources (uses)</b>				
Transfers in:				
Grants Fund	2,196,300	2,196,300	2,196,300	-
Mental Health Fund	222,400	222,400	222,400	-
Total transfers in	2,418,700	2,418,700	2,418,700	-
Transfers out:				
County Capital Projects Fund	(43,095,500.00)	(297,870,222)	(80,007,560)	217,862,662
Stormwater Fund	-	(3,061,053)	(137,491)	2,923,562
School Capital Projects Fund	-	(158,395)	-	158,395
Grants Fund	(1,637,900)	(3,907,746)	(2,267,768)	1,639,978
Children's Services Fund	(1,903,200)	(1,903,200)	(1,903,200)	-
Mental Health Fund	(15,585,800)	(15,585,800)	(15,585,800)	-
Airport Fund	(2,463,700)	(4,323,741)	(362,021)	3,961,720
Tourism Fund	-	(3,051,109)	(3,051,109)	-
School Operating Fund	(383,844,300)	(413,585,130)	(394,233,617)	19,351,513
Total transfers out	(448,530,400)	(743,446,396)	(497,548,566)	245,897,830
Total other financing uses	(446,111,700)	(741,027,696)	(495,129,866)	245,897,830
Net change in fund balance	(39,056,530)	(304,571,837)	7,418,143	311,989,980
Fund balance, July 1, 2023	554,286,729	554,286,729	554,286,729	-
Fund balance, June 30, 2024	\$ 515,230,199	\$ 249,714,892	\$ 561,704,872	\$ 311,989,980

(Continued)

County of Chesterfield, Virginia  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Central Virginia Transportation Authority Local  
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
From local sources:				
Use of money and property	\$ -	\$ -	\$ 4,038,000	\$ 4,038,000
Other local taxes:				
Local sales and use tax	19,370,000	19,370,000	22,425,945	3,055,945
Local vehicle fuels tax	10,430,000	10,430,000	9,996,536	(433,464)
Total revenues	29,800,000	29,800,000	36,460,481	6,660,481
<b>Expenditures</b>				
Community development	-	1,249,686	932,143	317,543
Total expenditures	-	1,249,686	932,143	317,543
Excess of revenues over expenditures	29,800,000	28,550,314	35,528,338	6,978,024
<b>Other financing sources (uses)</b>				
Transfers out:	(37,800,000)	(406,374,984)	(2,944,681)	403,430,303
Proceeds from bonds issued	-	284,735,000	284,735,000	-
Premium on bonds issued	-	26,296,764	26,296,764	-
Total other financing sources (uses), net	(37,800,000)	(95,343,220)	308,087,083	403,430,303
Net change in fund balances	(8,000,000)	(66,792,906)	343,615,421	410,408,327
Fund balance, July 1, 2023	70,342,622	70,342,622	70,342,622	-
Fund balance, June 30, 2024	\$ 62,342,622	\$ 3,549,716	\$ 413,958,043	\$ 410,408,327

(Continued)

County of Chesterfield, Virginia  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Children's Services Fund  
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
From local sources:				
Charges for services	\$ -	\$ -	\$ 53,214	\$ 53,214
Recovered costs	885,000	885,000	879,166	(5,834)
From component unit - School Board	5,143,200	5,143,200	5,143,200	-
From other governments	<u>12,041,600</u>	<u>12,041,600</u>	<u>12,210,930</u>	<u>169,330</u>
Total revenues	<u>18,069,800</u>	<u>18,069,800</u>	<u>18,286,510</u>	<u>216,710</u>
<b>Expenditures</b>				
Health and welfare	<u>19,977,500</u>	<u>19,977,500</u>	<u>20,167,882</u>	<u>(190,382)</u>
Total expenditures	<u>19,977,500</u>	<u>19,977,500</u>	<u>20,167,882</u>	<u>(190,382)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,907,700)</u>	<u>(1,907,700)</u>	<u>(1,881,372)</u>	<u>26,328</u>
<b>Other financing sources</b>				
Transfers in: General Fund	<u>1,907,700</u>	<u>1,907,700</u>	<u>1,907,700</u>	<u>-</u>
Total other financing sources	<u>1,907,700</u>	<u>1,907,700</u>	<u>1,907,700</u>	<u>-</u>
Net change in fund balances	-	-	26,328	26,328
Fund balance, July 1, 2023	<u>5,877,086</u>	<u>5,877,086</u>	<u>5,877,086</u>	<u>-</u>
Fund balance, June 30, 2024	<u>\$ 5,877,086</u>	<u>\$ 5,877,086</u>	<u>\$ 5,903,414</u>	<u>\$ 26,328</u>

(Continued)

County of Chesterfield, Virginia  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Mental Health Fund  
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
From local sources:				
Charges for services	\$ 29,519,900	\$ 29,519,900	\$ 29,884,599	\$ 364,699
Miscellaneous	-	-	20,969	20,969
Recovered costs	17,500	17,500	169,088	151,588
From other governments	<u>8,136,400</u>	<u>9,335,670</u>	<u>10,214,985</u>	<u>879,315</u>
Total revenues	<u>37,673,800</u>	<u>38,873,070</u>	<u>40,289,641</u>	<u>1,416,571</u>
<b>Expenditures</b>				
Health and welfare	<u>55,361,143</u>	<u>57,259,673</u>	<u>54,876,768</u>	<u>2,382,905</u>
Total expenditures	<u>55,361,143</u>	<u>57,259,673</u>	<u>54,876,768</u>	<u>2,382,905</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,687,343)</u>	<u>(18,386,603)</u>	<u>(14,587,127)</u>	<u>3,799,476</u>
<b>Other financing sources (uses)</b>				
Transfers in:				
General Fund	15,585,800	15,585,800	15,585,800	-
Grants Fund	<u>42,600</u>	<u>42,600</u>	<u>15,975</u>	<u>(26,625)</u>
Total transfers in	<u>15,628,400</u>	<u>15,628,400</u>	<u>15,601,775</u>	<u>(26,625)</u>
Transfers out:	<u>(945,800)</u>	<u>(870,317)</u>	<u>(870,317)</u>	<u>-</u>
Total other financing sources (uses), net	<u>14,682,600</u>	<u>14,758,083</u>	<u>14,731,458</u>	<u>(26,625)</u>
Net change in fund balances	(3,004,743)	(3,628,520)	144,331	3,772,851
Fund balance, July 1, 2023	<u>12,748,312</u>	<u>12,748,312</u>	<u>12,748,312</u>	<u>-</u>
Fund balance, June 30, 2024	<u>\$ 9,743,569</u>	<u>\$ 9,119,792</u>	<u>\$ 12,892,643</u>	<u>\$ 3,772,851</u>

(Continued)

County of Chesterfield, Virginia  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Stormwater Fund  
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
From local sources:				
Use of money and property	\$ -	\$ -	\$ 1,016,229	\$ 1,016,229
Charges for services	-	-	4,812,992	4,812,992
From other governments	-	-	564,411	564,411
Total revenues	-	-	6,393,632	6,393,632
<b>Expenditures</b>				
Public works	-	-	5,409,610	(5,409,610)
Total expenditures	-	-	5,409,610	(5,409,610)
Excess of revenues over expenditures	-	-	984,022	984,022
<b>Other financing sources</b>				
Transfers in from other funds	-	-	137,491	137,491
Total other financing sources	-	-	137,491	137,491
Net change in fund balances	-	-	1,121,513	1,121,513
Fund balance, July 1, 2023	22,443,874	22,443,874	22,443,874	-
Fund balance, June 30, 2024	<u>\$ 22,443,874</u>	<u>\$ 22,443,874</u>	<u>\$ 23,565,387</u>	<u>\$ 1,121,513</u>

See accompanying independent auditors' report.

## Non-major Enterprise Funds

Enterprise Funds are used to account for the County's ongoing organizations and activities similar to those often found in the private sector.

**Economic Development Authority of the County of Chesterfield (EDA)** - This fund reflects the operations of the EDA, a blended component unit of the County. The EDA was created to, among other activities, issue tax-exempt bonds on behalf of bond issuers so that they may acquire, improve, maintain, equip, own, lease or dispose of properties by inducing manufacturing and industrial enterprises to locate or remain in the Commonwealth of Virginia.

**Airport Fund** - This fund reflects the operations of the County's Airport.

County of Chesterfield, Virginia  
Combining Statement of Net Position  
Non-major Enterprise Funds  
June 30, 2024

	Enterprise Funds		
	Economic Development Authority	Airport	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 7,004,844	\$ 1,412,963	\$ 8,417,807
Restricted cash equivalents with trustees	12,676,798	-	12,676,798
Receivables	81,748	75,166	156,914
Lease receivable	-	284,076	284,076
Interest receivable	-	7,710	7,710
Due from other governments	5,233,452	478,253	5,711,705
Due from other funds	385,249	-	385,249
Prepaid	670,693	-	670,693
Total current assets	26,052,784	2,258,168	28,310,952
Non-current assets:			
Lease receivable	-	4,913,170	4,913,170
Capital assets:			
Intangible asset	2,830,412	-	2,830,412
Land and land improvements	43,477,564	3,668,271	47,145,835
Buildings	-	8,939,656	8,939,656
Improvements other than buildings	1,936,873	30,551,998	32,488,871
Infrastructure	7,250,802	-	7,250,802
Machinery and equipment	-	4,251,895	4,251,895
Construction in progress	-	1,125,124	1,125,124
Total capital assets	55,495,651	48,536,944	104,032,595
Less accumulated depreciation	(3,181,143)	(28,803,601)	(31,984,744)
Net capital assets	52,314,508	19,733,343	72,047,851
Total non-current assets	52,314,508	24,646,513	76,961,021
Total assets	78,367,292	26,904,681	105,271,973
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	307	307
Deferred outflows related to pensions	-	69,580	69,580
Deferred outflows related to other postemployment benefits	-	10,002	10,002
Total deferred outflows of resources	-	79,889	79,889

(Continued)

County of Chesterfield, Virginia  
Combining Statement of Net Position  
Non-major Enterprise Funds  
June 30, 2024

	Enterprise Funds		
	Economic Development Authority	Airport	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	127,994	232,308	360,302
Accrued liabilities	2,517,936	249,243	2,767,179
Compensated absences	-	5,245	5,245
Certificates of participation, net	-	12,888	12,888
Airport Revolving Loan Fund	-	92,300	92,300
Revenue bonds payable, net	-	6,147	6,147
Total current liabilities	<u>2,645,930</u>	<u>598,131</u>	<u>3,244,061</u>
Non-current liabilities:			
Retainages payable	851,295	4,461	855,756
Compensated absences	-	26,611	26,611
Net pension liabilities	-	140,295	140,295
Net other postemployment benefit liabilities	-	53,865	53,865
Airport Revolving Loan Fund	-	1,292,200	1,292,200
Revenue bond payable, net	-	8,339	8,339
Total non-current liabilities	<u>851,295</u>	<u>1,525,771</u>	<u>2,377,066</u>
Total liabilities	<u>3,497,225</u>	<u>2,123,902</u>	<u>5,621,127</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	-	16,784	16,784
Deferred inflows related to other postemployment benefits	-	26,290	26,290
Deferred inflows related to leases	-	5,056,595	5,056,595
Total deferred inflows of resources	<u>-</u>	<u>5,099,669</u>	<u>5,099,669</u>
<b>NET POSITION</b>			
Net investment in capital assets	52,314,508	18,444,783	70,759,291
Restricted by contractual agreements	344,535	-	344,535
Restricted by debt covenants	10,360,094	-	10,360,094
Unrestricted	<u>11,850,931</u>	<u>1,316,216</u>	<u>13,167,147</u>
Total net position	<u>\$ 74,870,068</u>	<u>\$ 19,760,999</u>	<u>\$ 94,631,067</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Non-major Enterprise Funds  
For the Year Ended June 30, 2024

	Enterprise Funds		
	Economic Development Authority	Airport	Total
<b>Operating revenues</b>			
Charges for services	\$ 873,754	\$ 928,665	\$ 1,802,419
From other governments	11,504,275	57,376	11,561,651
Other	280,507	122,812	403,319
Total operating revenues	<u>12,658,536</u>	<u>1,108,853</u>	<u>13,767,389</u>
<b>Operating expenses</b>			
Salaries and wages	-	305,649	305,649
Contractual services	742,817	221,460	964,277
Materials and supplies	-	24,444	24,444
Heat, light and power	-	105,156	105,156
Depreciation	426,457	1,421,576	1,848,033
Repairs and maintenance	-	133,482	133,482
Other	12,342,546	15,273	12,357,819
Total operating expenses	<u>13,511,820</u>	<u>2,227,040</u>	<u>15,738,860</u>
Operating loss	<u>(853,284)</u>	<u>(1,118,187)</u>	<u>(1,971,471)</u>
<b>Non-operating (expenses)</b>			
Interest and dividend income	981,451	-	981,451
Lease revenue	81,769	-	81,769
Interest expense	-	(41,490)	(41,490)
Gain (loss) on disposal of capital assets	4,231,265	(65,832)	4,165,433
Other	(9,823,583)	(94,904)	(9,918,487)
Total non-operating expenses, net	<u>(4,529,098)</u>	<u>(202,226)</u>	<u>(4,731,324)</u>
Loss before capital contributions and transfers	(5,382,382)	(1,320,413)	(6,702,795)
Capital contributions	-	2,671,699	2,671,699
Transfers in	148,609	362,021	510,630
Change in net position	<u>(5,233,773)</u>	<u>1,713,307</u>	<u>(3,520,466)</u>
Total net position - July 1, 2023	<u>80,103,841</u>	<u>18,047,692</u>	<u>98,151,533</u>
Total net position - June 30, 2024	<u>\$ 74,870,068</u>	<u>\$ 19,760,999</u>	<u>\$ 94,631,067</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia  
Combining Statement of Cash Flows  
Non-major Enterprise Funds  
For the Year Ended June 30, 2024

	Enterprise Funds		
	Economic Development Authority	Airport	Total
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 11,740,729	\$ 925,892	\$ 12,666,621
Lease interest receipts	-	116,102	116,102
Payments to suppliers	(14,818,891)	(420,103)	(15,238,994)
Payments to employees	-	(321,031)	(321,031)
Net cash provided by (used in) operating activities	(3,078,162)	300,860	(2,777,302)
<b>Cash flows from non-capital financing activities</b>			
Transfers in	50,000	165,000	215,000
Net cash provided by non-capital financing activities	50,000	165,000	215,000
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	(11,450,096)	(2,409,766)	(13,859,862)
Capital contributions	5,085,481	2,670,607	7,756,088
Retainages paid to contractors	-	(85,938)	(85,938)
Interest paid on certificates of participation and revenue bonds	-	(23,256)	(23,256)
Principal paid on certificates of participation and revenue bonds	-	(157,211)	(157,211)
Net cash provided by used in capital and related financing activities	(6,364,615)	(5,564)	(6,370,179)
<b>Cash flows from investing activities</b>			
Interest received	981,346	-	981,346
Net cash provided by investing activities	981,346	-	981,346
Net increase (decrease) in cash and cash equivalents	(8,411,431)	460,296	(7,951,135)
Cash and cash equivalents, July 1, 2023	28,093,073	952,666	29,045,739
Cash and cash equivalents, June 30, 2024	\$ 19,681,642	\$ 1,412,963	\$ 21,094,605
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>			
Operating loss	\$ (853,284)	\$ (1,118,187)	\$ (1,971,471)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	426,457	1,421,576	1,848,033
Changes in assets and liabilities:			
Receivables, net	(917,807)	(41,859)	(959,666)
Accounts and other payables	(1,733,528)	39,330	(1,694,198)
Unearned revenue	-	-	-
Net cash provided by (used in) operating activities	\$ (3,078,162)	\$ 300,860	\$ (2,777,302)
<b>Noncash transactions related to financing, capital and investing activities:</b>			
Amorized bond premium	\$ (1,538,342)	\$ -	\$ (1,538,342)
Amortized lease revenue	\$ 81,769	\$ -	\$ 81,769

See accompanying independent auditors' report.



## Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one County department to other County departments and to other governmental units, on a cost-reimbursement basis.

**Vehicle and Communications Maintenance Fund** - This fund reflects operations of the County's garage and radio shop, which maintains County vehicles and communication equipment. Revenues are derived from interfund charges and charges to the School Board on a cost-reimbursement basis. Major expenses consist primarily of salaries and wages and materials and supplies.

