

HENRICOEDA
VIRGINIA • USA

**Economic Development Authority of
Henrico County, Virginia**
Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2025**

Prepared By:

Anthony Romanello, Executive Director
and

Ashley Kubat, Director of Administration

Economic Development Authority of Henrico County, Virginia

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Introductory Section (Unaudited)

Economic Development Authority of Henrico County, Virginia

June 30, 2025

Board of Directors

Edward S. Whitlock, III, Chairman

Tuckahoe District

Term Expires November 13, 2025

Suresh Soundararajan, Treasurer

Brookland District

Term Expires November 13, 2025

Sam Bagley, Secretary

Varina District

Term Expires November 13, 2027

Robert W. Brown, Jr.

Fairfield District

Term Expires December 31, 2028

Susan Warriner Custer

Tuckahoe District

Term Expires November 13, 2026

William A. Gorgon

Brookland District

Term Expires January 14, 2029

Tyee D. Mallory, MBA

Fairfield District

Term Expires November 13, 2025

S. Floyd Mays

Varina District

Term Expires November 13, 2026

Travis J. Pearson

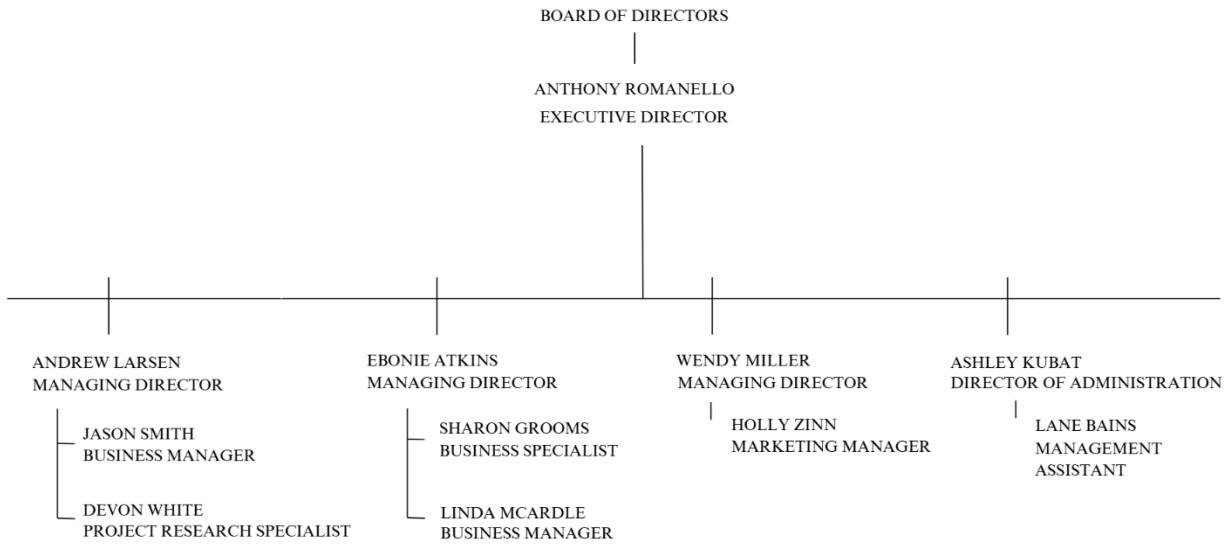
Three Chopt District

Term Expires November 13, 2027

Economic Development Authority of Henrico County, Virginia

June 30, 2025

Henrico County Economic Development Authority



Economic Development Authority of Henrico County, Virginia

June 30, 2025



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Henrico Economic Development Authority
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



HENRICOEDA

VIRGINIA • USA

November 4, 2025

The Board of Directors
Henrico Economic Development Authority

Dear Ladies and Gentlemen:

We are pleased to present the Henrico Economic Development Authority (“the Authority”) Annual Comprehensive Financial Report (“the report”) as of and for the fiscal year ending June 30, 2025. This report is intended to provide informative and relevant financial data for the residents of the County, Authority Board of Directors, businesses in Henrico or interested in locating in the County, and any other interested readers. We believe it includes all financial statements and disclosures necessary for the reader to obtain a thorough understanding of the Authority’s financial activities. The reader should pay particular attention to the required Management’s Discussion and Analysis, a supplemental narrative overview and analysis of the financial statements included in this report. Any individual with comments or questions concerning the report is encouraged to contact the Authority at (804) 501-7654 or at anthony@henrico.com. This report may also be found online at the Authority’s official website www.henrico.com.

The financial statements included in this report conform to the accounting principles accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). The Authority’s management is responsible for the establishment and maintenance of accounting and other internal controls to accomplish three purposes: ensuring compliance with applicable laws and Authority policies, safeguarding assets, and properly recording reliable financial information for the preparation of the Authority’s financial statements and related notes thereto in accordance with GAAP. Because their cost should not outweigh their benefits, the Authority’s comprehensive framework of internal controls is designed to provide reasonable assurance that the financial statements will be free from material misstatement rather than absolute assurance. The Authority’s management is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein and, to the best of management’s knowledge, the financial information presented in this report is complete and accurate in all material respects.

Brown Edwards, L.L.P., a certified public accounting firm, audited the Authority’s financial statements and certain other information within this report as documented in their Report of Independent Auditor. The independent auditors planned and performed the audit to obtain reasonable assurance about whether the financial statements of the Authority are free from material misstatement. Brown Edwards, L.L.P. has expressed an unmodified opinion stating that, based on the audit evidence obtained, the Authority’s basic financial statements, as of and for the fiscal year ended on June 30, 2025, are fairly presented, in all material respects, in conformity with GAAP.

Profile of the Government

Henrico County is located in central Virginia and surrounds the City of Richmond on the north side of the James River and constitutes approximately one third of the Richmond Metropolitan area. Henrico’s location in the middle of the eastern seaboard is within 750 miles of two-thirds of the nation’s population and is ideal for commerce due to the intersection of Interstates 95, 64, and 295, as well as Routes 895 and 288, major rail lines, and the James River, a major shipping channel. It is also home to Richmond International Airport, the primary airport for the Richmond Metropolitan Area and Central Virginia. Henrico County is also convenient to nearby oceanic ports in the Tidewater region of Virginia. Currently, based on the recent county population estimates, 334,760 Henrico County residents (approximately one third of the Richmond Metropolitan area) live in a well-planned community of 244 square miles that consists of highly developed urban and suburban areas, as well as undeveloped agricultural and forest land.

Captain Christopher Newport and a band of adventurers from Jamestown (consisting of Captain John Smith, George Percy, and others) rowed ashore at the foot of the James River in Henrico in 1607. Captain Newport erected a cross and claimed the land for God and England. Four years after the discovery and exploration, Sir Thomas Dale, Deputy Governor of Virginia, founded Henrico and named it for Prince Henry Frederick, eldest son of King James I. In another four months, it was a bustling community as John Rolfe successfully cultivated a Spanish-type of tobacco similar to that produced in Varinas, Spain, giving birth to Virginia's tobacco industry. In 1614, Rolfe married Princess Pocahontas, daughter of the Great Indian King Powhatan. Her profile appears on the Henrico County seal as a symbol of Henrico's place in our nation's history.

In 1634, Henrico became one of the original eight shires in the Virginia Colony. In 1934, Henrico County voters approved the County Manager form of government. Henrico has five voter-elected members on the Board of Supervisors who serve four-year terms and represent five distinct magisterial districts. The Chairman of the Board is elected annual by the members of the Board, and the Board hires the County Manager, who serves at their pleasure. The duties of the County Manager include implementing the approved ordinances and policies of the Board, appointing the County's Department Directors, and managing the day-to-day operations of the County government, while also serving as the Director of Public Safety. The County government is responsible for providing a wide array of public services including public safety (fire and police protection, as well as building code enforcement), a full-service water and sewer system, the maintenance of the County roads with Virginia Department of Transportation funds, and an array of recreational and cultural services. The County government also provides most of the funding for a nationally recognized public school system, though the schools are operated by a legally distinct entity and a separately elected School Board.

The Board of Supervisors of Henrico County (the "Board") created its industrial development authority, which it initially named the "Industrial Development Authority of the County of Henrico, Virginia" (the "Authority"), in November of 1968. The Board specifically created the Authority to finance the construction of a new clothing manufacturing plant for Friedman Marks, Inc. located off South Laburnum Road in the Varina Magisterial District. Because of the need to create the Authority quickly in order to issue bonds for the benefit of Friedman Marks, the Board adopted an emergency ordinance on November 13, 1968, and, after advertising the ordinance as required by law, re-adopted it on December 11, 1968, creating the Authority with a seven-member board of directors. The Tuckahoe, Brookland, and Fairfield Magisterial Districts each had one director, and the Varina Magisterial District had the remaining four. Because it initially met only quarterly, changed to semi-annually in 1973, and then to annually in 1974, and because its activities consisted solely of issuing bonds, the Authority had no staff for the first 15 years. The secretary to the County's Director of Finance took the minutes of each Authority meeting, physically kept the Authority's minute book and other records, and typed whatever correspondence the Authority might require. The County Attorney's office has represented the Henrico Economic Development Authority since inception.

The Authority did not have its own staff until 1982, when the number and size of bond financings increased, and when the Board of Supervisors and the board of directors of the Authority recognized the increasing importance of economic development to the County's financial well-being. The first two staff members consisted of a full-time secretary and an administrator assigned to do economic development work. By resolution adopted February 22, 1984, Agenda item No. 103-84, the Board of Supervisors designated the Authority "as the official Economical Development Organization for the County of Henrico" ... and "authorized [the Authority] to act on behalf of the Board [of Supervisors] to establish an economic development program for the County." The resolution also directed the County administration "to provide reasonable staff support to the [Authority] for this purpose as ascertained by the Board of Supervisors."

Based on enabling Authority requested by the Board of Supervisors and enacted into law by the 1999 General Assembly, the Board of Supervisors adopted on July 13, 1999, an ordinance changing the name of the Authority to the "Economic Development Authority of Henrico County, Virginia" effective August 1, 1999. The name change was requested by the Authority's board of directors who were concerned that the "smokestack" image conjured up by the inclusion of the term "industrial" in the Authority's name did not accurately reflect the Authority's comprehensive role in Henrico County's economic development efforts. The following year, the General Assembly amended the Act to permit the Board of Supervisors to increase the number of directors of the Authority from seven to 10. By ordinance adopted November 14, 2000, the Board of Supervisors increased the number of directors from seven to 10 and appointed one new director. By ordinances adopted January 9, 2001, and November 12, 2002, the Board of Supervisors appointed the ninth and tenth directors to the Authority. Since 2002, the Authority board has been made up of two directors from each of the County's five magisterial districts.