**Risk Management Fund** - This fund reflects operations of the County's risk management function, which provides services to the County and School Board. The fund's major sources of revenue are charges for services for providing risk financing and recoveries. Major expenses consist of reinsurance costs and claims.

**Healthcare Fund** - This fund reflects operations of the County's self-insured healthcare function, which provides services to the County and School Board. The fund's major sources of revenue are charges for services used to pay medical claims and administrative fees.

**County of Chesterfield, Virginia**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2024**

	<b>Vehicle and Communications Maintenance</b>	<b>Risk Management</b>	<b>Healthcare</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 17,334,619	\$ 23,707,891	\$ 46,648,290	\$ 87,690,800
Receivables	25,783	10,978	-	36,761
Due from other governments	12,037	-	-	12,037
Inventories	1,304,062	-	-	1,304,062
Total current assets	<u>18,676,501</u>	<u>23,718,869</u>	<u>46,648,290</u>	<u>89,043,660</u>
Non-current assets:				
Capital assets:				
Buildings	10,488,493	-	-	10,488,493
Improvements other than buildings	1,809,973	-	-	1,809,973
Machinery and equipment	23,247,629	421,902	-	23,669,531
Total capital assets	35,546,095	421,902	-	35,967,997
Less accumulated depreciation	(15,278,425)	(421,902)	-	(15,700,327)
Net capital assets	20,267,670	-	-	20,267,670
Total assets	<u>38,944,171</u>	<u>23,718,869</u>	<u>46,648,290</u>	<u>109,311,330</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	1,346,886	355,657	-	1,702,543
Deferred outflows related to other postemployment benefits	149,549	32,975	-	182,524
Total deferred outflows of resources	<u>1,496,435</u>	<u>388,632</u>	<u>-</u>	<u>1,885,067</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	978,633	160,958	3,404,158	4,543,749
Accrued liabilities	233,716	66,884	-	300,600
Compensated absences	79,948	24,380	-	104,328
Judgments and claims	206,738	3,539,101	8,180,000	11,925,839
Total current liabilities	<u>1,499,035</u>	<u>3,791,323</u>	<u>11,584,158</u>	<u>16,874,516</u>
Non-current liabilities:				
Compensated absences	398,436	110,567	-	509,003
Judgments and claims	251,349	1,642,000	-	1,893,349
Net pension liabilities	3,320,854	501,119	-	3,821,973
Net other postemployment benefit obligations	830,508	145,451	-	975,959
Total non-current liabilities	<u>4,801,147</u>	<u>2,399,137</u>	<u>-</u>	<u>7,200,284</u>
Total liabilities	<u>6,300,182</u>	<u>6,190,460</u>	<u>11,584,158</u>	<u>24,074,800</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	324,875	85,783	-	410,658
Deferred inflows related to other postemployment benefits	416,765	56,628	-	473,393
Total deferred inflows of resources	<u>741,640</u>	<u>142,411</u>	<u>-</u>	<u>884,051</u>
<b>NET POSITION</b>				
Investment in capital assets	20,267,670	-	-	20,267,670
Unrestricted	13,131,114	17,774,630	35,064,132	65,969,876
Total net position	<u>\$ 33,398,784</u>	<u>\$ 17,774,630</u>	<u>\$ 35,064,132</u>	<u>\$ 86,237,546</u>

See accompanying independent auditors' report.

County of Chesterfield, Virginia  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
For the Year Ended June 30, 2024

	<u>Vehicle and Communications Maintenance</u>	<u>Risk Management</u>	<u>Healthcare</u>	<u>Total</u>
<b>Operating revenues</b>				
Charges for services	\$ 27,443,251	\$ 11,818,800	\$ 144,571,882	\$ 183,833,933
Other	104,768	1,471,877	-	1,576,645
Total operating revenues	<u>27,548,019</u>	<u>13,290,677</u>	<u>144,571,882</u>	<u>185,410,578</u>
<b>Operating expenses</b>				
Salaries and wages	7,949,858	2,211,816	-	10,161,674
Contractual services	856,338	2,539,382	-	3,395,720
Materials and supplies	12,228,788	27,793	-	12,256,581
Heat, light and power	140,483	-	-	140,483
Depreciation	1,831,467	9,953	-	1,841,420
Repairs and maintenance	1,645,321	151,089	-	1,796,410
Insurance	-	5,258,998	-	5,258,998
Claims	-	3,076,022	147,924,924	151,000,946
Other	89,536	25,164	-	114,700
Total operating expenses	<u>24,741,791</u>	<u>13,300,217</u>	<u>147,924,924</u>	<u>185,966,932</u>
Operating income (loss)	<u>2,806,228</u>	<u>(9,540)</u>	<u>(3,353,042)</u>	<u>(556,354)</u>
<b>Non-operating revenues</b>				
Interest and dividend income	738,420	1,028,564	2,344,588	4,111,572
Gain on disposal of capital assets	292,431	-	-	292,431
Other	2,263	656	-	2,919
Total non-operating revenues	<u>1,033,114</u>	<u>1,029,220</u>	<u>2,344,588</u>	<u>4,406,922</u>
Income (loss) before capital contributions	3,839,342	1,019,680	(1,008,454)	3,850,568
Capital contributions	357,940	-	-	357,940
Change in net position	4,197,282	1,019,680	(1,008,454)	4,208,508
Total net position - July 1, 2023	<u>29,201,502</u>	<u>16,754,950</u>	<u>36,072,586</u>	<u>82,029,038</u>
Total net position - June 30, 2024	<u>\$ 33,398,784</u>	<u>\$ 17,774,630</u>	<u>\$ 35,064,132</u>	<u>\$ 86,237,546</u>

**County of Chesterfield, Virginia**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2024**

	<b>Vehicle and Communications Maintenance</b>	<b>Risk Management</b>	<b>Healthcare</b>	<b>Total</b>
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 27,520,796	\$ 13,290,677	\$ 144,571,882	\$ 185,383,355
Payments to suppliers	(16,422,793)	(7,899,301)	-	(24,322,094)
Payments to employees	(8,109,507)	(2,204,956)	-	(10,314,463)
Claims paid	-	(1,914,691)	(146,714,771)	(148,629,462)
Net cash provided by (used in) operating activities	<u>2,988,496</u>	<u>1,271,729</u>	<u>(2,142,889)</u>	<u>2,117,336</u>
<b>Cash flows from non-capital financing activities</b>				
State non-employer contribution to OPEB GLI plan	<u>2,264</u>	<u>656</u>	<u>-</u>	<u>2,920</u>
Net cash provided by non-capital financing activities	<u>2,264</u>	<u>656</u>	<u>-</u>	<u>2,920</u>
<b>Cash flows from capital and related financing activities</b>				
Purchase of capital assets	(3,866,776)	-	-	(3,866,776)
Proceeds from sale of capital assets	<u>305,827</u>	<u>-</u>	<u>-</u>	<u>305,827</u>
Net cash used in capital and related financing activities	<u>(3,560,949)</u>	<u>-</u>	<u>-</u>	<u>(3,560,949)</u>
<b>Cash flows from investing activities</b>				
Interest received	<u>738,420</u>	<u>1,028,564</u>	<u>2,344,588</u>	<u>4,111,572</u>
Net increase in cash and cash equivalents	168,231	2,300,949	201,699	2,670,879
Cash and cash equivalents, July 1, 2023	<u>17,166,388</u>	<u>21,406,943</u>	<u>46,446,591</u>	<u>85,019,922</u>
Cash and cash equivalents, June 30, 2024	<u>\$ 17,334,619</u>	<u>\$ 23,707,892</u>	<u>\$ 46,648,290</u>	<u>\$ 87,690,801</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 2,806,228	\$ (9,540)	\$ (3,353,042)	\$ (556,354)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,831,467	9,953	-	1,841,420
Changes in assets and liabilities:				
Receivables, net	(27,223)	-	-	(27,223)
Inventories	35,109	104,334	-	139,443
Accounts and other payables	<u>(1,657,085)</u>	<u>1,166,982</u>	<u>1,210,153</u>	<u>720,050</u>
Net cash provided by (used in) operating activities, net	<u>\$ 2,988,496</u>	<u>\$ 1,271,729</u>	<u>\$ (2,142,889)</u>	<u>\$ 2,117,336</u>
<b>Noncash transactions related to financing, capital and investing activities are as follows:</b>				
Contributions of capital assets	\$ 357,940	\$ -	\$ -	\$ 357,940

See accompanying independent auditors' report.

# Fiduciary Funds

## Trust Funds

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

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

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

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

## Custodial Funds

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

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

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

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

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

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

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

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

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

	Supplemental Retirement Plan Pension Trust County	Pooled Postemployment Retiree Healthcare Benefits Trust County	Pooled Postemployment Retiree Healthcare Benefits Trust Schools	Pooled Postemployment Line of Duty Benefits Trust County	Total Trust Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,940,479	\$ -	\$ -	\$ 1,200,000	\$ 3,140,479
Accounts receivable	103,309	-	1,016	1,249	105,574
Investments:					
Mutual funds	9,769,899	-	-	-	9,769,899
Common and preferred stocks	11,946,735	-	-	-	11,946,735
Corporate bonds	5,060,880	-	-	-	5,060,880
Municipal bonds	57,125	-	-	-	57,125
U. S. government and agency securities	5,832,985	-	-	-	5,832,985
Exchange traded funds	10,930,780	-	-	-	10,930,780
Collateralized mortgage backed securities	991,127	-	-	-	991,127
Fund of funds	6,978,629	-	-	-	6,978,629
Pooled funds	-	46,401,314	31,949,165	18,123,634	96,474,113
Total investments	51,568,160	46,401,314	31,949,165	18,123,634	148,042,273
Total assets	\$ 53,611,948	\$ 46,401,314	\$ 31,950,181	\$ 19,324,883	\$ 151,288,326
<b>FIDUCIARY NET POSITION</b>					
Restricted for:					
Pension benefits	\$ 53,611,948	\$ -	\$ -	\$ -	\$ 53,611,948
Other postemployment benefits	-	46,401,314	31,950,181	19,324,883	97,676,378
Total net position	\$ 53,611,948	\$ 46,401,314	\$ 31,950,181	\$ 19,324,883	\$ 151,288,326

See accompanying independent auditors' report.

**County of Chesterfield, Virginia**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Trust Funds**  
**For the Year Ended June 30, 2024**

	<b>Supplemental Retirement Plan Pension Trust County</b>	<b>Pooled Postemployment Retiree Healthcare Benefits Trust County</b>	<b>Pooled Postemployment Retiree Healthcare Benefits Trust Schools</b>	<b>Pooled Postemployment Line of Duty Benefits Trust County</b>	<b>Total Trust Funds</b>
<b>Additions:</b>					
Contributions					
Employer	\$ 2,330,814	\$ 7,558,064	\$ 14,984,256	\$ 2,298,762	\$ 27,171,896
Investment earnings:					
Interest and dividends	2,228,540	16,522	12,982	14,678	2,272,722
Net increase in the fair value of investments	<u>3,252,806</u>	<u>4,002,768</u>	<u>2,672,135</u>	<u>1,564,801</u>	<u>11,492,510</u>
Total investment income	5,481,346	4,019,290	2,685,117	1,579,479	13,765,232
Less investment expenses	<u>(229,011)</u>	<u>(29,556)</u>	<u>(19,681)</u>	<u>(11,500)</u>	<u>(289,748)</u>
Net investment earnings	<u>5,252,335</u>	<u>3,989,734</u>	<u>2,665,436</u>	<u>1,567,979</u>	<u>13,475,484</u>
Total additions, net	<u>7,583,149</u>	<u>11,547,798</u>	<u>17,649,692</u>	<u>3,866,741</u>	<u>40,647,380</u>
<b>Deductions:</b>					
Benefit payments	2,726,572	7,558,064	13,984,256	1,098,762	25,367,654
Administrative expenses	<u>92,841</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>94,341</u>
Total deductions	<u>2,819,413</u>	<u>7,558,564</u>	<u>13,984,756</u>	<u>1,099,262</u>	<u>25,461,995</u>
Increase in net position restricted for pensions/other postemployment benefits	4,763,736	3,989,234	3,664,936	2,767,479	15,185,385
Fiduciary net position - July 1, 2023	<u>48,848,212</u>	<u>42,412,080</u>	<u>28,285,245</u>	<u>16,557,404</u>	<u>136,102,941</u>
Fiduciary net position - June 30, 2024	<u>\$ 53,611,948</u>	<u>\$ 46,401,314</u>	<u>\$ 31,950,181</u>	<u>\$ 19,324,883</u>	<u>\$ 151,288,326</u>

See accompanying independent auditors' report.

**County of Chesterfield, Virginia**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2024**

	Greater Richmond Convention Center Authority	Special Welfare	MHSS SSA	Police Safekeeping	Inmate Trust	Central Virginia Transportation Authority	Tourism Improvement District	Appomattox Regional Governor's School	Total
<b>ASSETS</b>									
Cash and cash equivalents	\$ 18,441,118	\$ 26,036	\$ 84,818	\$ 516,699	\$ 98,731	\$ 185,138,709	\$ 141,215	\$ 2,409,200	\$ 206,856,526
Investments with fiscal agent	-	-	-	-	-	85,019,929	-	-	85,019,929
Accounts receivable	273,851	-	1,650	-	15,544	-	-	-	291,045
Prepays	191,805	-	-	-	-	-	-	-	191,805
Restricted assets:									
Cash and cash equivalents	9,552,020	-	-	-	-	-	-	-	9,552,020
Investments	9,911,628	-	-	-	-	-	-	-	9,911,628
Cash, cash equivalents and investments with trustee	13,133,258	-	-	-	-	-	-	-	13,133,258
Due from other governments	3,285,713	-	-	-	-	-	-	-	3,285,713
Interest receivable	125,538	-	-	-	-	1,578,340	-	-	1,703,878
Total restricted assets	36,008,157	-	-	-	-	1,578,340	-	-	37,586,497
Total assets	54,914,931	26,036	86,468	516,699	114,275	271,736,978	141,215	2,409,200	\$ 329,945,802
<b>LIABILITIES</b>									
Accounts payable	390,814	-	-	-	87,538	101,930	141,215	24,705	746,202
Wages and benefits	-	-	-	-	-	-	-	321,520	321,520
Unearned revenue	-	-	-	-	-	-	-	243,000	243,000
Due to Chesterfield County	-	757	-	-	4,903	342,931	-	-	348,591
Due to other governments	21,955,934	3,829	-	-	-	1,887,597	-	-	23,847,360
Total liabilities	22,346,748	4,586	-	-	92,441	2,332,458	141,215	589,225	25,506,673
<b>NET POSITION</b>									
Restricted for individuals, other governments and entities	\$ 32,568,183	\$ 21,450	\$ 86,468	\$ 516,699	\$ 21,834	\$ 269,404,520	\$ -	\$ 1,819,975	\$ 304,439,129

See accompanying independent auditors' report.