The annual budget serves as the foundation for the Authority’s financial planning and control. The Executive Director submits his proposed budget request to the Board of Directors for approval after submitting the Authority’s budget through the Henrico County’s legislative and executive budget reviews. Budget to actual comparisons are provided in this report for governmental funds where an appropriated annual budget has been legally adopted. These comparisons are presented in the Governmental Fund Financial Statements Section of this Annual Financial Report.

Economic Overview

Henrico County offers a business-friendly environment with competitive tax rates and a cost of living below the national average. The County’s quadruple-AAA bond rating, diverse economic base, and favorable location within the Richmond metropolitan area contribute to the County’s continued development and expansion. Henrico County’s local economy is characterized by diversity with a healthy representation of businesses from numerous industries including corporate services, information technology, retail, manufacturing, financial, insurance, logistics, health and life services. The local employment base in the County is substantial and diverse and represents approximately one-third of the Richmond metropolitan statistical areas (MSA) employment.

Local and regional economic indicators indicate a healthy and stable economy that has recovered from pandemic economic impacts. With a long history of prudent financial management – and the distinction of being the first public utility in the United States to earn AAA ratings from four credit-rating agencies for water and sewer revenue, Henrico County continues to exemplify excellence in local government finance and administration. While there is always uncertainty regarding future economic conditions, Henrico County has been positioned for maximum resiliency in difficult economic conditions, and County leadership expects to sustain an environment conducive to stability and positive economic growth.

Henrico County residents live and work in a low-tax, high-quality community with one of the premier public school systems in the nation. The Board has fostered this environment through consistently demanding innovation, effective planning, and financial prudence when allocating public resources, while also incrementally reducing tax rates when economically feasible and exploring less burdensome revenue enhancements when necessary. With an emphasis on quality customer service, sound financial management, and sustainable economic development, Henrico County has been and will continue to be a community of choice.

Acknowledgements such as this would not be possible without a strong infrastructure to support the existing large businesses in the area. Henrico County continues with a resilient local economy as evidenced by 200,000+ jobs that rank the county third in Virginia and is home to 25,000+ businesses and seven Fortune 1000 headquarters, including the Altria Group, Genworth Financial, Markel Corporation, ASGN, Brink’s, Arko Corp, and Owens & Minor. The County’s diverse labor pool, low tax structure, and regional economy that supports low operating expenses and strategic location collectively are just some of the components that make Henrico a desirable location for business location and expansion.

Henrico County’s vibrant and diverse economy continues to drive employment statistics that compare favorably relative to national and state averages. The County’s unemployment rate sits at 2.9 percent, which is equal to the State’s rate, and notably lower than that of the U.S. (4.0 percent). Virginia’s diverse and resilient economy is well-positioned for renewed job growth in FY26. The presence of these businesses and corporate entities would not be possible were it not for the favorable business environment that Henrico County has fostered throughout the years. Henrico is the lowest taxing locality among Virginia’s ten largest localities.

In FY24, for application in FY25, the Henrico County Board of Supervisors approved an exemption for the first \$1,000,000 in gross receipts from the BPOL (Business, Professional, and Occupational) taxes. Now, over 60% of local Henrico businesses are relieved of paying the tax, leaving them with more money to invest back into the community. Henrico lowered the R&D tax rate to \$0.90 in 2022. The low tax burden combined with a record of prudent fiscal management and excellent services creates an enticing, pro-business environment in Henrico.

In FY24, Henrico increased residential tax relief through introducing the Real Estate Cap Program (RECAP) and expanding the Real Estate Advantage Program (REAP). RECAP’s purpose is to cap the real estate tax bills for older or disabled qualifying homeowners, insulating them against rising home values. REAP provides a real estate tax exemption of up to \$3,200 for qualifying homeowners. Together, both programs have provided over \$13.5 million in real estate tax relief for Henrico residents.

The Board of Supervisors also introduced the Affordable Housing Trust Fund funded by data center tax revenues in FY24, aimed to strengthen access to affordable homeownership for frontline workers who are critical to a community's success. The County also premiered the Employee Home Purchase Assistance Program, which was created to assist qualified County employees buy their first home. Together, these initiatives work to create a community where people are able to live, work, and play, and most importantly, thrive.

Financial Guidelines

The Authority has no debt. The Authority issues Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial/commercial, higher education, and nonprofit/charitable facilities or others deemed to be in the public interest. The Authority has no liability or financial obligation to the bond debt and merely acts as a conduit. A yearly or one-time administrative fee is assessed for each bond.

The Authority maintains a set of by-laws and an investment policy which outlines the procedures for the safeguarding and management of funds. The goal is to minimize risk and to ensure the availability of cash to meet the Authority's expenditures, while generating revenue from the use of funds, which might otherwise remain idle. The policy mandates that all investments must be in compliance with the Code of Virginia Sections §2.2-4400 et seq. and §2.2-4700 et seq., as amended.