**County of Chesterfield, Virginia**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2024**

	Greater Richmond Convention Center Authority	Special Welfare	MHSS SSA	Police Safekeeping	Inmate Trust	Central Virginia Transportation Authority	Tourism Improvement District	Appomattox Regional Governor's School	Total
<b>ADDITIONS</b>									
Receipts:									
Deposits from and on behalf of others	\$ -	\$ -	\$ -	\$ 190,913	\$ 1,283,706	\$ -	\$ -	\$ -	\$ 1,474,619
Social Security Administration deposits	-	14,433	790,331	-	-	-	-	-	804,764
Local sales and use tax collections	-	-	-	-	-	162,743,587	-	-	162,743,587
Fuel tax collections	-	-	-	-	-	55,107,370	-	-	55,107,370
Transient occupancy tax collections	36,768,244	-	-	-	-	-	-	-	36,768,244
Tourism improvement district fees	-	-	-	-	-	-	1,425,744	-	1,425,744
Food stamp recoupment	-	5,528	-	-	-	-	-	-	5,528
From other governments	-	-	-	-	-	-	-	1,704,359	1,704,359
Tuition deposits from localities	-	-	-	-	-	-	-	3,465,000	3,465,000
Other	597,560	2,441	16,173	4,668	344	-	-	73,267	694,453
Investment earnings:									
Interest and dividends	1,865,297	10	1,871	-	-	12,902,359	-	-	14,769,537
Net increase in the fair value of investments	666,732	-	-	-	-	(55,256)	-	-	611,476
Total investment income	2,532,029	10	1,871	-	-	12,847,103	-	-	15,381,013
Net investment earnings	2,532,029	10	1,871	-	-	12,847,103	-	-	15,381,013
Total additions, net	39,897,833	22,412	808,375	195,581	1,284,050	230,698,060	1,425,744	5,242,626	\$ 279,574,681
<b>DEDUCTIONS</b>									
Operational payments	5,138,641	-	-	-	-	-	-	4,840,743	\$ 9,979,384
Debt service payments	9,479,721	-	-	-	-	-	-	-	9,479,721
Payments to beneficiaries and participating entities	21,955,934	23,451	841,712	601,751	1,274,228	147,678,044	1,425,744	-	173,800,864
General and administrative expenses	138,262	-	-	-	-	773,349	-	-	911,611
Other payments	-	-	36,393	-	4,236	-	-	-	40,629
Total deductions	36,712,558	23,451	878,105	601,751	1,278,464	148,451,393	1,425,744	4,840,743	\$ 194,212,209
Increase (decrease) in net position	3,185,275	(1,039)	(69,730)	(406,170)	5,586	82,246,667	-	401,883	85,362,472
Fiduciary net position, July 1, 2023	29,382,908	22,489	156,198	922,869	16,248	187,157,853	-	1,418,092	219,076,657
Fiduciary net position, June 30, 2024	\$ 32,568,183	\$ 21,450	\$ 86,468	\$ 516,699	\$ 21,834	\$ 269,404,520	\$ -	\$ 1,819,975	\$ 304,439,129

See accompanying independent auditors' report



**CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

**County of Chesterfield, Virginia**  
**Schedule of Capital Assets Used in the Operation of Governmental Funds**  
**by Function and Activity**  
**June 30, 2024**

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
<b>General government:</b>						
Accounting	\$ 33,021	\$ -	\$ -	\$ -	\$ 33,021	\$ -
Board of Supervisors	7,933	-	-	-	7,933	-
Budget and Management	7,135	-	-	-	7,135	-
Capital Projects Management	39,530	-	14,992	-	24,538	-
Communications and Media	11,222	-	-	-	11,222	-
Commissioner of the Revenue	121,590	-	-	-	121,590	-
County Administration	2,214,678	-	248,128	37,511	1,929,039	-
County Attorney	24,466	-	-	-	24,466	-
General Services	16,835,892	1,134,006	14,938,876	344,721	418,289	-
Human Resource Management	39,555	-	-	-	39,555	-
Information Systems Technology	30,856,469	129,800	6,825,448	162,719	23,738,502	-
Internal Audit	14,790	-	-	-	14,790	-
Learning and Performance Center	122,897	-	-	-	122,897	-
License Inspector	35,393	-	-	-	35,393	-
Real Estate Assessments	1,241,452	85,500	1,061,577	-	94,375	-
Registrar	1,558,198	-	-	-	1,558,198	-
Treasurer	7,361,874	-	-	-	7,361,874	-
Total general government	60,526,095	1,349,306	23,089,021	544,951	35,542,817	-
<b>Administration of justice:</b>						
Circuit Court Clerk	2,045,932	-	-	-	2,045,932	-
Circuit Court Judges	25,084	-	-	-	25,084	-
Commonwealth's Attorney	245,540	-	114,474	-	131,066	-
Community Corrections	2,020,780	336,091	1,557,689	-	127,000	-
General District Court	34,105,678	22,441	32,333,555	118,080	1,631,602	-
Juvenile and Domestic Relations Court	18,699,496	53,173	18,107,972	-	538,351	-
Total administration of justice	57,142,510	411,705	52,113,690	118,080	4,499,035	-
<b>Public safety:</b>						
Animal Control	4,269,406	181,324	3,234,631	96,150	757,301	-
Building Inspections	221,731	105,932	110,100	-	5,699	-
Emergency Communications Center	39,412,741	71,740	63,857	-	39,277,144	-
Fire and EMS	145,221,320	6,623,822	65,626,970	4,982,126	67,988,402	-
Jail	32,656,455	19,950	31,215,425	-	1,421,080	-
Juvenile Detention Home	17,596,869	14,000	17,032,310	25,800	524,759	-
Juvenile Probation	41,884	-	-	-	41,884	-
Police	79,714,697	1,607,606	43,856,681	152,654	34,097,756	-
Sheriff	4,295,306	-	9,719	-	4,285,587	-
Chesterfield Adolescent Reporting Program	895,050	-	839,609	-	55,441	-
Total public safety	324,325,459	8,624,374	161,989,302	5,256,730	148,455,053	-
<b>Public works:</b>						
Buildings and Grounds	71,636,631	54,408,759	11,962,035	2,628,216	2,637,621	-
Environmental Engineering	48,147,729	1,100	382,168	7,850	2,688,680	45,067,931
Stormwater	1,310,355	1,310,355	-	-	-	-
Waste and Resource Recovery	12,920,892	800,254	662,025	8,328,395	3,130,218	-
Total public works	134,015,607	56,520,468	13,006,228	10,964,461	8,456,519	45,067,931
<b>Health and welfare:</b>						
Citizen Information	45,933	-	-	-	45,933	-
Health	388,569	-	329,123	-	59,446	-
Mental Health Support Services	17,716,911	28,000	14,808,143	-	2,880,768	-
Social Services	24,813,694	297,200	22,414,396	-	2,102,098	-
Total health and welfare	42,965,107	325,200	37,551,662	-	5,088,245	-

(Continued)

County of Chesterfield, Virginia  
Schedule of Capital Assets Used in the Operation of Governmental Funds  
by Function and Activity  
June 30, 2024

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
<b>Parks, recreation and cultural:</b>						
Library	\$ 86,401,178	\$ 3,590,803	\$ 75,125,179	\$ 1,005,919	\$ 6,679,277	\$ -
Parks and Recreation	161,907,320	26,566,144	40,543,441	84,462,506	9,979,950	355,279
Total parks, recreation and cultural	<u>248,308,498</u>	<u>30,156,947</u>	<u>115,668,620</u>	<u>85,468,425</u>	<u>16,659,227</u>	<u>355,279</u>
<b>Education:</b>						
School Board	1,327,747,000	32,070,099	1,256,235,927	39,440,974	-	-
<b>Community development:</b>						
Community Development	28,028,600	4,611,401	18,974,574	-	4,442,625	-
Economic Development	6,098	-	-	-	6,098	-
Transportation	552,733	494,500	-	35,805	22,428	-
Total community development	<u>28,587,431</u>	<u>5,105,901</u>	<u>18,974,574</u>	<u>35,805</u>	<u>4,471,151</u>	<u>-</u>
Total governmental funds' capital assets allocated by function	2,223,617,707	<u>\$ 134,564,000</u>	<u>\$ 1,678,629,024</u>	<u>\$ 141,829,426</u>	<u>\$ 223,172,047</u>	<u>\$ 45,423,210</u>
<b>Construction in progress</b>	<u>189,972,181</u>					
Total governmental funds' capital assets	<u>\$ 2,413,589,888</u>					

This schedule presents only the gross capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

See accompanying independent auditors' report

**County of Chesterfield, Virginia**  
**Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds**  
**June 30, 2024**

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2024</u>
<b>General government:</b>				
Accounting	\$ 24,379	\$ 8,642	\$ -	\$ 33,021
Board of Supervisors	7,933	-	-	7,933
Budget and Management	7,135	-	-	7,135
Capital Projects Management	39,530	-	-	39,530
Communications and Media	11,222	-	-	11,222
Commissioner of the Revenue	121,590	-	-	121,590
County Administration	2,214,678	-	-	2,214,678
County Attorney	24,466	-	-	24,466
General Services	14,617,608	2,218,284	-	16,835,892
Human Resource Management	39,555	-	-	39,555
Information Systems Technology	30,571,147	306,194	20,872	30,856,469
Internal Audit	14,790	-	-	14,790
Learning and Performance Center	122,897	-	-	122,897
License Inspector	35,393	-	-	35,393
Real Estate Assessments	559,011	1,136,819	454,377	1,241,453
Registrar	1,421,949	136,248	-	1,558,197
Treasurer	7,344,293	28,663	11,082	7,361,874
Total general government	<u>57,177,576</u>	<u>3,834,850</u>	<u>486,331</u>	<u>60,526,095</u>
<b>Administration of justice:</b>				
Circuit Court Clerk	2,045,932	-	-	2,045,932
Circuit Court Judges	25,084	-	-	25,084
Commonwealth's Attorney	245,540	-	-	245,540
Community Corrections	2,020,780	-	-	2,020,780
General District Court	33,446,197	659,482	-	34,105,679
Juvenile and Domestic Relations Court	18,265,578	433,917	-	18,699,495
Total administration of justice	<u>56,049,111</u>	<u>1,093,399</u>	<u>-</u>	<u>57,142,510</u>
<b>Public safety:</b>				
Animal Control	4,195,754	73,652	-	4,269,406
Building Inspections	221,731	-	-	221,731
Emergency Communications Center	38,481,189	1,005,220	73,668	39,412,741
Fire and EMS	132,672,338	14,009,931	1,460,949	145,221,320
Jail	32,611,335	45,120	-	32,656,455
Juvenile Detention Home	17,596,869	-	-	17,596,869
Juvenile Probation	41,884	-	-	41,884
Police	77,890,406	2,997,743	1,173,452	79,714,697
Sheriff	4,053,148	264,128	21,970	4,295,306
Chesterfield Adolescent Reporting Program	895,050	-	-	895,050
Total public safety	<u>308,659,704</u>	<u>18,395,794</u>	<u>2,730,039</u>	<u>324,325,459</u>

(Continued)

**County of Chesterfield, Virginia**  
**Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds**  
**June 30, 2024**

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2024</u>
<b>Public works:</b>				
Buildings and Grounds	\$ 58,319,229	\$ 13,756,787	\$ 439,384	\$ 71,636,632
Environmental Engineering	47,609,396	804,326	265,994	48,147,728
Stormwater	1,310,355	-	-	1,310,355
Waste and Resource Recovery	<u>12,011,882</u>	<u>923,902</u>	<u>14,892</u>	<u>12,920,892</u>
Total public works	<u>119,250,862</u>	<u>15,485,015</u>	<u>720,270</u>	<u>134,015,607</u>
<b>Health and welfare:</b>				
Citizen Information	45,933	-	-	45,933
Health	388,569	-	-	388,569
Mental Health Support Services	17,109,718	638,844	31,651	17,716,911
Social Services	<u>24,792,865</u>	<u>20,829.00</u>	<u>-</u>	<u>24,813,694</u>
Total health and welfare	<u>42,337,085</u>	<u>659,673</u>	<u>31,651</u>	<u>42,965,107</u>
<b>Parks, recreation and cultural:</b>				
Library	71,864,966	16,604,215	2,068,004	86,401,177
Parks and Recreation	<u>142,522,285</u>	<u>19,561,663</u>	<u>176,627</u>	<u>161,907,321</u>
Total parks, recreation and cultural	<u>214,387,251</u>	<u>36,165,878</u>	<u>2,244,631</u>	<u>248,308,498</u>
<b>Education:</b>				
School Board	<u>1,321,463,674</u>	<u>13,120,520</u>	<u>6,837,194</u>	<u>1,327,747,000</u>
<b>Community development:</b>				
Community Development	27,664,185	364,415	-	28,028,600
Economic Development	6,098	-	-	6,098
Transportation	<u>516,928</u>	<u>35,805</u>	<u>-</u>	<u>552,733</u>
	<u>28,187,211</u>	<u>400,220</u>	<u>-</u>	<u>28,587,431</u>
<b>Construction in progress</b>	<u>104,768,312</u>	<u>259,102,126</u>	<u>173,898,257</u>	<u>189,972,181</u>
Total governmental funds' capital assets	<u>\$ 2,252,280,786</u>	<u>\$ 348,257,475</u>	<u>\$ 186,948,373</u>	<u>\$ 2,413,589,888</u>

This schedule presents only the gross capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

*See accompanying independent auditors' report*

**County of Chesterfield, Virginia**  
**Schedule of Capital Assets Used in the Operation of Governmental Funds**  
**by Source**  
**June 30, 2024**

**Governmental funds' capital assets:**

Land	\$ 134,564,000
Buildings	1,678,629,024
Improvements other than buildings	141,829,426
Machinery and equipment	223,172,047
Infrastructure	45,423,210
Construction in progress	189,972,181
Total governmental funds' capital assets	<u>\$ 2,413,589,888</u>

**Investment in governmental funds' capital assets by source:**

General obligation bonds	\$ 1,634,241,713
General government revenues	541,368,212
Federal and State grants	40,789,669
Capital lease purchases	90,509,621
Special Revenue Fund revenues	10,861,154
Contributions from public	95,819,519
Total investment in governmental funds' capital assets	<u>\$ 2,413,589,888</u>

This schedule presents only the gross capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

*See accompanying independent auditors' report.*

# **School Board Discretely Presented Component Unit**

## **Governmental Fund**

### **Special Revenue Fund**

**School Operating Fund** - This fund reflects the activity related to the operations of the County's public school system.

**School Activity Fund** - This fund reflects monies held for students to use for educational, recreational, or cultural purposes.

## **Fiduciary Funds**

### **Pension Trust Fund**

**Supplemental Retirement Program Fund** - This fund reflects activity related to pension trust assets to provide certain qualified School Board employees with additional retirement benefits.

County of Chesterfield, Virginia  
Discretely Presented Component Unit - School Board  
Balance Sheet - Governmental Fund  
June 30, 2024

	Special Revenue Funds		
	School Operating	Non-major School Activity Funds	Total School Board
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,791,251	\$ 7,057,174	\$ 30,848,425
Investments	19,116	-	19,116
Accounts receivable	1,509,922	76,103	1,586,025
Due from other governments	29,201,795	-	29,201,795
Due from primary government	121,755,985	-	121,755,985
Inventories	124,448	-	124,448
Total assets	<u>\$ 176,402,517</u>	<u>\$ 7,133,277</u>	<u>\$ 183,535,794</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 15,755,079	\$ 181,863	\$ 15,936,942
Accrued liabilities	57,685,322	-	57,685,322
Retainages payable	108,596	-	108,596
Unearned revenues	1,767,537	-	1,767,537
Total liabilities	<u>75,316,534</u>	<u>181,863</u>	<u>75,498,397</u>
<b>FUND BALANCE</b>			
Nonspendable	124,448	-	124,448
Restricted	19,505,910	-	19,505,910
Assigned	81,455,625	6,951,414	88,407,039
Total fund balance	<u>101,085,983</u>	<u>6,951,414</u>	<u>108,037,397</u>
Total liabilities and fund balance	<u>\$ 176,402,517</u>	<u>\$ 7,133,277</u>	<u>\$ 183,535,794</u>

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

Total fund balance for School Board Funds 108,037,397

Amounts reported for the School Board's governmental activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds. 88,878,171

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Deferred outflows related to pensions	\$ 165,201,016	
Deferred outflows related to other postemployment benefits	<u>20,086,408</u>	185,287,424

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This adjustment combines the net changes of the following balances:

Right-to-use asset obligations	(4,677,779)	
Financed purchase obligations	(6,024,998)	
Compensated absences	(28,133,093)	
Judgments and claims	(5,204,000)	
Net pension liabilities	(424,044,781)	
Net other postemployment benefits obligation liabilities	(171,535,316)	
Interest payable	<u>(110,850)</u>	(639,730,817)

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

Deferred inflows related to pensions	(50,229,999)	
Deferred inflows related to other postemployment benefits	<u>(34,021,420)</u>	(84,251,419)

Total net position (deficit) of the School Board's governmental activities		<u>\$ (341,779,244)</u>
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See accompanying independent auditors' report.