The cash management and investment activities of the Authority, managed by Truist Wealth, are conducted in a manner which is consistent with prevailing prudent business practices which may be applied by other public organizations of similar size and financial resources. The primary object of the Authority's investment activities, in priority order, are: safety, liquidity, and yield. The Board of Directors, Finance Committee, Executive Director and Assistant Secretary of the Henrico EDA will be involved in the management and administration of the Henrico EDA assets. With an unassigned fund balance of \$28.4 million, no debt, and modest long-term liabilities, the Authority's financial position is stronger than at any time in history.

Major Initiatives and Accomplishments

Since 1990, the EDA has announced 497 projects totaling 45,061 jobs and \$16.1 billion in capital investment. FY25 included eight economic development announcements, which represented both the recruitment of new businesses for the County, as well as expansions of existing Henrico companies. Combined, these announcements represent 1,445 new jobs, \$8.1 billion in capital investment (a record), \$51 million in annual wages, and 4.5 million square feet of commercial building space. These announcements included The Crossings, KSB, QTS, Gather (Henrico Global Business Gateway), Iron Mountain, DC Blox, Rego, and Bon Secours.

One method Henrico uses to incentivize companies to locate or expand in the County is through Economic Development Performance Agreements. The agreement outlines the terms and conditions and metrics that the company must meet in order to receive grant money. All money is awarded post-performance as a way of ensuring the safety of public funds. The agreements pay back dividends for the residents of the County. Over the course of twelve years, from 2013 – 2025, the Authority has committed to \$101 million in grants. The potential private investment as a result of the performance agreement grants totals over \$5.1 billion.

In the late 1990s, Henrico County worked to develop a 2,300-acre patch of woods in Eastern Henrico, by investing over \$45 million in roads, water, and sewer infrastructure. Now, White Oak Technology Park exists as a premier development location for today's most advanced manufacturing facilities and data centers, with an unparalleled digital infrastructure, a strategic East Coast location, and Henrico's business-friendly low tax rates. The last EDA owned site in White Oak was sold in 2025.

In FY25, the Henrico EDA was honored with five awards from five different organizations. Virginia Economic Developers Association (VEDA) gave the EDA the Community Economic Development Award for the “Small Business Boost” program. “Henrico Office Task Force Inspires a New Tomorrow” was awarded the 2025 Achievement Award from the National Association of Counties (NACo). Business Facilities honored the EDA for the “Small Business Boost” program at their Annual EDO Awards. The EDA’s print brochure for the Enterprise Zone program was awarded the “Excellence in Economic Development Awards” by the International Economic Development Council (IEDC). Lastly, the EDA achieved the Government Finance Officers Association Certificate of Achievement in Financial Reporting for the second year in a row, still ranking among the few economic development organizations in the nation to earn this recognition.

At the direction of the Board of Supervisors, the Authority implemented the Innsbrook Technology Zone incentive plan, providing an additional path for businesses to receive County support. Qualified businesses that choose to locate within the Technology Zone can qualify for building permit fee waivers, planning application fee waivers, and custom incentives developed between the company and the Authority. This incentive program helps ensure that Innsbrook remains a lively, sought-after community through fostering growth and innovation. The Innsbrook Technology Zone joins several other successful incentive programs in Henrico’s arsenal, including the Henrico Investment Program (HIP), fast-track permitting, Enterprise Zones, form-based code, and the Commercial Tax Rehabilitation Credit.

Future Challenges

As Henrico County advances toward the next decade of growth, its economic development trajectory is shaped by several structural and macroeconomic forces that demand strategic foresight. Foremost among these is the persistent challenge of workforce preparedness amid shifting demographic and technological trends. In an economy increasingly defined by automation, digital integration, and knowledge-based industries, the alignment between educational pathways and employer needs has never been more consequential. Although Henrico benefits from a strong labor market and a high regional labor force participation rate, skill shortages in critical sectors such as technology, healthcare, and advanced manufacturing continue to present constraints on long-term competitiveness. Addressing these gaps will require sustained collaboration among employers, educators, and policymakers to cultivate a workforce capable of meeting both present and emergent industry demands.

A second major challenge lies in the scarcity of development-ready sites and adaptable commercial assets. As Henrico’s industrial and office inventory tightens, the capacity to attract large-scale investment increasingly depends on the County’s ability to modernize its built environment and infrastructure systems. The next phase of economic development will be characterized not solely by greenfield expansion, but by the creative reuse of underutilized properties, coordinated land-use planning, and the integration of digital infrastructure. Henrico’s competitive advantage will be secured through ensuring the county remains equipped with flexible, well-connected sites.

The final, and interrelated challenge, concerns the equilibrium between growth and livability. Economic vitality is inextricably linked to the availability of attainable housing, mobility options, and community amenities that support an inclusive quality of life. As population inflows and investment activity continue to accelerate, affordability pressures may intensify, threatening to erode workforce stability and social cohesion if not proactively addressed. Ensuring that Henrico’s growth remains equitable and sustainable will require deliberate alignment between housing, infrastructure, and workforce strategies.