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

	Special Revenue Funds		
	School Operating	Non-major School Activity Funds	School Board Total
<b>Revenues</b>			
From local sources:			
Use of money and property	\$ 1,533,500	\$ 333,014	\$ 1,866,514
Charges for services	11,177,636	2,859,222	14,036,858
Donations	1,323,517	1,060,256	2,383,773
Miscellaneous	3,182,148	5,917,338	9,099,486
Payment from Primary Government	331,742,923	-	331,742,923
From other governments	602,117,170	-	602,117,170
Total revenues	<u>951,076,894</u>	<u>10,169,830</u>	<u>961,246,724</u>
<b>Expenditures</b>			
Current:			
Education	919,832,107	9,922,694	929,754,801
Debt service	7,655,649	-	7,655,649
Payment to Primary Government	22,324,032	-	22,324,032
Total expenditures	<u>949,811,788</u>	<u>9,922,694</u>	<u>959,734,482</u>
Excess of revenues over expenditures	1,265,106	247,136	1,512,242
<b>Other financing sources</b>			
Proceeds from right-to-use asset transactions	9,178,014	-	9,178,014
Transfers in	-	37,031	37,031
Transfers out	(37,031)	-	(37,031)
Total other financing sources, net	<u>9,140,983</u>	<u>37,031</u>	<u>9,178,014</u>
Net change in fund balance	10,406,089	284,167	10,690,256
Total fund balance, July 1, 2023	<u>90,679,894</u>	<u>6,667,247</u>	<u>97,347,141</u>
Total fund balance, June 30, 2024	<u>\$ 101,085,983</u>	<u>\$ 6,951,414</u>	<u>\$ 108,037,397</u>

(Continued)

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

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

Net change in fund balance \$ 10,690,256

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

The governmental fund reports capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense:

Capitalized assets	\$ 15,191,364	
Depreciation/amortization	(22,253,424)	
Right-to-use lease and subscription assets	9,824,886	
Right-to-use lease and subscription amortization	<u>(3,555,379)</u>	(792,553)

The net effect of miscellaneous transactions involving capital assets (prepayments, trade-ins, donations, and disposals) increased net position. (460,053)

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

Payments		3,889,470
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Lease and subscription proceeds provide current financial resources to governmental funds, but issuing leases and subscriptions increases long-term liabilities in the Statement of Net Position. Repayment of lease and subscription principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Payments	3,436,833	
Proceeds	<u>(9,178,015)</u>	(5,741,182)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, such as:

Compensated absences	(2,381,629)	
Judgments and claims	(190,000)	
Other postemployment benefits expense	18,931,541	
Pension expense	29,203,181	
Interest payable	<u>27,862</u>	45,590,955

Change in net position of governmental activities \$ 53,176,893

*See accompanying independent auditors' report.* \$ 53,176,893

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
From local sources:				
Use of money and property	\$ 1,533,800	\$ 1,783,800	\$ 3,315,464	\$ 1,531,664
Charges for services	11,566,400	12,098,804	11,718,448	(380,356)
Donations	1,105,600	1,623,328	1,323,517	(299,811)
Miscellaneous	2,085,500	2,190,588	3,182,148	991,560
Recovered costs	110,000	250,000	756,615	506,615
From the Commonwealth	515,159,800	523,689,623	516,213,941	(7,475,682)
From the federal government	51,355,200	99,621,396	85,903,229	(13,718,167)
Total revenues	<u>582,916,300</u>	<u>641,257,539</u>	<u>622,413,362</u>	<u>(18,844,177)</u>
<b>Expenditures</b>				
Current:				
Education:				
Instruction	664,694,576	728,972,244	681,587,360	47,384,884
Administration, attendance and health	32,815,803	32,705,402	31,917,265	788,137
Pupil transportation	56,045,595	62,572,756	53,094,027	9,478,729
Operations and maintenance	77,970,555	88,072,676	83,786,836	4,285,840
Technology	26,500,577	31,728,916	27,425,319	4,303,597
Food service	38,105,168	38,343,736	39,601,670	(1,257,934)
Debt service	68,446,000	66,663,067	66,566,863	96,204
Total expenditures	<u>964,578,274</u>	<u>1,049,058,797</u>	<u>983,979,340</u>	<u>65,079,457</u>
Deficiency of revenues under expenditures	<u>(381,661,974)</u>	<u>(407,801,258)</u>	<u>(361,565,978)</u>	<u>46,235,280</u>
<b>Other financing sources (uses)</b>				
Transfers in:				
General Fund	371,844,300	413,585,130	394,233,617	(19,351,513)
School Capital Projects Fund	62,500	62,482	62,482	-
Total transfers in	<u>371,906,800</u>	<u>413,647,612</u>	<u>394,296,099</u>	<u>(19,351,513)</u>
Transfers out:				
School Capital Projects Fund	(6,469,100)	(82,922,876)	(22,324,032)	60,598,844
Total transfers out	<u>(6,469,100)</u>	<u>(82,922,876)</u>	<u>(22,324,032)</u>	<u>60,598,844</u>
Total other financing sources, net	<u>365,437,700</u>	<u>330,724,736</u>	<u>371,972,067</u>	<u>41,247,331</u>
Net change in fund balance	<u>(16,224,274)</u>	<u>(77,076,522)</u>	<u>10,406,089</u>	<u>87,482,611</u>
Fund balance, July 1, 2023	<u>90,679,894</u>	<u>90,679,894</u>	<u>90,679,894</u>	<u>-</u>
Fund balance, June 30, 2024	<u>\$ 74,455,620</u>	<u>\$ 13,603,372</u>	<u>\$ 101,085,983</u>	<u>\$ 87,482,611</u>

(Continued)

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

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

**Revenues**

Total revenues on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	\$ 622,413,362
Budgetary intrafund reimbursements and recovered costs are accounted for as revenues and expenditures but are eliminated for financial reporting purposes.	(3,079,391)
Budgetary transfers from the Primary Government, excluding transfers for payment of debt "on behalf" of the School Board, are revenues for financial reporting purposes.	331,742,923
Transactions from non-major School Activity Funds are not reported on budgetary basis statements.	<u>10,169,830</u>
Total revenues on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 961,246,724</u>

**Expenditures**

Total expenditures on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	\$ 983,979,340
For budgetary purposes, interfund reimbursements, recovered costs, and transfers to grants and food service are accounted for as expenditures but are eliminated for financial reporting purposes.	(3,079,391)
Budgetary transfers to the Primary Government are expenditures for financial reporting purposes.	22,324,032
Budgetary expenditures for disbursements made to the non-major special revenue fund - School Activity funds are accounted for as transfers and eliminated on combining statements for financial reporting purposes.	(37,031)
Expenditures of School Activity Funds are not reported on budgetary basis statements.	9,922,694
Capital outlay related to lease and subscription obligations are expenditures for financial reporting purposes.	9,178,014
Payments of debt "on behalf" of the School Board are eliminated for financial reporting purposes.	<u>(62,553,176)</u>
Total expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 959,734,482</u>

**Other financing sources (uses)**

Total other financing sources on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.	\$ 371,972,067
Budgetary transfers from the Primary Government are revenues for financial reporting purposes.	(394,296,099)
Proceeds from new lease obligations are other financing sources for financial reporting purposes.	9,178,014
Budgetary transfers to the Primary Government are expenditures for financial reporting purposes.	<u>22,324,032</u>
Total other financing sources on the Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Fund.	<u>\$ 9,178,014</u>

*See accompanying independent auditors' report.*

County of Chesterfield, Virginia  
Discretely Presented Component Unit - School Board  
Statement of Net Position  
Fiduciary Fund  
June 30, 2024

	<u>Pension Trust Fund</u>
	<u>Supplemental Retirement Program Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents with trustee	\$ 4,355,168
Investments with trustee	75,807,355
Interest receivable	<u>135,126</u>
Total assets	<u>80,297,649</u>
<b>LIABILITIES</b>	
Due to Broker	<u>3,125</u>
Total Liabilities	<u>3,125</u>
<b>NET POSITION</b>	
Restricted for pension benefits	<u>\$ 80,294,524</u>

*See accompanying independent auditors' report.*

**County of Chesterfield, Virginia  
Discretely Presented Component Unit - School Board  
Statement of Changes in Net Position  
Fiduciary Fund  
For the Year Ended June 30, 2024**

	<u><b>Pension Trust Fund</b></u>
	<u><b>Supplemental Retirement Program</b></u>
<b>Additions</b>	
Contributions	\$ 4,870,100
Investment earnings:	
Interest and dividends	2,294,198
Net increase in the fair value of investments	<u>6,627,338</u>
Net investment earnings	<u>8,921,536</u>
Total additions	<u>13,791,636</u>
<b>Deductions</b>	
Benefit payments	7,879,956
Other expenses	139,628
Administrative expenses	<u>317,496</u>
Total deductions	<u>8,337,080</u>
 Increase in net position	 5,454,556
 Net position - July 1, 2023	 <u>74,839,968</u>
Net position - June 30, 2024	<u><u>\$ 80,294,524</u></u>

*See accompanying independent auditors' report.*

## **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NOTES**

**County of Chesterfield, VA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

**Schedule D-1**

<b>Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)</b>	<b>Assistance Listing #</b>	<b>Total Federal Expenditures</b>
<b>Department of Agriculture</b>		
Pass-through payments:		
Department of Agriculture & Consumer Services:		
National School Lunch Program (211VA347N2535)	10.555	\$ 1,836,561
Department of Education:		
National School Lunch Program (202322N119941)	10.555	18,140,178
Department of Juvenile Justice:		
National School Lunch Program (Commodities)	10.555	104,940
Total - National School Lunch Program - 10.555		\$ 20,081,679
Department of Education:		
School Breakfast Program (202322N119941)	10.553	6,220,171
Total - School Breakfast Program - 10.553		6,220,171
Summer Food Service Program for Children (202323N119941)	10.559	183,331
Total - Summer Food Service Program for Children - 10.559		183,331
Fresh Fruit and Vegetable Program (202423L160341)	10.582	428,998
Total - Fresh Fruit and Vegetable Program - 10.582		428,998
Total Child Nutrition Cluster - 10.553/10.555/10.559/10.582		26,914,179
Federal Team Nutrition (202221N350330)	10.574	4,200
Total - Fresh Fruit and Vegetable Program - 10.582		4,200
Department of Health:		
Child and Adult Care Food Program (10309) (03CH010948)	10.558	62,687
Department of Education:		
Child and Adult Care Food Program (202424N202041) (202323N119941)	10.558	373,819
Total - Child and Adult Care Food Program - 10.558		436,506
Department of Social Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (0010124)	10.561	3,566,947
Total Supplemental Nutrition Assistance Program Cluster - 10.561		3,566,947
<b>Total Department of Agriculture</b>		<b>30,921,832</b>
<b>Department of Defense</b>		
Direct payments:		
JROTC	12.U01	173,871
<b>Total Department of Defense</b>		<b>173,871</b>
<b>Department of Education</b>		
Pass-through payments:		
City of Richmond School Board:		
Adult Education - Basic Grants to States (V002A230047) (V002A220047)	84.002	619,507

**(Continued)**

County of Chesterfield, VA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
<b>Department of Education (continued)</b>		
College of William and Mary: Education for Homeless Children and Youth (S196A220048) (S196A230048)	84.196	\$ 28,707
Department of Behavioral Health and Development Service: Special Education - Grants for Infants and Families (720-4955-08)	84.181 <sup>(1)</sup>	474,767
Special Education - Grants for Infants and Families ARPA (720-4515-08)	84.181 <sup>(1)</sup>	70,467
Department of Education: Career and Technical Education - Basic Grants to States (V048A220046) (V048A230046)	84.048	988,010
English Language Acquisition State Grants (S365A200046) (S365A210046) (S365A220046) (S365A230046)	84.365	777,721
Improving Teacher Quality State Grants (S367A210044) (S367A220044) (S367A230044)	84.367	1,516,521
Special Education Grants to States (DOE870042) (H027A210107) (H027A220107) (H027A230107) (H027X210107)	84.027	\$ 13,299,508
Special Education Preschool Grants (H173A220112) (H173A230112) (H173X210112)	84.173	540,755
Total Special Education Cluster (IDEA) - 84.027 and 84.173		13,840,263
Student Support and Academic Enrichment Program (S424A200048) (S424A210048) (S424A220048) (S424A230048)	84.424	617,593
COVID-19 - Education Stabilization Fund (S425D210008) (S425U210008)	84.425 <sup>(2)</sup>	26,175,799
Department of Education via William and Mary	84.425 <sup>(2)</sup>	110,952
Title I Grants to Local Educational Agencies (S010A210046) (S010A220046) (S010A230046)	84.010	9,791,179

(1) ALN 84.181 Total \$545,234

(2) ALN 84.425 Total \$26,286,751

**(Continued)**

**County of Chesterfield, VA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

**Schedule D-1**

<b>Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)</b>	<b>Assistance Listing #</b>	<b>Total Federal Expenditures</b>
<b>Department of Education (continued)</b>		
Title I State Agency Program for Neglected and Delinquent Children and Youth (S010A210046)	84.013	\$ 3,689
Twenty-First Century Community Learning Centers (021-60565-S287C220047) (021-60565-S287C230047)	84.287	805,810
<b>Total Department of Education</b>		<b>55,820,987</b>
<b>Department of Health and Human Services</b>		
Direct payments:		
Head Start	93.600	\$ 1,765,170
COVID19 - Head Start	93.600	6,010
Total Head Start Cluster - 93.600		1,771,180
Pass-through payments:		
Department of Behavioral Health and Development Service:		
Block Grants for Community Mental Health Services (D3012.755) (D1559.755.1) (NOA2024.837.755)	93.958	137,541
Block Grants for Prevention and Treatment of Substance Abuse (50165) (50195)	93.959 <sup>(3)</sup>	1,129,051
COVID19 - Block Grants for Prevention and Treatment of Substance Abuse (B08T1083972) (B08T1084612)	93.959 <sup>(3)</sup>	86,248
Opioid STR (857460217) (H79T1085746) (1H79T1083296-01) (NOA3005.755)	93.788	809,064
Department of Education:		
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (NU90TP922153)	93.354	62,450
Department of Health:		
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (CTFSST610-GY23)	93.323	907,164
Department of Social Services:		
Guardianship Assistance (1110124)	93.090	2,418
Title IV-E Prevention Program (1140124)	93.472	34,177
(3) ALN 93.959 Total \$1,215,299		

**(Continued)**

**County of Chesterfield, VA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

**Schedule D-1**

<b>Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)</b>	<b>Assistance Listing #</b>	<b>Total Federal Expenditures</b>
<b>Department of Health and Human Services (continued)</b>		
Temporary Assistance for Needy Families (0400124)	93.558	\$ 1,481,473
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (0760124)	93.596	<u>\$ 283,206</u>
Total Child Care Development Fund Cluster - 93.575 and 93.596		283,206
Adoption Assistance (1120124)	93.659	1,082,711
Chafee Education and Training Vouchers Program (ETV) (9160123)	93.599	9,429
John H Chafee Foster Care Program for Successful Transition to Adulthood (9150123)	93.674	22,120
COVID19 - Elder Abuse Prevention Interventions Program (8000321)	93.747	7,812
Children's Health Insurance Program (0540124)	93.767	28,982
Foster Care Title IV-E (1100124)	93.658	1,352,921
Low-Income Home Energy Assistance (0600424)	93.568	248,711
Medical Assistance Program (1200124)	93.778	<u>2,649,278</u>
Total Medicaid Cluster - 93.778		2,649,278
MaryLee Allen Promoting Safe and Stable Families Program (0950123)	93.556	160,115
Refugee and Entrant Assistance State/Replacement Designee Administered Programs (0500124)	93.566	14,881
Social Services Block Grant (1000124)	93.667	1,367,735
Stephanie Tubbs Jones Child Welfare Services Program (0900123)	93.645	<u>1,598</u>
<b>Total Department of Health and Human Services</b>		<b><u>13,650,265</u></b>
<b>Department of Homeland Security</b>		
Direct payments:		
COVID-19 - Assistance to Firefighters Grant	97.044	266,934
Pass-through payments:		
Department of Emergency Management:		

**(Continued)**

**County of Chesterfield, VA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

**Schedule D-1**

<b>Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)</b>	<b>Assistance Listing #</b>	<b>Total Federal Expenditures</b>
Emergency Management Performance Grants (47) (63)	97.042	\$ 49,082
Pre-Disaster Mitigation Grant Program (PDMC-PJ-03-VA-2018-008)	97.047	862,138
Homeland Security Grant Program (21) (32) (5) (62) (71) (83) (84)	97.067	<u>406,899</u>
<b>Total Department of Homeland Security</b>		<b><u>1,585,053</u></b>
<b>Department of Housing and Urban Development</b>		
Direct payments:		
Community Development Block Grants/Entitlement Grants	14.218 <sup>(4)</sup>	\$ 1,314,247
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218 <sup>(4)</sup>	<u>19,000</u>
Total Community Development Block Grants Entitlement Grants Cluster - 14.218		1,333,247
Home Investment Partnerships Program	14.239 <sup>(5)</sup>	591,830
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900 <sup>(6)</sup>	155,519
Section 8 Housing Choice Vouchers	14.871 <sup>(7)</sup>	<u>200,866</u>
Total Housing Voucher Cluster - 14.871		<u>200,866</u>
Pass-through payments:		
Department of Emergency Management:		
Total Housing Voucher Cluster - 14.871	14.871 <sup>(7)</sup>	<u>2,237</u>
<b>Total Department of Housing and Urban Development</b>		<b><u>2,283,699</u></b>
<b>Department of the Interior</b>		
Direct payments:		
National Wildlife Refuge Fund	15.659	<u>5,110</u>
<b>Total Department of the Interior</b>		<b><u>5,110</u></b>
<b>Department of Justice</b>		
Direct payments:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738 <sup>(8)</sup>	59,077
	16.745	181,899
Equitable Sharing Program	16.922	500,026
Public Safety Partnership and Community Policing Grants	16.710	267,127
State Criminal Alien Assistance Program	16.606	244,123
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838 <sup>(9)</sup>	361,834
Stop School Violence	16.839	131,432

(4) Total Payments to Subrecipients ALN 14.218 was \$962,043

(5) Total Payments to Subrecipients ALN 14.239 was \$591,830

(6) Total Payments to Subrecipients ALN 14.900 was \$153,383

(7) ALN 14.871 Total \$203,103

(8) ALN 16.738 Total \$59,077

(9) ALN 16.838 Total \$361,834

**(Continued)**

County of Chesterfield, VA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
<b>Department of Justice (continued)</b>		
Pass-through payments:		
Department of Criminal Justice Services:		
Crime Victim Assistance (24-O1003VW20) (24-D4705VP22)	16.575	\$ 479,872
Violence Against Women Formula Grants (22-Y9371VA21 ) (22-Y9845VA21) (22-Z9370VA21) (23-A9370VA21) (23-Z9371VA21) (23-Z9845V121)	16.588	126,393
Juvenile Justice and Delinquency Prevention (489793)	16.540	<u>12,080</u>
Institute for Intergovernmental Research:		
<b>Total Department of Justice</b>		<u><b>2,363,863</b></u>
<b>Department of Transportation</b>		
Direct payments:		
Airport Improvement Program (3-51-0007-031-2022) (3-51-0007-032-2023)	20.106	<u>\$ 1,869,713</u>
Total - Airport Improvement Program - 20.106		1,869,713
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements (69A3602240984MHP0VA)	20.237	<u>77,523</u>
Total FMCSA Cluster - 20.237		77,523
Safe Streets and Roads for All (693JJ32340083)	20.939	61,713
Pass-through payments:		
Department of Motor Vehicles:		
Alcohol Open Container Requirements (ENF-AL-2023-53227-23227) (ENF-AL-2024-54203-24203)	20.607	91,626
National Priority Safety Programs (SFHLE-2023-53234-23234)	20.616	664
State and Community Highway Safety (BBT-2024-54227-24227) (BPT-2023-53230-23230)	20.600	<u>169,328</u>
Total Highway Safety Cluster - 20.600 and 20.616		169,992

(Continued)

County of Chesterfield, VA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

Schedule D-1

Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)	Assistance Listing #	Total Federal Expenditures
<b>Department of Transportation (continued)</b>		
Department of Conservation and Recreation:		
Recreation Trails Program	20.219	\$ 94,897
(VRT-325-D-190)		
Department of Transportation:		
Highway Planning and Construction	20.205	20,195,153
(101020)		
(104889)		
(108639)		
(109229)		
(109322)		
(111467)		
(111713)		
(111714)		
(113439)		
(113846)		
(114200)		
(115063)		
(115415)		
(115534)		
(115783)		
(115784)		
(118066)		
(118067)		
(118144)		
(118145)		
(118146)		
(118951)		
(119600)		
(121410)		
(111712)		
(113843)		
(115208)		
Selective Enforcement-Pedestrian/Bicycle	20.614	3,172
(BFHLE-2024-54229-24229)		
Department of Rail & Public Transportation:		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	323,961
(44022-15)		
(VA-2022-029)		
(44024-18)		
(44024-19)		
ARPA - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	10,622
VA-2022-032		
Total Transit Services Programs Cluster - 20.513		334,583
<b>Total Department of Transportation</b>		<b>22,898,372</b>

(Continued)

**County of Chesterfield, VA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

**Schedule D-1**

<b>Federal Granting Agency/Recipient State Agency/Grant Program/ (Grant ID)</b>	<b>Assistance Listing #</b>	<b>Total Federal Expenditures</b>
<b>Department of Treasury</b>		
Direct payments:		
Coronavirus State and Local Fiscal Recovery Funds	21.027 <sup>(10),(11)</sup>	\$ 24,980,393
Local Assistance and Tribal Consistency Fund	21.032	50,000
Pass-through payments:		
Department of Behavioral Health and Development Service:		
Coronavirus State and Local Fiscal Recovery Funds	21.027 <sup>(10)</sup>	500,000
(D0839.755)		
(D1465.755)		
Department of Criminal Justice Services:		
Coronavirus State and Local Fiscal Recovery Funds	21.027 <sup>(10)</sup>	110,607
(11993)		
(22-A4705ARRF)		
(ZNTTNLCC5NL1)		
Department of Education:		
Coronavirus State and Local Fiscal Recovery Funds	21.027 <sup>(10)</sup>	319,354
(SLFRP1026)		
(APE600540)		
Department of Social Services:		
Coronavirus State and Local Fiscal Recovery Funds	21.027 <sup>(10)</sup>	52,107
(9122222)		
Virginia Tourism Council	21.027 <sup>(10),(11)</sup>	260,000
<b>Total Department of Treasury</b>		<b><u>26,272,461</u></b>
<b>Grand Total</b>		<b><u>\$ 155,975,513</u></b>

<sup>(9)</sup> ALN 21.027 Total \$26,222,461

<sup>(10)</sup> Total Payments to Subrecipients ALN 21.027 Total \$2,720,000

**(Continued)**

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

**1. General**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all Federal assistance programs of the Primary Government and the School Board.

**2. Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting for governmental funds and accrual basis of accounting for proprietary funds, both of which is described in Note 1 to the County's basic financial statements. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**3. Relationship to Financial Statements**

Federal expenditures are reported in the County's basic financial statements as follows:

<u>Fund</u>	<u>Federal Expenditures</u>
<b><u>Primary Government</u></b>	
<b>Governmental Activities</b>	
General Fund	\$ 16,238,190
County Capital Projects Fund	42,284,389
Non-major - Children's Services Fund	318,021
Non-major - Grants Fund	7,491,416
Non-major - Mental Health Fund	1,008,418
Total Governmental Activities	67,340,434
<b>Business-type Activities</b>	
Water Fund	862,138
Non-major - Airport Fund	1,869,713
Total Business-type Activities	2,731,851
Total Primary Government	70,072,285
<b><u>Component Unit</u></b>	
<b>Governmental Activities</b>	
School Operating Fund	85,903,228
Total	<u>\$ 155,975,513</u>

**4. Use of Indirect Cost Rate**

The County did not elect to use the 10% de minimus cost rate.

## STATISTICAL SECTION



# STATISTICAL SECTION

## (Unaudited)

This part of Chesterfield County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial position.

	<u>Pages</u>
<b>Financial Trends</b> .....	256-260
<i>These schedules contain trend information to help the reader understand how Chesterfield's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	261-265
<i>These schedules contain information to help the reader assess Chesterfield's most significant local revenue source, property tax.</i>	
<b>Debt Capacity</b> .....	266-268
<i>These schedules present information to help the reader assess the affordability of Chesterfield's current levels of outstanding debt and the ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b> .....	269-270
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which Chesterfield operates.</i>	
<b>Operating Information</b> .....	271-273
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the financial report relates to the services Chesterfield provides and the activities it performs.</i>	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Table I

**County of Chesterfield, Virginia**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(unaudited)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Governmental activities <sup>(1)</sup></b>										
Net investment in capital assets	\$ 655,698,497	\$ 689,654,404	\$ 735,341,966	\$ 780,470,955	\$ 814,462,269	\$ 850,405,014	\$ 901,172,315	\$ 922,258,513	\$ 941,772,816	\$ 976,649,039
Restricted	67,370,966	70,554,116	56,082,770	50,758,262	60,771,285	49,267,277	84,527,153	130,702,552	195,893,119	547,655,959
Unrestricted	<u>31,322,429</u>	<u>87,873,727</u>	<u>28,288,647</u>	<u>83,769,679</u>	<u>142,943,579</u>	<u>221,113,923</u>	<u>285,287,817</u>	<u>295,870,289</u>	<u>316,783,657</u>	<u>58,667,704</u>
Total governmental activities net position	<u>\$ 754,391,892</u>	<u>\$ 848,082,247</u>	<u>\$ 819,713,383</u>	<u>\$ 914,998,896</u>	<u>\$ 1,018,177,133</u>	<u>\$ 1,120,786,214</u>	<u>\$ 1,270,987,285</u>	<u>\$ 1,348,831,354</u>	<u>\$ 1,454,449,592</u>	<u>\$ 1,582,972,702</u>
<b>Business-type activities <sup>(1)</sup></b>										
Net investment in capital assets	\$ 795,520,705	\$ 809,352,317	\$ 821,397,739	\$ 823,755,861	\$ 835,285,972	\$ 863,656,676	\$ 912,962,124	\$ 969,931,589	\$ 1,028,467,822	\$ 1,075,994,637
Restricted	16,053,703	9,237,200	9,423,700	9,650,000	10,114,333	10,437,550	13,525,708	12,313,884	31,892,486	25,011,112
Unrestricted	<u>204,092,283</u>	<u>236,886,193</u>	<u>270,950,710</u>	<u>323,244,774</u>	<u>381,001,243</u>	<u>447,439,752</u>	<u>489,337,561</u>	<u>520,275,134</u>	<u>566,244,764</u>	<u>643,981,704</u>
Total business-type activities net position	<u>\$ 1,015,666,691</u>	<u>\$ 1,055,475,710</u>	<u>\$ 1,101,772,149</u>	<u>\$ 1,156,650,635</u>	<u>\$ 1,226,401,548</u>	<u>\$ 1,321,533,978</u>	<u>\$ 1,415,825,393</u>	<u>\$ 1,502,520,607</u>	<u>\$ 1,626,605,072</u>	<u>\$ 1,744,987,453</u>
<b>Primary government <sup>(1)</sup></b>										
Net investment in capital assets	\$ 1,451,219,202	\$ 1,499,006,721	\$ 1,556,739,705	\$ 1,604,226,816	\$ 1,649,748,241	\$ 1,714,061,690	\$ 1,814,134,439	\$ 1,892,190,102	\$ 1,970,240,638	\$ 2,052,643,676
Restricted	83,424,669	79,791,316	65,506,470	60,408,262	70,885,618	59,704,827	98,052,861	143,016,436	227,785,605	572,667,071
Unrestricted	<u>235,414,712</u>	<u>324,759,920</u>	<u>299,239,357</u>	<u>407,014,453</u>	<u>523,944,822</u>	<u>668,553,675</u>	<u>774,625,378</u>	<u>816,145,423</u>	<u>883,028,421</u>	<u>702,649,408</u>
Total Primary Government net position <sup>(1)</sup>	<u>\$ 1,770,058,583</u>	<u>\$ 1,903,557,957</u>	<u>\$ 1,921,485,532</u>	<u>\$ 2,071,649,531</u>	<u>\$ 2,244,578,681</u>	<u>\$ 2,442,320,192</u>	<u>\$ 2,686,812,678</u>	<u>\$ 2,851,351,961</u>	<u>\$ 3,081,054,664</u>	<u>\$ 3,327,960,155</u>

(1) 2017 net position was restated to reflect the adoption of GASB Statement 75. 2020 net position was restated to reflect the adoption of GASB Statement 84.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 117,197,913	\$ 125,427,912	\$ 126,708,814	\$ 125,580,003	\$ 144,275,963	\$ 144,847,040	\$ 155,326,544	\$ 167,321,705	\$ 175,039,218	\$ 199,797,992
Administration of justice	10,653,019	11,101,741	10,896,810	10,957,857	11,127,032	12,355,336	13,895,646	13,876,993	15,667,030	16,035,706
Public safety	175,196,278	173,299,691	183,370,852	178,417,303	182,033,985	197,866,264	222,267,096	219,699,082	254,948,574	281,371,675
Public works	42,172,196	40,504,952	45,072,932	53,275,901	57,560,844	85,545,961	80,214,637	92,246,480	98,754,799	96,750,016
Health and welfare	76,361,327	80,438,889	84,390,086	89,977,088	90,421,955	94,363,474	96,786,251	99,138,739	114,923,779	128,971,519
Parks, recreation and cultural	23,582,693	24,321,586	26,351,945	27,912,496	28,426,360	26,551,663	27,953,929	31,310,767	46,835,064	43,984,821
Education - School Board <sup>(2)</sup>	303,960,336	291,984,801	308,043,018	321,030,368	279,510,506	284,364,549	301,488,394	356,264,344	362,677,246	381,320,479
Community development	20,536,333	19,903,410	21,062,911	23,234,184	25,172,733	23,114,692	35,259,749	36,988,846	26,401,538	56,167,019
Interest on long-term debt	16,000,836	14,212,999	14,269,395	15,326,987	16,544,732	18,780,607	20,193,563	20,276,554	28,896,059	39,517,250
Total governmental activities expenses	<u>785,660,931</u>	<u>781,195,981</u>	<u>820,166,763</u>	<u>845,712,187</u>	<u>835,074,110</u>	<u>887,789,586</u>	<u>953,385,809</u>	<u>1,037,123,510</u>	<u>1,124,143,307</u>	<u>1,243,916,477</u>
<b>Business-type activities:</b>										
Water	38,754,527	40,998,118	40,873,429	41,633,594	44,734,748	46,809,824	48,016,333	49,475,931	53,140,251	58,452,632
Wastewater	38,114,324	39,897,750	39,030,892	40,566,705	41,049,411	42,090,099	44,008,120	45,502,660	50,436,519	53,673,103
Non-major funds	10,335,478	2,850,847	5,561,422	4,135,956	3,173,621	4,106,814	9,555,258	10,394,896	34,067,151	21,533,404
Total business-type activities expenses	<u>87,204,329</u>	<u>83,746,715</u>	<u>85,465,743</u>	<u>86,336,255</u>	<u>88,957,780</u>	<u>93,006,737</u>	<u>101,579,711</u>	<u>105,373,487</u>	<u>137,643,921</u>	<u>133,659,139</u>
Total Primary Government expenses	<u>\$ 872,865,260</u>	<u>\$ 864,942,696</u>	<u>\$ 905,632,506</u>	<u>\$ 932,048,442</u>	<u>\$ 924,031,890</u>	<u>\$ 980,796,323</u>	<u>\$ 1,054,965,520</u>	<u>\$ 1,142,496,997</u>	<u>\$ 1,261,787,228</u>	<u>\$ 1,377,575,616</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 74,618,852	\$ 87,579,064	\$ 89,880,633	\$ 92,966,265	\$ 106,181,986	\$ 103,894,653	\$ 103,439,746	\$ 112,489,028	\$ 117,677,634	\$ 127,101,491
Public safety	18,371,561	18,657,124	19,565,438	18,588,424	21,687,330	19,773,290	23,263,146	22,196,324	23,086,259	31,638,301
Health and welfare	23,781,553	22,882,370	24,742,209	30,813,568	26,160,024	24,955,947	22,854,304	24,057,350	31,976,955	33,391,672
Other activities <sup>(1)</sup>	17,153,696	16,427,067	20,830,090	14,807,815	20,836,311	22,968,270	24,149,717	24,266,298	26,515,861	17,303,594
Operating grants and contributions <sup>(2)</sup>	102,888,009	124,992,376	119,088,730	120,872,849	61,667,457	72,649,328	139,730,077	85,307,387	84,538,148	107,348,717
Capital grants and contributions	25,298,534	22,966,675	33,389,320	38,957,791	39,517,908	59,709,830	80,630,575	91,614,747	100,413,331	107,823,191
Total governmental activities program revenues	<u>262,112,205</u>	<u>293,504,676</u>	<u>307,496,420</u>	<u>317,006,712</u>	<u>276,051,016</u>	<u>303,951,318</u>	<u>394,067,565</u>	<u>359,931,134</u>	<u>384,208,188</u>	<u>424,606,966</u>
<b>Business-type activities:</b>										
Charges for services:										
Water	42,259,584	43,582,483	47,735,250	50,258,066	51,994,177	56,821,001	57,308,263	62,398,994	64,618,668	67,816,317
Wastewater	41,235,104	43,742,327	46,868,841	49,402,056	50,582,323	52,388,858	54,323,838	57,311,163	57,490,891	61,090,715
Non-major funds	1,310,723	1,010,202	1,592,940	1,269,885	1,205,041	1,233,014	1,560,256	2,344,652	17,107,886	13,767,389
Operating grants and contributions	5,500,000	-	-	-	-	-	1,080,885	1,558,863	-	-
Capital grants and contributions	28,249,364	33,153,748	39,834,148	37,817,134	45,948,164	60,764,954	56,436,537	55,666,679	76,500,968	76,845,095
Total business-type activities program revenues	<u>118,554,775</u>	<u>121,488,760</u>	<u>136,031,179</u>	<u>138,747,141</u>	<u>149,729,705</u>	<u>171,207,827</u>	<u>170,709,779</u>	<u>179,280,351</u>	<u>215,718,413</u>	<u>219,519,516</u>
Total Primary Government program revenues	<u>\$ 380,666,980</u>	<u>\$ 414,993,436</u>	<u>\$ 443,527,599</u>	<u>\$ 455,753,853</u>	<u>\$ 425,780,721</u>	<u>\$ 475,159,145</u>	<u>\$ 564,777,344</u>	<u>\$ 539,211,485</u>	<u>\$ 599,926,601</u>	<u>\$ 644,126,482</u>