The Authority’s 2030 Strategic Framework is intentionally designed to mitigate these challenges through a holistic and data-informed approach. Bespoke, internally cultivated initiatives directly address labor market alignment and anticipate future infrastructure and site needs. Furthermore, the integration of innovative quality-of-life indicators ensures that economic progress is measured not only by investment and employment metrics, but also by community well-being. Through these interconnected strategies, the Authority affirms its commitment to positioning Henrico County as a resilient, forward-looking economy—one that adapts intelligently to change while ensuring that prosperity is both broad-based and enduring.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the audit team at Brown Edwards, L.L.P. We would like to express our particular appreciation to Harris, Hardy, and Johnstone, P.C., who contributed directly to the Authority's bookkeeping and accounting. We would also like to thank the Henrico County Board of Supervisors, County Manager, and the Henrico Economic Development Authority's Board of Directors and staff for their interest, guidance, and support in their oversight of the financial operations of the Authority. And none of this happens without the fine work of our team at the Henrico EDA who work every day to grow Henrico's economy for all.

Respectfully submitted,

Anthony J. Romanello
Executive Director

Ashley W. Kubat
Director of Administration



Financial Section

Independent Auditor's Report

To the Honorable Members of the Board of Directors of
Economic Development Authority of Henrico County, Virginia
Henrico, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Economic Development Authority of Henrico County, Virginia (the "Authority") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2025, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards 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 Authority and to meet our 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.

Change in Accounting Principle

As described in Notes 1 and 16 to the financial statements, in 2025, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Authority'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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Authority'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 Authority'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 other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility

of management, and, although not a part of the basic financial statements, is required by the Government 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 this required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 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 4, 2025, on our consideration of the Authority'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 Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Glen Allen, Virginia
November 4, 2025

Economic Development Authority of Henrico County, Virginia

Management Discussion and Analysis

June 30, 2025

The Management Discussion and Analysis (“MD&A”) offers the readers of the Economic Development Authority of Henrico County, Virginia’s (the “Authority”) financial statements a narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2025.

Financial Highlights

In Fiscal Year 2025 (“FY2025”), there was one Industrial Revenue and Refunding Bonds issued by the Authority for \$265M on behalf of Bon Secours.

Overview of the Financial Statements

The MD&A is intended to serve as an introduction to the Authority’s basic financial statements, comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements, similar to those used by private-sector companies, report information about the Authority as a whole. One of the most important questions asked about the Authority’s finances is “Is the Authority as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about the Authority’s finances as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

In the Statement of Net Position and the Statement of Activities, the Authority presents the following activity:

Governmental Activities

Economic development - operations, consists of expenses associated with salaries, other contractual services, payroll taxes, Henrico VCU Engineering School scholarships, health insurance, travel, and advertising. Charges for the issuance of the bonds and operating contributions through the County of Henrico, Virginia’s (the “County”) appropriations are used to finance these activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are considered to be governmental funds.

Economic Development Authority of Henrico County, Virginia

Management Discussion and Analysis

June 30, 2025

Governmental Funds

Governmental funds are used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains an individual governmental fund. Information is presented separately in the governmental fund financial statement for the General Fund, which is considered a major fund.

The Authority adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 5 - 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 - 36 of this report.

Government-Wide Financial Analysis

Statement of Net Position

The following table reflects condensed information on the Authority's net position. As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred by inflows of resources by \$42,619,139 at the close of the most recent fiscal year. 13% or \$5,447,764 of the Authority's net position reflect its investment in capital assets, net of related debt (e.g., building, vehicles, furniture and fixtures, and equipment). The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Economic Development Authority of Henrico County, Virginia

Management Discussion and Analysis

June 30, 2025

The Authority's unrestricted net position (87% of total) may be used to meet the Authority's ongoing obligations to citizens.

	Governmental Activities	
	2025	2024 (As Restated)
Current and other assets	\$ 53,327,052	\$ 54,837,459
Capital assets	10,296,903	17,792,788
Total assets	63,623,955	72,630,247
Deferred outflows of resources	227,069	339,711
Current and other liabilities	194,889	11,911,597
Long-term liabilities	20,864,578	11,095,348
Total liabilities	21,059,467	23,006,945
Deferred inflows of resources	172,418	92,858
Net position:		
Net investment in capital assets	5,447,764	12,467,283
Unrestricted	37,171,375	37,402,872
Total net position	\$ 42,619,139	\$ 49,870,155

Statement of Activities

Total revenues and expenses for Authority activities are reflected in the following table:

	Governmental Activities	
	2025	2024 (As Restated)
Program revenues:		
Charges for services:		
Bond administration fees	\$ 866,320	\$ 226,633
Operating contributions	30,220,632	24,312,822
Total program revenues	31,086,952	24,539,455
General revenues:		
Interest and investment income	2,094,870	1,532,995
Miscellaneous income	11,334	11,643
Total general revenues	2,106,204	1,544,638
Total revenues	33,193,156	26,084,093
Expenses:		
Economic development - operations	40,444,172	15,451,061
Change in net position	(7,251,016)	10,633,032
Net position, beginning of year, as restated	49,870,155	39,237,123
Net position, end of year	\$ 42,619,139	\$ 49,870,155

Economic Development Authority of Henrico County, Virginia

Management Discussion and Analysis

June 30, 2025

Revenues

Appropriations from the County are the source of operating contributions. Other sources of revenues consist of fees collected for the issuance of bonds and interest income received on the Authority's investments. Operating contributions significantly increased during FY2025 due to an increase in the performance agreement pass-through payments of \$14.1M from FY2024. There was an additional \$8.7M of revenue owed from the County related to a tax incentive for a performance agreement that was owed but not paid by the Authority at June 30, 2025. These increases were offset by a decrease of \$17M related to the County's portion of the Scott Farm purchase from the prior year.