(Continued)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (523,548,726)	\$ (487,691,305)	\$ (512,670,343)	\$ (528,705,475)	\$ (559,023,094)	\$ (583,838,268)	\$ (559,318,244)	\$ (677,192,376)	\$ (739,935,119)	\$ (819,309,511)
Business-type activities	31,350,446	37,742,045	50,565,436	52,410,886	60,771,925	78,201,090	69,130,068	73,906,864	78,074,492	85,860,377
Total primary government net expense	<u>\$ (492,198,280)</u>	<u>\$ (449,949,260)</u>	<u>\$ (462,104,907)</u>	<u>\$ (476,294,589)</u>	<u>\$ (498,251,169)</u>	<u>\$ (505,637,178)</u>	<u>\$ (490,188,176)</u>	<u>\$ (603,285,512)</u>	<u>\$ (661,860,627)</u>	<u>\$ (733,449,134)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes:										
Property taxes, levied for general purposes	\$ 384,534,312	\$ 401,858,578	\$ 421,227,697	\$ 439,570,375	\$ 466,036,351	\$ 488,202,356	\$ 534,368,072	\$ 594,253,958	\$ 626,134,334	\$ 686,033,833
Property taxes, levied for special purposes	1,881,961	2,667,960	3,224,211	3,221,313	2,643,307	1,755,786	-	-	-	-
Utility taxes	7,927,826	7,867,528	8,043,759	8,216,114	8,329,669	8,283,882	8,498,528	8,611,855	8,629,878	8,598,427
Sales taxes	44,938,389	45,306,831	47,915,376	50,014,870	51,659,170	54,492,560	62,333,768	68,515,480	72,552,490	76,531,984
Motor vehicle licenses	14,167,545	14,275,048	13,944,691	15,210,404	15,240,626	15,072,427	15,882,533	9,865,854	8,908,956	8,310,135
Business license taxes	19,756,323	20,742,026	20,580,987	21,217,270	22,538,092	24,487,081	24,184,161	26,756,039	30,575,045	30,839,476
Other	11,315,246	13,122,548	13,777,956	15,141,786	15,857,572	15,314,188	18,929,955	21,445,772	19,072,366	13,922,074
Payment from School Board	10,293,109	9,427,230	-	-	-	-	-	-	-	-
Payment from CPCDA	-	-	-	-	-	-	-	-	3,331,721	-
Unrestricted grants and contributions	65,959,716	65,104,169	65,462,954	65,744,743	65,072,971	64,249,477	62,731,149	63,577,453	79,565,588	60,140,291
Investment earnings	322,164	1,121,270	1,549,802	4,422,305	12,958,675	14,916,037	1,866,005	(11,488,454)	29,897,995	61,051,485
Miscellaneous	859,804	603,354	260,951	1,454,046	2,229,273	943,379	1,030,756	1,534,223	1,515,650	2,947,818
Transfers	(997,797)	(714,882)	(749,313)	(222,238)	(364,375)	(1,484,250)	(20,305,612)	(28,035,735)	(34,630,666)	(542,902)
Total governmental activities	<u>560,958,598</u>	<u>581,381,660</u>	<u>595,239,071</u>	<u>623,990,988</u>	<u>662,201,331</u>	<u>686,232,923</u>	<u>709,519,315</u>	<u>755,036,445</u>	<u>845,553,357</u>	<u>947,832,621</u>
<b>Business-type activities:</b>										
Investment earnings	750,660	1,352,092	974,328	2,245,362	8,614,613	7,511,850	880,812	(15,247,385)	11,379,307	31,979,102
Miscellaneous	-	-	3,328,675	-	-	7,935,240	3,974,923	-	-	-
Transfers	997,797	714,882	749,313	222,238	364,375	1,484,250	20,305,612	28,035,735	34,630,666	542,902
Total business-type activities	<u>1,748,457</u>	<u>2,066,974</u>	<u>5,052,316</u>	<u>2,467,600</u>	<u>8,978,988</u>	<u>16,931,340</u>	<u>25,161,347</u>	<u>12,788,350</u>	<u>46,009,973</u>	<u>32,522,004</u>
Total Primary Government	<u>\$ 562,707,055</u>	<u>\$ 583,448,634</u>	<u>\$ 600,291,387</u>	<u>\$ 626,458,588</u>	<u>\$ 671,180,319</u>	<u>\$ 703,164,263</u>	<u>\$ 734,680,662</u>	<u>\$ 767,824,795</u>	<u>\$ 891,563,330</u>	<u>\$ 980,354,625</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 37,409,872	\$ 93,690,355	\$ 82,568,728	\$ 95,285,513	\$ 103,178,237	\$ 102,394,655	\$ 150,201,071	\$ 77,844,069	\$ 105,618,238	\$ 128,523,110
Business-type activities	33,098,903	39,809,019	55,617,752	54,878,486	69,750,913	95,132,430	94,291,415	86,695,214	124,084,465	118,382,381
Total Primary Government	<u>\$ 70,508,775</u>	<u>\$ 133,499,374</u>	<u>\$ 138,186,480</u>	<u>\$ 150,163,999</u>	<u>\$ 172,929,150</u>	<u>\$ 197,527,085</u>	<u>\$ 244,492,486</u>	<u>\$ 164,539,283</u>	<u>\$ 229,702,703</u>	<u>\$ 246,905,491</u>

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

(2) Beginning in fiscal year 2019, state sales tax designated for education is reported directly by the School Board and no longer passes through the General Fund.

Table III

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>General Fund</b>										
Restricted	\$ 16,031,238	\$ 19,074,127	\$ 18,168,690	\$ 19,209,996	\$ 23,244,157	\$ 24,120,378	\$ 25,281,349	\$ 29,440,785	\$ 33,249,401	\$ 35,342,303
Committed	725,267	1,484,040	1,468,131	1,680,987	1,694,052	1,735,315	1,933,701	2,149,815	2,393,360	2,580,229
Assigned	197,476,873	233,819,201	263,559,665	276,746,618	295,638,016	350,483,633	456,225,565	427,745,740	444,843,568	437,731,940
Unassigned	<u>58,000,000</u>	<u>58,668,400</u>	<u>60,004,400</u>	<u>60,004,400</u>	<u>63,004,400</u>	<u>63,004,400</u>	<u>64,800,400</u>	<u>70,800,400</u>	<u>73,800,400</u>	<u>86,050,400</u>
Total General Fund	<u>\$ 272,233,378</u>	<u>\$ 313,045,768</u>	<u>\$ 343,200,886</u>	<u>\$ 357,642,001</u>	<u>\$ 383,580,625</u>	<u>\$ 439,343,726</u>	<u>\$ 548,241,015</u>	<u>\$ 530,136,740</u>	<u>\$ 554,286,729</u>	<u>\$ 561,704,872</u>
<b>All Other Governmental Funds <sup>(1)</sup></b>										
Nonspendable	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	78,588,171	149,020,985	205,384,023	154,872,844	208,516,708	224,439,518	299,024,362	390,023,415	447,951,220	696,771,020
Assigned, reported in:										
School Capital Projects Fund	228,029	150,352	-	-	-	-	-	-	-	-
Special Revenue Funds	<u>6,049,972</u>	<u>5,432,814</u>	<u>10,813,637</u>	<u>15,914,420</u>	<u>17,189,479</u>	<u>21,585,989</u>	<u>24,292,259</u>	<u>27,119,778</u>	<u>28,578,258</u>	<u>31,078,845</u>
Total all other governmental funds	<u>\$ 84,871,172</u>	<u>\$ 154,609,151</u>	<u>\$ 216,197,660</u>	<u>\$ 170,787,264</u>	<u>\$ 225,706,187</u>	<u>\$ 246,025,507</u>	<u>\$ 323,316,621</u>	<u>\$ 417,143,193</u>	<u>\$ 476,529,478</u>	<u>\$ 727,849,865</u>

(1) 2020 fund balance was restated to reflect the adoption of GASB Statement 84.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
General property taxes	\$ 387,980,769	\$ 403,863,868	\$ 422,283,775	\$ 446,596,315	\$ 468,733,553	\$ 494,113,384	\$ 536,016,017	\$ 591,477,097	\$ 630,589,572	\$ 687,487,847
Other local taxes	98,580,358	102,101,705	105,016,089	110,964,756	114,448,075	118,150,668	150,504,608	165,043,462	170,055,239	176,199,220
Permits, fees and licenses	6,821,163	6,764,863	7,425,213	7,824,332	9,264,481	8,911,771	10,005,208	10,773,435	9,601,195	16,237,422
Fines and forfeitures	2,496,443	1,811,841	2,171,101	2,245,952	2,273,900	1,884,988	2,932,862	2,236,780	2,464,907	2,015,885
Use of money and property	866,562	1,818,019	2,280,980	5,174,673	13,717,652	15,450,011	2,833,467	(9,367,383)	29,507,127	58,521,996
Charges for services	39,271,152	41,805,240	46,833,619	51,553,451	53,532,424	53,820,363	50,223,414	51,770,976	59,187,225	61,894,692
Donations and miscellaneous	11,069,175	10,402,779	14,756,966	9,195,955	10,652,219	12,359,572	10,822,080	9,860,840	11,713,322	9,664,161
Recovered costs	12,440,763	12,988,894	10,892,720	7,115,564	8,027,131	6,345,080	5,491,221	5,811,263	9,216,916	8,631,759
From component unit - School Board	10,293,109	9,427,230	12,945,526	11,329,125	11,940,962	15,385,079	21,727,448	16,037,376	19,069,945	27,467,232
From component unit - Other <sup>(1)</sup>	552,324.00	-	-	-	-	-	-	-	3,331,721	-
From other governments <sup>(2)</sup>	184,495,752	195,931,063	191,395,432	205,072,874	148,515,925	168,469,862	231,849,668	180,971,127	174,717,384	200,557,663
Total revenues	754,867,570	786,915,502	816,001,421	857,072,997	841,106,322	894,890,778	1,022,405,993	1,024,614,973	1,119,454,553	1,248,677,877
<b>Expenditures</b>										
General government	45,747,255	46,519,517	47,014,959	56,277,595	55,235,275	56,743,310	65,183,959	66,631,050	72,397,874	73,986,467
Administration of justice	9,511,417	10,195,274	9,739,559	10,217,442	10,402,310	11,430,290	11,848,037	12,503,261	14,442,117	14,774,124
Public safety	174,546,991	177,339,678	180,405,571	183,280,257	191,755,977	193,899,623	213,494,484	225,760,325	257,392,969	272,327,320
Public works	16,707,503	17,329,618	18,210,063	19,836,094	22,520,412	24,929,889	24,975,738	23,156,899	25,529,173	33,024,060
Health and welfare	76,045,471	81,622,971	83,973,130	86,974,554	91,457,127	93,279,373	94,043,767	99,865,873	117,164,918	129,790,485
Parks, recreation and cultural	18,352,707	19,258,487	20,747,230	21,634,902	22,939,896	22,172,944	21,055,569	26,324,591	28,229,272	34,815,992
Education - School Board <sup>(2)</sup>	271,952,519	268,106,031	282,418,123	294,272,019	249,338,696	237,716,856	242,810,581	316,274,508	308,356,324	331,742,922
Community development	20,104,987	19,727,695	20,882,779	23,343,007	25,204,301	22,715,885	34,051,370	35,860,140	15,711,984	29,610,500
Debt service:										
Principal	49,466,021	41,579,430	42,473,914	47,879,070	48,331,385	54,142,371	55,494,864	60,859,915	69,708,238	73,799,392
Interest	18,269,647	17,737,591	17,730,105	19,373,255	20,610,711	23,581,413	25,919,362	26,235,740	27,748,477	29,178,700
Other	110,342	1,275,819	683,442	584,745	1,021,664	893,492	1,121,953	764,686	580,347	1,190,360
Capital outlay	69,836,981	76,490,074	93,304,435	135,661,606	127,051,427	244,460,098	192,655,108	156,270,486	205,622,537	280,010,273
Total expenditures	770,651,841	777,182,185	817,583,310	899,334,546	865,869,181	985,965,544	982,654,792	1,050,507,474	1,142,884,230	1,304,250,595
Excess (deficiency) of expenditures over (under) revenues	(15,784,271)	9,733,317	(1,581,889)	(42,261,549)	(24,762,859)	(91,074,766)	39,751,201	(25,892,501)	(23,429,677)	(55,572,718)
<b>Other Financing Sources (Uses)</b>										
Leases	-	-	-	-	-	-	-	863,227.00	3,365,909	310,263
Subscriptions	-	-	-	-	-	-	-	-	1,878,140	3,479,852
Transfers in	30,229,920	24,801,835	28,874,860	54,709,089	55,271,237	55,602,762	38,738,677	47,837,589	65,836,881	111,575,931
Transfers out	(31,214,517)	(25,194,469)	(34,467,073)	(54,654,921)	(56,135,612)	(56,939,765)	(57,824,444)	(77,834,390)	(103,935,953)	(112,086,562)
Bonds issued	-	100,910,386.00	98,917,642	11,238,100	106,484,781	168,279,764	165,551,399	130,748,372	127,800,000	284,735,000
Refunding bonds issued	-	134,941,531	20,224,000	-	-	-	56,046,879	-	12,020,974	26,296,764
Payments to escrow agent	-	(134,642,231)	(20,223,913)	-	-	-	(56,075,309)	-	-	-
Sale of redevelopment asset	5,105,223	-	-	-	-	-	-	-	-	-
Total other financing sources, net	4,120,626	100,817,052	93,325,516	11,292,268	105,620,406	166,942,761	146,437,202	101,614,798	106,965,951	314,311,248
Net change in fund balances	\$ (11,663,645)	\$ 110,550,369	\$ 91,743,627	\$ (30,969,281)	\$ 80,857,547	\$ 75,867,995	\$ 186,188,403	\$ 75,722,297	\$ 83,536,274	\$ 258,738,530
Debt service as a percentage of noncapital expenditures	9.18%	8.14%	7.98%	8.41%	8.88%	9.50%	9.60%	8.93%	9.26%	8.98%

**Notes:**

(1) Due to implementation of GASB 61 in 2013, the Economic Development Authority is reflected as a blended component unit in the business-type activity of the primary government, historical balances have not been restated.

(2) Beginning in fiscal year 2019, state sales tax designated for education is reported directly by the School Board and no longer passes through the General Fund.

Table V

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Real property taxes	\$ 302,662,551	\$ 313,731,924	\$ 325,839,487	\$ 342,996,966	\$ 359,077,665	\$ 380,157,963	\$ 407,965,771	\$ 440,922,104	\$ 471,370,030	\$ 528,415,997
Property taxes for special purposes	3,331,972	3,865,636	5,336,834	6,032,778	5,850,237	4,304,486	3,917,962	6,465,771	5,214,944	4,062,425
Personal property taxes <sup>(1)</sup>	102,263,777	106,926,822	109,572,215	115,288,966	120,556,841	124,656,488	137,105,307	158,630,244	127,641,921	123,683,538
Real and personal public										
service corporation taxes	12,681,584	12,861,027	13,885,590	14,610,625	15,436,481	17,807,558	16,980,324	16,240,147	16,072,822	15,689,864
Machinery and tools taxes	4,912,750	4,564,090	5,372,984	5,039,046	4,950,362	4,670,316	6,094,602	5,857,184	3,348,088	8,344,213
Local sales and use tax <sup>(2)</sup>	45,413,418	46,094,554	48,668,697	50,856,685	52,482,114	54,993,090	62,870,360	69,052,751	72,552,490	76,531,984
Business license taxes	19,756,323	20,742,026	20,580,987	21,539,767	22,538,092	24,487,081	24,184,161	26,756,039	30,575,045	30,839,476
Consumer utility tax	7,927,826	7,867,528	8,043,759	8,216,114	8,329,669	8,283,882	8,498,528	8,611,855	8,629,878	8,598,427
Motor vehicle licenses	14,167,545	14,275,048	13,944,691	15,210,404	15,240,626	15,072,427	15,882,533	9,865,854	8,908,956	8,310,135
Recordation tax	4,715,219	5,655,737	5,892,181	6,383,590	6,849,708	7,747,979	11,065,086	10,829,796	7,903,899	7,593,819
Transient occupancy tax	4,463,850	4,931,324	5,186,616	5,757,601	5,746,917	4,528,009	4,583,087	6,642,030	7,070,316	1,862,929
Other taxes <sup>(3)</sup>	5,356,360	5,541,905	6,067,871	6,720,577	7,214,963	6,646,822	8,325,881	8,427,641	21,723,527	21,344,113
Total	<u>\$ 527,653,175</u>	<u>\$ 547,057,621</u>	<u>\$ 568,391,912</u>	<u>\$ 598,653,119</u>	<u>\$ 624,273,675</u>	<u>\$ 653,356,101</u>	<u>\$ 707,473,602</u>	<u>\$ 768,301,416</u>	<u>\$ 781,011,916</u>	<u>\$ 835,276,920</u>

*(1) Includes reimbursement to the County by the Commonwealth for personal property as defined in the Personal Property Tax Relief Act of 1998. Amount is reported as non-categorical aid from the*

*(2) Includes Watkins Centre and Chippenham Place Community Development Authorities incremental sales tax.*

*(3) Includes penalties and interest on property taxes.*

**County of Chesterfield, Virginia**  
**Assessed and Estimated Market Values of Taxable Property <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(unaudited)**

Fiscal Year	Assessed Values						Total Direct Tax Rate
	Real Estate <sup>(2)</sup>		Personal property	Machinery and tools	Public service	Total	
	Residential	Commercial/ industrial					
2015	\$ 25,216,056,226	\$ 6,978,880,525	\$ 3,678,673,795	\$ 492,208,390	\$ 1,306,718,575	\$ 37,672,537,511	\$ 1.22
2016	26,301,749,013	7,275,677,327	3,825,378,513	464,611,380	1,346,367,453	39,213,783,686	1.22
2017	27,654,285,819	7,404,623,041	3,990,515,453	524,819,940	1,450,194,577	41,024,438,830	1.22
2018	29,253,035,058	7,736,277,161	4,146,470,073	501,803,911	1,529,828,157	43,167,414,360	1.21
2019	30,818,731,062	8,253,803,629	4,359,510,990	501,394,015	1,581,748,714	45,515,188,410	1.20
2020	32,720,941,603	8,805,491,124	4,479,031,443	503,009,315	1,776,001,979	48,284,475,464	1.20
2021	34,957,101,000	9,109,561,327	5,213,955,792	738,446,268	1,797,799,425	51,816,863,812	1.22
2022	39,694,948,750	10,865,160,129	6,674,408,509	581,580,788	1,757,456,119	59,573,554,295	1.22
2023	44,060,645,574	11,661,167,061	6,359,104,613	370,092,202	1,774,180,040	64,225,189,490	1.18
2024	48,795,041,851	12,473,817,794	6,392,178,575	824,306,353	1,748,727,801	70,234,072,374	1.12

Source: County Assessor's Office

- (1) Property in the County is assessed each year. Assessed values of all classes of property approximate market value except for public service property, which is determined by the State Corporation Commission.
- (2) Real estate assessed values include both halves of the year's assessments.
- (3) The total direct tax rate for each fiscal year is per \$100 of assessed value and is calculated on a weighted average basis with no adjustment for prorated personal property tax valuations.

Table VII

**County of Chesterfield, Virginia**  
**Property Tax Rates (Per \$100 of assessed value)**  
**Last Ten Fiscal Years**  
**(unaudited)**

Fiscal Year	Personal Property										Total <sup>(6)</sup> direct tax rate
	Real estate <sup>(5)</sup>	Airplanes	Motor vehicles clean special fuels	Motor <sup>(1)</sup> vehicles of voluntary personnel	Wild or exotic animals	Special equipped motor vehicles physically handicap	Vehicle <sup>(2)</sup> trailer and semi-trailer	All <sup>(3)</sup> others	Data <sup>(7)</sup> center	Machinery and tools	
2015	\$ 0.96	\$ 0.50	\$ 3.24	\$ 0.96	\$ 0.01	\$ 0.01	\$ 0.96	\$ 3.60	\$ -	\$ 1.00	\$ 1.22
2016	0.96	0.50	3.24	0.96	0.01	0.01	0.96	3.60	-	1.00	1.22
2017	0.96	0.50	3.24	0.96	0.01	0.01	0.96	3.60	-	1.00	1.22
2018	0.96/0.95 <sup>(4)</sup>	0.50	3.24	0.96	0.01	0.01	0.96	3.60	-	1.00	1.21
2019	0.95	0.50	3.24	0.96	0.01	0.01	0.96	3.60	0.24	1.00	1.20
2020	0.95	0.50	3.24	0.96	0.01	0.01	0.96	3.60	0.24	1.00	1.20
2021	0.95	0.50	3.24	0.96	0.01	0.01	0.96	3.60	0.24	1.00	1.22
2022	0.95/0.92 <sup>(4)</sup>	0.50	3.24	0.96	0.01	0.01	0.96	3.60	0.24	1.00	1.22
2023	0.92/0.91 <sup>(4)</sup>	0.50	3.24	0.96/0.91 <sup>(4)</sup>	0.01	0.01	0.96/0.91 <sup>(4)</sup>	3.60	0.24	1.00	1.18
2024	0.91/0.90 <sup>(4)</sup>	0.50	3.24	0.91/0.90 <sup>(4)</sup>	0.01	0.01	0.91/0.90 <sup>(4)</sup>	3.60/3.35 <sup>(4)</sup>	0.24	1.00	1.12

Source: Chesterfield County Accounting Department

- (1) Includes motor vehicles owned by members of volunteer rescue squads, volunteer fire departments, volunteer police chaplains, and auxiliary police officers.
- (2) Includes motor vehicles, trailers, and semi-trailers with a gross vehicle weight of 10,000 pounds or more to transport property for hire by a motor carrier engaged in interstate commerce.
- (3) Includes automobiles (except those mentioned above), boats, boat trailers, other motor vehicles and all tangible personal property used or held with any mining, manufacturing or other business, trade, occupation or profession, including furnishings, furniture, and appliances in rental units, with the exception of computer equipment and peripherals used in a data center. The tax rate shown does not factor in depreciation on tangible personal property, which is \$2.52 for the first year the equipment is in service.
- (4) The tax rate was different for each half of the fiscal year.
- (5) In 2006, the County initiated a supplemental property tax in the Powhite-Charter Colony Parkway Interchange Service District. Real property in the district is charged a supplemental tax rate of \$0.05 per \$100 in addition to the real estate rate.
- (6) The total direct tax rate for each fiscal year is per \$100 of assessed value and is calculated on a weighted average basis with no adjustment for prorated personal property tax valuations.
- (7) The tax rate for this category is calculated using a depreciation factor based on years in service. The tax rate shown is for the first year the equipment is in service.

**County of Chesterfield, Virginia  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
(unaudited)**

<u>Taxpayer</u>	<u>2024</u>			<u>2015</u>		
	<u>Assessed value <sup>(1)</sup></u>	<u>Percentage of total assessed valuation</u>	<u>Rank</u>	<u>Assessed value <sup>(2)</sup></u>	<u>Percentage of total assessed valuation</u>	<u>Rank</u>
Dominion Virginia Power	\$ 1,370,949,277	1.95 %	1	\$ 878,494,156	2.33 %	1
Bon Secours St. Francis Medical Center	184,390,600	0.26	2	138,004,500	0.37	4
Columbia Gas of Virginia, Inc.	177,417,627	0.25	3	77,352,326	0.21	8
Verizon Communications	142,314,684	0.20	4	207,834,736	0.55	3
RPI Chesterfield, LLC	104,145,200	0.15	5	128,629,700.00	0.34	5
Watkins Associates LLC	100,768,800	0.14	6	-	-	
Cole ID Chesterfield VA LLC	93,500,400	0.13	7	-	-	
C. J. W. Medical Center	90,607,400	0.13	8	66,657,400	0.18	10
Element at Stonebridge	90,125,600	0.13	9	-	-	
Philip Morris USA	<u>89,712,800</u>	<u>0.13</u>	10	111,811,380	0.30	6
E. I. duPont De Nemours and Company				231,772,580	0.62	2
Zaremba Metropolitan Mid LLC				83,652,500	0.22	7
Brandywine Operating Partnership				<u>75,384,800</u>	<u>0.20</u>	9
	<u>\$ 2,443,932,388</u>	<u>3.47%</u>		<u>\$ 1,999,594,078</u>	<u>5.32%</u>	

Source: Assessor, Chesterfield County and State Corporation Commission

(1) Includes real estate and public service assessed value.

(2) Includes real estate, personal property, machinery and tools and public service assessed value.

Table IX

**County of Chesterfield, Virginia  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(unaudited)**

Fiscal year	Taxes levied for the fiscal year (original levy)	Net Adjustments & Supplemental Billings <sup>(1)</sup>	Total adjusted levy	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
				Amount	Percentage of original levy		Amount	Percentage of adjusted levy
2015	\$ 426,586,417	\$ (1,519,419)	\$ 425,066,998	\$ 408,501,369	95.76 %	\$ 15,739,456	\$ 424,240,825	99.81 %
2016	444,012,047	(1,748,698)	442,263,349	424,981,949	95.71	16,949,106	441,931,055	99.92
2017	461,670,404	5,930,119	467,600,523	438,741,489	95.03	28,715,300	467,456,789	99.97
2018	474,416,085	3,477,211	477,893,296	461,398,602	97.26	15,350,857	476,749,459	99.76
2019	495,525,767	5,552,054	501,077,821	479,959,172	96.86	19,680,464	499,639,636	99.71
2020	518,633,584	6,768,725	525,402,309	502,242,424	96.84	21,450,369	523,692,793	99.67
2021	556,501,159	6,187,520	562,688,679	538,928,836	96.84	21,549,469	560,478,305	99.61
2022	638,365,382	(4,472,514)	633,892,868	612,576,241	95.96	17,795,428	630,371,669	99.44
2023	666,465,095	(14,028,282)	652,436,813	642,375,617	96.39	3,040,531	645,416,148	98.92
2024	698,251,016	-	698,251,016	673,009,082	96.38	-	673,009,082	96.38

Source: Chesterfield County Treasurer's Office

Includes taxes levied on real estate, personal property, mobile homes and machinery and tools. Includes the supplemental property taxes in the Powhite-Charter Colony Parkway Interchange Service District, Chesterfield Towne Center - Southport Area Service District, Eastern Midlothian Turnpike Corridor Service District and the reimbursement to the County by the Commonwealth of Virginia for personal property tax relief.

(1) Beginning July 1, 2017, due to a system conversion, supplemental tax billings are accounted for by tax year (calendar year). Accordingly, supplemental billings are recorded in the tax year billed. Previous to July 1, 2017, supplemental tax billings were accounted for by fiscal year.

**County of Chesterfield, Virginia**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(unaudited)**

Fiscal year	Governmental Activities							Business-type Activities						Debt per capita
	General obligation bonds	Other <sup>(1)(4)</sup>	Support & Other Agreements	Public facility lease revenue bonds	Certificates of participation	Financed Purchases	SBITAs & Leases	Revenue bonds <sup>(2)</sup>	Certificates of participation	Other <sup>(3)</sup>	Total Primary Government	Percentage of personal income	Population	
2015	\$ 371,651,300	\$ -	\$ 15,890,000	\$ 4,169,249	\$ 48,468,654	\$ 424,086	\$ -	\$ 74,452,824	\$ 901,665	\$ -	\$ 515,957,778	3.31%	332,000	\$ 1,554
2016	423,290,121	30,422,731	14,560,000	3,292,722	29,079,233	263,624	-	63,872,739	742,019	-	565,523,189	3.42	335,000	1,688
2017	472,910,798	36,586,858	13,220,000	2,441,134	25,039,681	90,613	-	57,155,952	654,194	-	608,099,230	3.55	339,000	1,794
2018	411,408,111	67,355,041	11,865,000	1,614,369	14,073,959	-	-	50,802,534	550,724	259,715	557,929,453	3.11	344,000	1,622
2019	440,589,980	93,761,263	10,500,000	802,338	11,477,993	-	-	44,374,367	449,055	558,187	602,513,183	3.22	349,000	1,726
2020	511,771,898	133,497,557	9,130,000	-	8,922,691	-	-	37,879,491	349,014	1,753,700	703,304,351	3.62	353,000	1,992
2021	534,555,496	225,497,401	-	-	6,399,102	-	-	31,312,242	250,255	1,661,400	799,675,896	3.90	365,000	2,191
2022	621,990,356	207,245,327	-	-	329,685	-	7,423,561	451,079	-	14,486	837,454,494	3.92	371,000	2,257
2023	679,220,260	224,144,602	-	-	1,889,628	-	11,571,585	17,937,083	73,874	1,476,800	936,313,832	4.21	378,000	2,446
2024	621,647,279	518,255,926	-	-	329,685	-	10,740,474	11,119,832	12,888	1,384,500	1,163,490,582	4.99	388,000	2,999

(1) Includes revenue bonds, subfund revenue bonds and direct borrowings.

(2) Includes revenue bonds, subfund revenue bonds.

(3) Includes revenue bonds, Airport Revolving Loan Fund.

(4) In FY2018, the County early implemented GASB 88. Some outstanding amounts were reclassified, however, historical information was not restated.

**Note:**

The County has no legal debt margin and there are no jurisdictions with overlapping general obligation debt incurring powers.

Population and personal income data are found on Table XIII.