Expenses

Operating expenses for the Authority's activities were comprised primarily of salaries and related benefits, payments in accordance with economic development performance agreements, contractual services, and advertising and promotion. For government-wide financial reporting requirements, depreciation expense is allocated to Authority activities and retirement of principal on long-term debt is not shown as an expense. The primary driver of the increase from FY2024 is due to a \$14.2M increase in performance agreement payments during the year, all of which was funded by the County. There was an additional \$8.7M of expenses related to a tax incentive for a performance agreement that was owed but not paid by the Authority at June 30, 2025. There was an additional \$1.7M increase in expenses and losses as a result of properties sold and purchased by the Authority during the year ended June 30, 2025.

Net Position

Overall, financial position has decreased during FY2025 due primarily to the \$10M loss on the conveyance of the Wilton Farm property to the County.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements.

General Government Functions

The following schedule presents a summary of revenues of the General Fund, for the fiscal year ended June 30, 2025, and the amount and percentage of increases and decreases in relation to prior year.

	<u>2025</u>	<u>Percent of</u>	<u>2024</u>	<u>Increase</u>	<u>Percent</u>
	<u>Amount</u>	<u>Total</u>	<u>Amount</u>	<u>(Decrease)</u>	<u>Increase</u>
				<u>from 2024</u>	<u>(Decrease)</u>
Revenues:					
Bond administration fees	\$ 866,320	2.35%	\$ 226,633	\$ 639,687	282.26%
Other revenues	6,627,832	17.94%	29,200,747	(22,572,915)	(77.30)%
Interest and investment revenues	1,492,429	4.04%	1,532,995	(40,566)	(2.65)%
Appropriation from the County of Henrico	27,950,695	75.67%	26,269,522	1,681,173	6.40%
Total revenues	<u>\$ 36,937,276</u>	<u>100.00%</u>	<u>\$ 57,229,897</u>	<u>\$ (20,292,621)</u>	<u>(35.46)%</u>

Economic Development Authority of Henrico County, Virginia

Management Discussion and Analysis

June 30, 2025

Appropriations from the County are the source of operating contributions, and the principal reason for the variance from FY2024 is the receipt of County funds toward economic development performance agreements. The Authority also received \$6.5M from the County to fund loans made by the Authority to Glenwood Redevelopment LLC (“Glenwood”). However, the increase was offset by a decrease in reimbursement from the County related to a land acquisition that occurred in the prior year. The principal reasons for the variance in other revenues from FY2024 are proceeds from the sale of a parcel at the White Oak Technology Park of \$11M and Scott Farm of \$17M in 2024.

The following schedule presents a summary of expenditures of the General Fund, for the fiscal year ended June 30, 2025, and the percentage of increases and decreases in relation to prior year amounts:

	2025 Amount	Percent of Total	2024 Amount	Increase (Decrease) from 2024	Percent Increase (Decrease)
Expenditures:					
Economic development operations	\$ 35,487,824	90.29%	\$ 50,690,318	\$ (15,202,494)	(29.99)%
Capital outlay	3,135,171	7.98%	5,667,364	(2,532,193)	(44.68)%
Debt service	680,400	1.73%	306,407	373,993	122.06%
Total expenditures	\$ 39,303,395	100.00%	\$ 56,664,089	\$ (17,360,694)	(30.64)%

Operating expenses decreased from FY2024 due to a decrease in the purchase of economic development land of \$40.7M. During FY2024, the Authority made a \$35M purchase of land that was subsequently sold to Scott Farm, a \$4.7M purchase of land from the State, and \$2.1M purchase of property from Steve Farang LLC. During FY2025, the Authority made a \$650K purchase of land from Parham Island OZ, LC and \$695K from Walter Tomas Flournoy Revocable Trust. The decrease was offset by an increase in performance agreement payments during the year of \$14.2M and a loan made by the Authority to Glenwood for \$11M. Capital outlays decreased from prior year due to the \$5.6M acquisition of leased property in FY2024. Capital outlay during FY2025 consisted primarily of the \$3.1M acquisition of the Crossings Golf Course.

FY2025 General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Bond administration fees	\$ 234,342	\$ 234,342	\$ 866,320	\$ 631,978
Appropriation from the County of Henrico	2,431,320	2,431,320	27,950,695	25,519,375
Investment and interest income	200,000	200,000	1,492,429	1,292,429
Other income	-	-	6,627,832	6,627,832
Total revenues	\$ 2,865,662	\$ 2,865,662	\$ 36,937,276	\$ 34,071,614
Expenditures	\$ 2,865,662	\$ 2,865,662	\$ 39,303,395	\$ (36,437,733)

The Authority does not budget for grant and other pass-through payments from the County, which totaled \$25.4M in FY2025. Additionally, other income includes \$6.6M from the sale of land, which included the Elko Road, East Ridge Road, and Staples Mill Road properties – all of which are unbudgeted. As these transactions are all pass-through transactions, the related expenditures are also unbudgeted. The Authority also received \$27.1M in proceeds from the sale of two parcels of land located in the White Oak Technology Park. As these transactions are all pass-through transactions, the related expenditures are also unbudgeted.