N/A = not available

**County of Chesterfield, Virginia**  
**Ratios of General Obligation Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(unaudited)**

<b>Fiscal year</b>	<b>General obligation bonds outstanding</b>	<b>Estimated population<sup>(1)</sup></b>	<b>Per capita</b>	<b>Assessed value of taxable property<sup>(2)</sup></b>	<b>Ratio to assessed value</b>
2015	\$ 371,651,300	332,000	1,119	\$ 37,672,537,511	0.99%
2016	423,290,121	335,000	1,264	39,213,783,686	1.08
2017	472,910,798	339,000	1,395	41,024,438,830	1.15
2018	425,704,111	344,000	1,238	43,167,414,360	0.99
2019	449,187,980	349,000	1,287	45,515,188,410	0.99
2020	516,342,898	353,000	1,463	48,284,475,464	1.07
2021	535,276,496	365,000	1,467	51,816,863,812	1.03
2022	621,990,356	371,000	1,677	59,573,554,295	1.04
2023	679,220,260	378,000	1,797	64,224,533,890	1.06
2024	621,647,279	388,000	1,602	64,225,189,490	0.97

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*Source:*

*(1) U.S. Census Bureau.*

*(2) Assessed value of taxable property - Chesterfield County Assessor's office.*

**County of Chesterfield, Virginia  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
(unaudited)**

**Water and Sewer Revenue Bonds**

<b>Fiscal Year</b>	<b>Gross revenues <sup>(1)</sup></b>	<b>Less operating expenses <sup>(2)</sup></b>	<b>Net revenues available for debt service</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2015	\$ 97,137,443	\$ 43,572,048	\$ 53,565,395	\$ 3,935,000	\$ 2,979,931	775%
2016	105,244,822	45,358,971	59,885,851	4,080,000	2,844,330	865
2017	114,862,024	46,368,663	68,493,361	4,855,000	2,130,832	980
2018	122,754,614	47,481,191	75,273,423	4,665,000	2,325,375	1077
2019	137,268,139	51,034,577	86,233,562	4,910,000	2,086,000	1233
2020	148,214,173	53,833,975	94,380,198	5,160,000	1,834,250	1349
2021	150,424,147	57,381,365	93,042,782	5,425,000	1,569,625	1330
2022	135,948,162	56,459,437	79,488,725	5,710,000	1,291,250	1135
2023	164,443,940	62,678,206	101,765,734	6,000,000	998,500	1454
2024	202,016,305	69,763,726	132,252,579	6,315,000	690,625	1888

*(1) Operating revenues, interest and connection fees as described in Note.*

*(2) Net of depreciation and amortization.*

*Note:*

Beginning September 1985, the Chesterfield County Utilities Department operated under the terms and conditions of bond resolutions requiring the County to fix, establish, and maintain rates and charges (including interest) sufficient to produce revenue of not less than the total of budgeted operating expenses and 115% of the debt service to become due during such fiscal year. The above revenues, expenses, and debt service relationships existed for the last ten fiscal years.

**County of Chesterfield, Virginia  
Demographic Statistics  
Last Ten Years  
(unaudited)**

<u>Year</u>	<u>Population</u> <sup>(1)</sup>	<u>Personal income</u> <sup>(2)</sup> <u>(\$000)</u>	<u>Per capita income</u> <sup>(2)</sup>	<u>Unemployment rate</u> <sup>(3)</sup>	<u>Median age</u> <sup>(1)</sup>
2015	332,000	\$ 15,610,023	\$ 47,005	4.5 %	37.9
2016	335,000	16,536,584	49,375	4.0	38.0
2017	339,000	17,105,523	50,536	3.7	38.2
2018	344,000	17,927,605	52,225	3.1	38.6
2019	349,000	18,703,417	53,702	2.7	38.8
2020	353,000	19,428,723	55,070	8.5	38.9
2021	365,000	20,524,361	56,231	4.3	38.9
2022	371,000	21,341,503	57,524	2.9	39.2
2023	378,000	22,232,980	58,817	2.8	39.2
2024	388,000	23,322,735	60,110	3.0	39.5

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**Sources:**

(1) *U. S. Census Bureau.*

(2) *U. S. Bureau of Economic Analysis (BEA) (prior years' estimates are updated periodically). Per Capita Income for 2021 and 2022 is based on a trend average of 2013 - 2020. Personnel income amounts for 2022-2023 are calculated by multiplying the population estimates by the Per Capita Personal Income estimates for each year.*

(3) *Virginia Employment Commission (prior years' rates are updated periodically).*

County of Chesterfield, Virginia  
Principal Private Employers  
Current Year and Nine Years Ago  
(unaudited)

<u>Employer</u>	2024 <sup>(1)</sup>			2015 <sup>(2)</sup>		
	<u>Employee Class Size</u>	<u>Rank<sup>(4)</sup></u>	<u>Percentage<sup>(3)</sup> of total civilian labor force</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total civilian labor force</u>
Amazon Com KYDC Inc.	1000 and over	1	0.99%	1,100	9	62.00%
Maximus Services LLD	1000 and over	1	0.99			
United Parcel Service	1000 and over	1	0.99	1,967	2	1.11
HCA Virginia Health System/C.J.W. Medical Center	1000 and over	1	0.99	1,182	6	0.67
E.I. duPont De Nemours Co.	1000 and over	1	0.99	2,486	1	1.41
Wal-Mart Stores Inc.	1000 and over	1	0.99	1,555	3	0.88
Hill Phoenix	1000 and over	1	0.99	1,250	4	0.71
Kroger	1000 and over	1	0.99	1,154	7	0.65
Food Lion	1000 and over	1	0.99			
Bon Secours Health System/St. Francis Medical Center	1000 and over	1	0.99	1,150	8	0.65
Capital One Financial Corp.				1,230	5	0.70
Ukrop's/Martin's Super Markets, Inc.				1,065	10	0.60
Estimated total	<u>20,000</u>		<u>9.90 %</u>	<u>14,139</u>		<u>8.00%</u>
Total civilian labor force <sup>(1)</sup>	202,345					

Source: (1) Virginia Employment Commission

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

(3) Percentages are based on the midpoint of the employment range

(4) Rankings are based on the midpoint of the employment range

Table XV

**County of Chesterfield, Virginia**  
**Full-time County Employees by Function**  
**Last Ten Fiscal Years**  
**(unaudited)**

<u>Function</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Governmental activities</b>										
General government	467	478	478	467	477	476	462	470	506	517
Administration of justice	150	158	159	153	161	162	170	171	174	178
Public safety:										
Fire	466	488	495	486	490	513	519	535	571	594
Police	601	608	621	608	609	653	669	672	682	675
Sheriff	250	269	256	256	257	268	267	275	277	296
Other	198	200	196	194	198	203	198	195	198	208
Total public safety	<u>1,515</u>	<u>1,565</u>	<u>1,568</u>	<u>1,544</u>	<u>1,554</u>	<u>1,637</u>	<u>1,653</u>	<u>1,677</u>	<u>1,728</u>	<u>1,773</u>
Public works	136	140	142	141	154	148	154	156	167	178
Health and welfare	570	576	544	585	600	621	589	612	639	654
Parks, recreation and cultural	164	162	179	175	189	186	193	204	215	239
Community development	75	73	77	87	89	85	86	87	89	90
Total governmental activities	<u>3,077</u>	<u>3,151</u>	<u>3,147</u>	<u>3,151</u>	<u>3,224</u>	<u>3,315</u>	<u>3,307</u>	<u>3,377</u>	<u>3,518</u>	<u>3,629</u>
<b>Business-type activities <sup>(1)</sup></b>										
Water	149	150	152	151	152	151	153	151	162	154
Wastewater	129	129	122	125	130	128	128	122	129	132
Airport	3	3	3	3	3	2	3	3	3	2
Total business-type activities	<u>281</u>	<u>282</u>	<u>277</u>	<u>279</u>	<u>285</u>	<u>281</u>	<u>284</u>	<u>276</u>	<u>294</u>	<u>288</u>
 Grand total	 <u>3,358</u>	 <u>3,433</u>	 <u>3,424</u>	 <u>3,430</u>	 <u>3,509</u>	 <u>3,596</u>	 <u>3,591</u>	 <u>3,653</u>	 <u>3,812</u>	 <u>3,917</u>
 Number of County employees per 1,000 population	 10.1	 10.2	 10.1	 10.0	 10.1	 10.2	 9.8	 9.8	 10.1	 10.1

Source: Chesterfield County Accounting Department

(1) Economic Development Authority has no employees.

**County of Chesterfield, Virginia  
Operating Indicators by Function  
Last Ten Fiscal Years  
(unaudited)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Police</b>										
Police Activities <sup>(1)</sup>	693,517	677,212	683,042	652,326	620,027	665,250	637,749	597,920	587,390	518,674
IBR Group A Incidents/Part 1 Offenses	16,044	16,432	16,588	16,147	16,147	15,462	13,885	14,116	15,200	15,009
IBR Group A Clearance Rate/Uniform Clearance Rate <sup>(9)</sup>	50%	51%	48%	48%	46%	49%	44%	44%	N/A	N/A
Average Response Time for Priority 1 (life threatening calls)	3.79 min.	3.57 min.	3.57 min.	4.19 min.	4.07 min.	3.97 min.	4.08 min.	4.28 min.	4.51 min.	4.43 min.
<b>Fire and EMS</b>										
Emergency operations dispatches	38,184	39,756	41,725	42,532	43,107	42,699	44,794	49,627	49,996	51,048
Emergency medical ambulance dispatches	29,122	29,731	32,515	34,586	34,235	33,297	34,694	39,124	38,859	39,544
Fire engine medical support calls	11,107	11,178	13,491	14,489	15,435	15,204	17,416	18,757	14,902	14,829
Firefighter staffed ambulance calls	24,372	25,598	27,633	28,737	29,787	29,162	30,493	35,013	35,325	36,080
Building inspections conducted	2,675	3,277	3,190	3,354	3,313	3,372	4,323	4,217	4,141	3,736
Construction plans reviewed	1,100	1,150	1,222	1,362	1,276	1,307	1,006	1,101	1,285	1,281
<b>Library</b> <sup>(2) (5)</sup>										
Total circulation <sup>(3)</sup>	6,472,601	5,348,564	5,674,592	2,798,632	2,837,082	2,276,766	2,205,169	2,550,426	2,902,941	4,559,746
Number of visitors <sup>(6)</sup>	3,661,350	3,214,190	3,242,218	4,098,014	4,883,712	5,741,044	4,537,955	6,535,181	7,164,966	8,040,085
Number of reference and general assistance questions <sup>(6) (8)</sup>	10,180,296	10,280,044	13,654,770	5,107,832	4,871,570	5,677,695	4,481,580	6,291,501	7,028,284	7,859,740
Number of public access computer sessions <sup>(4)</sup>	698,891	440,464	622,933	802,629	423,168	292,135	90,154	118,971	128,572	131,228
<b>Elections</b>										
Registered voters	220,903	228,605	234,134	239,116	242,291	250,266	260,274	265,633	268,840	275,392
<b>Utilities</b>										
Water customers serviced	105,847	107,212	108,949	110,739	112,659	114,834	117,403	119,240	121,167	123,032
Wastewater customers serviced	89,406	90,660	92,223	93,874	95,622	97,570	99,998	101,858	103,348	104,965
<b>Parks and Recreation</b>										
Number of park visitors	5,335,987	5,810,922	6,383,686	6,676,771	6,392,693	6,630,991	6,995,353	6,412,610	6,200,000	6,922,208
Cost per visitor	0.27 \$	0.22 \$	0.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: County Departments providing the service

(1) Fiscal years 2011 and 2012 counts were updated in fiscal year 2013 to reflect consistent reporting. Beginning in fiscal year 2017, this category included written warnings.

(2) Beginning on July 1, 2011, libraries were open one less day per week. Library hours were restored in September 2016.

(3) Beginning in fiscal year 2012, includes traditional and electronic total circulation.

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

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

(6) The Bon Air Library was closed for renovations for half of fiscal year 2014.

(7) Visitor counts are not available for fiscal year 2014.

(8) Beginning in fiscal year 2015, adjustments were made to the method of capturing customer initiated metrics.

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

N/A = Not available

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Airport</b>										
Number of airplane hangars	110	110	110	110	110	110	110	110	110	110
<b>Police</b>										
Number of stations	4	4	5	5	5	5	5	5	5	5
<b>Fire Protection</b>										
Number of fire companies	22	22	22	22	22	22	23	23	23	23
<b>Library</b>										
Number of facilities	9	10	10	10	10	10	10	10	10	10
<b>Utilities</b>										
Water line in system (miles)	1,920	1,946	1,971	1,993	2,014	2,048	2,068	2,090	2,121	2,142
Wastewater line in system (miles)	2,022	2,044	2,077	2,104	2,126	2,165	2,190	2,210	2,243	2,264
<b>Parks and Recreation</b> <sup>(1)</sup>										
Number of parks	52	54	56	57	57	62	65	67	67	67
Park acreage	4,561	4,625	4,863	5,131	5,131	5,165	5,240	5,138	5,165	5,165
Number of athletic complexes maintained	11	11	12	12	12	11	11	12	12	14

Source: County Departments providing the

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



## COMPLIANCE SECTION

**Report of Independent Auditor on Internal Control over Financial Reporting and on  
Compliance with Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Chesterfield, Virginia (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 5, 2024. Our report includes a reference to other auditors who audited the financial statements of the Central Virginia Transportation Authority. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

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

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

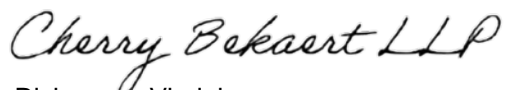
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the *Specifications for Audits of Counties, Cities, and Towns*.

**Purpose of This Report**

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

A handwritten signature in cursive script that reads "Cherry Bekasrt LLP".

Richmond, Virginia  
November 5, 2024

## **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

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

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the County of Chesterfield, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Richmond, Virginia  
November 5, 2024

**COUNTY OF CHESTERFIELD, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2024*

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**A. Section I – Summary of Auditor’s Results**

1. The type of report issued on the basic financial statements: **Unmodified opinion**
2. Significant deficiencies in internal control disclosed by the audit of the financial statements: **None reported**
3. Material weaknesses in internal control disclosed by the audit of the financial statements: **No**
4. Noncompliance, which is material to the financial statements: **No**
5. Significant deficiencies in internal control over major programs: **None reported**
6. Material weaknesses in internal control over major programs: **No**
7. The type of report issued on compliance for major programs: **Unmodified opinion**
8. Any audit findings which are required to be reported under the Uniform Guidance: **No**
9. The programs tested as major programs were:

<u>AL Number</u>	<u>Name of Federal Program and Cluster</u>
10.553/10.555/10.559/10.582	Child Nutrition Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ARPA)

10. Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**
11. County of Chesterfield qualifies as a low-risk auditee under Section 530 of Uniform Guidance

**B. Section II – Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards**

None reported.

**C. Section III – Findings and Questioned Costs Relating to Federal Awards**

None reported.

**D. Section IV – Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Regulations, Contracts and Grants**

None reported.

**E. Section V – Status of Prior Year Findings**

**2023-001 – Statement of Economic Interests** – not repeated.

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

## ACCOUNTING DEPARTMENT EMPLOYEES

<i>Russ Abernathy</i>	<i>Jennifer Cox</i>	<i>John Palco</i>	<i>Jessica Tankersley</i>
<i>Hannah Adesina</i>	<i>Kathy Cyckowski</i>	<i>Kevin Payne</i>	<i>Lindsey Thornton</i>
<i>June Albrecht</i>	<i>Dana Davis</i>	<i>Shelly Pignona</i>	<i>Logan Tollison</i>
<i>Debbie Baicy</i>	<i>Michael Davis</i>	<i>Bridget Pillow</i>	<i>Bridgett Treadway</i>
<i>Patricia Baskerville</i>	<i>Elizabeth Fritts</i>	<i>Maria Quijano</i>	<i>Iesha Waller-Morris</i>
<i>Gina Borrero</i>	<i>Kimberly Ganzert</i>	<i>Nicole Reilly</i>	<i>Peggy Walsh</i>
<i>Angela Borum</i>	<i>Anna Hall</i>	<i>Martha Reiss</i>	<i>Angela West</i>
<i>Mattie Brown</i>	<i>Whitley Hooker</i>	<i>Alycia Skora</i>	<i>Catie Wilson</i>
<i>Stephanie Burton</i>	<i>Lorraine Kosobucki</i>	<i>Drecilla Smith</i>	<i>Consuela Wilson</i>
<i>Tiffany Childers</i>	<i>Diane Lanier</i>	<i>Kristie Smith</i>	<i>Susan Worrell</i>
<i>Rebecca Clements</i>	<i>Kiara Lewis</i>	<i>LeShan Smith</i>	<i>Jenny Yang</i>
<i>Wendy Clements</i>	<i>Loretta Otey</i>	<i>Zoie Smith</i>	
<i>Kimberly Collette</i>	<i>Megan Mingia</i>	<i>Kristie Szafranski</i>	

*Cover photo:*

*The historic 1917 Chesterfield County Courthouse*



Please visit us at: [www.chesterfield.gov](http://www.chesterfield.gov)





# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



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This document was prepared by the Accounting Department.  
For comments or questions call 804-748-1673 or email [contactacctg@chesterfield.gov](mailto:contactacctg@chesterfield.gov)