Economic Development Authority of Henrico County, Virginia

Management Discussion and Analysis

June 30, 2025

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets for the years ended June 30, 2025 and 2024, is reflected in the schedule below.

	Balance at July 1, 2024	Additions	Deletions/ Transfers	Balance at June 30, 2025
Capital assets not subject to depreciation:				
Land	\$ 11,139,483	\$ 3,061,432	\$ (10,000,000)	\$ 4,200,915
Total capital assets not subject to depreciation	11,139,483	3,061,432	(10,000,000)	4,200,915
Capital assets subject to depreciation:				
Buildings	2,177,082	-	-	2,177,082
Leasehold improvements	11,170	73,739	-	84,909
Furniture and fixtures	76,162	-	-	76,162
Automobiles	123,479	-	-	123,479
Audio visual equipment	8,500	-	-	8,500
Leased land	5,631,912	-	-	5,631,912
Data processing equipment	40,127	-	-	40,127
Total capital assets subject to depreciation and amortization	8,068,432	73,739	-	8,142,171
Accumulated:				
Depreciation	(1,133,531)	(67,865)	-	(1,201,396)
Amortization of leased asset	(281,596)	(563,191)	-	(844,787)
Total accumulated depreciation/amortization	(1,415,127)	(631,056)	-	(2,046,183)
Total capital assets being depreciated and amortized, net	6,653,305	(557,317)	-	6,095,988
Total capital assets subject to depreciation and amortization, net	<u>\$ 17,792,788</u>	<u>\$ 2,504,115</u>	<u>\$ (10,000,000)</u>	<u>\$ 10,296,903</u>

Additional information on the Authority's capital asset activity can be found in Note 4.

Long-Term Liabilities

The activity of the Authority's long-term liabilities for the years ended June 30, 2025 and 2024, is reflected in the schedule below:

	July 1, 2024	Increases	Decreases	June 30, 2025	One Year
Due to Henrico Co.	\$ 5,221,400	\$ 6,855,988	\$ (5,221,400)	\$ 6,855,988	\$ 4,746,453
Lease liability	5,325,505	-	(476,366)	4,849,139	438,827
Compensated absences*	191,505**	-	(16,165)	175,340	175,340
Total	<u>\$ 10,738,410</u>	<u>\$ 6,855,988</u>	<u>\$ 5,713,931</u>	<u>\$ 11,880,467</u>	<u>\$ 5,360,620</u>

* The change in compensated absences above is a net change for the year.

** Compensated absences balance at July 1, 2024, has been restated due to the implementation of GASB 101.

Economic Development Authority of Henrico County, Virginia

Management Discussion and Analysis

June 30, 2025

During FY2025, the Authority wrote off the balance of the \$5,221,400 owed to the County for the sale of property to Green City Development Corporation, LLC (GCDC) in the prior year. The balance was written off as GCDC was no longer able to make payments in accordance with the agreement. As a result, it was determined that the Authority would no longer receive the proceeds to reimburse the County. See Note 13 for additional information.

The Authority received proceeds of \$6.5M from the County to help fund two loans made to Glenwood during FY2025. The County loaned a total of \$4.5M to the Authority to fund the County EDA Bridge Loan. The Authority is required to pay half the principal and interest received on the loan to the County. The remaining \$2M was used to fund the County EDA Affordable Support Loan. The Authority is required to pay all the principal and interest received on the loan to the County. See Note 15 for additional information.

During FY2025, the Authority implemented GASB 101 that resulted in the restatement of the beginning balance of compensated absences. See Notes 1 and 16 for additional information.

Economic Factors and Next Year's Budgets

During fiscal year 2025, the Henrico Economic Development Authority announced 8 projects, representing the recruitment of new businesses and expansions of existing Henrico companies. Together, these announcements represent 1,445 new jobs, \$8.1 billion in capital investment, \$51 million in annual wages, and 4.5 million square feet of space. In FY2025, the Authority adopted a Strategic Plan that sets an ambitious agenda for the near- and long-term to grow Henrico's economy for all. The plan is available at www.Henrico.com and the EDA staff provides quarterly strategic plan progress reports to the Authority.

Requests for Information

This financial report is designed to provide interested parties with a general overview of the Authority's finances. Should you have any questions about this report or need additional information, please contact:

Mr. Anthony J. Romanello, Executive Director
Economic Development Authority of Henrico County, Virginia
4300 E. Parham Road
Henrico, Virginia 23228-2752



Basic Financial Statements

Economic Development Authority of Henrico County, Virginia

Statement of Net Position

June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents (Note 3)	\$ 1,566,847
Investments (Note 3)	26,724,206
Due from County of Henrico, VA (Note 14)	8,769,937
Other receivables	143,289
Prepaid expenses	1,000
Notes receivable (Note 15)	11,602,441
Land held for sale (Note 4)	4,519,332
Capital assets (Note 4):	
Capital assets not subject to depreciation	4,200,915
Capital assets subject to depreciation, net	6,095,988
Total assets	<u>63,623,955</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions (Note 8)	202,651
Deferred outflows related to OPEB (Notes 9, 10 and 11)	24,418
Total deferred outflows of resources	<u>227,069</u>
Total assets and deferred outflows of resources	<u>\$ 63,851,024</u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 23,891
Accrued interest payable	16,148
Performance agreements received in advance (Note 14)	154,850
Performance agreements payable (Note 14)	8,769,937
Long-term liabilities (Note 5):	
Amounts due within one year	5,360,620
Amounts due in more than one year	6,734,021
Total liabilities	<u>21,059,467</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions (Note 8)	137,958
Deferred inflows related to OPEB (Notes 9, 10 and 11)	34,460
Total deferred inflows of resources	<u>172,418</u>
NET POSITION	
Net investment in capital assets	5,447,764
Unrestricted	37,171,375
Total net position	<u>42,619,139</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 63,851,024</u>

Economic Development Authority of Henrico County, Virginia

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
GOVERNMENTAL ACTIVITIES					
Economic development	\$ 40,444,172	\$ 866,320	\$ 30,220,632	\$ -	\$ (9,357,220)
General revenues:					
Miscellaneous					11,334
Unrestricted interest and investment earnings					2,094,870
Total general revenues					<u>2,106,204</u>
Change in net position					(7,251,016)
NET POSITION					
Beginning of year, as restated (Note 16)					<u>49,870,155</u>
End of year					<u><u>\$ 42,619,139</u></u>

Economic Development Authority of Henrico County, Virginia

Balance Sheet - Governmental Fund

June 30, 2025

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents (Note 3)	\$ 1,566,847
Investments (Note 3)	26,724,206
Other receivables	143,289
Prepaid items	57,700
Total assets	<u><u>\$ 28,492,042</u></u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 23,891
Unearned revenues, pass-through grants received in advance (Note 14)	154,850
Total liabilities	<u>178,741</u>
FUND BALANCE	
Nonspendable, prepaids	57,700
Unassigned	28,255,601
Total fund balance	<u>28,313,301</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 28,492,042</u></u>

Economic Development Authority of Henrico County, Virginia

Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position June 30, 2025

Total fund balance, governmental fund	\$ 28,313,301
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities and land held for sale are not financial resources and therefore are not reported in the fund, net of accumulated depreciation.</p>	
Land held for sale	4,519,332
Capital assets, net	10,296,903
	14,816,235
<p>Some receivables reported in the statement of net position, such as notes receivable and performance agreements attributable to future periods, do not provide current financial resources and therefore are not reported as revenue in the governmental fund.</p>	
	20,372,378
<p>Some assets and deferred outflows of resources reported in the statement of net position do not provide current financial resources and therefore are not accrued as assets or deferred outflows in the governmental fund.</p>	
Deferred pension outflows	202,651
Deferred OPEB outflows	24,418
	227,069
<p>Some liabilities and deferred inflows of resources reported in the statement of net position do not require the use of current financial resources and therefore are not accrued as liabilities or deferred inflows in the governmental fund.</p>	
Prepaid payments on long-term liabilities	(56,700)
Due to the County of Henrico, Virginia	(6,855,988)
Performance agreements payable attributable to future periods	(8,769,937)
Accrued interest	(16,148)
Compensated absences	(175,340)
Lease liabilities	(4,849,139)
OPEB liabilities	(81,117)
Net pension liability	(133,057)
Deferred pension inflows	(137,958)
Deferred OPEB inflows	(34,460)
	(21,109,844)
Net position of governmental activities	\$ 42,619,139

Economic Development Authority of Henrico County, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
Year Ended June 30, 2025

	General Fund
REVENUES	
Charge for services, bond administration fees	\$ 866,320
Intergovernmental revenues, appropriations from the County of Henrico	27,950,695
Revenues from use of money and property	1,492,429
Miscellaneous income:	
Proceeds from sales of land held for sale	6,616,498
Other	11,334
Total miscellaneous income	6,627,832
Total revenues	36,937,276
EXPENDITURES	
Current:	
Economic development	35,487,824
Capital outlay	3,135,171
Debt service	680,400
Total expenditures	39,303,395
Deficiency of revenues under expenditures	(2,366,119)
FUND BALANCE	
Beginning of year	30,679,420
End of year	\$ 28,313,301

Economic Development Authority of Henrico County, Virginia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of the Governmental Fund to the Statement of Activities
Year Ended June 30, 2025

Net change in fund balance, total governmental fund \$ (2,366,119)

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

Some revenues will not be collected for several months after the Authority's fiscal year-end. They are not considered "available" revenues and are deferred in the governmental fund until received.

Inflows of resources related to deferred revenues 8,769,937

The issuance of long-term debt (e.g., long-term payables to the County of Henrico) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on net position.

Pass-through loan from County (6,500,000)

Principal payments 476,366

Interest accrued 1,568

(6,022,066)

Governmental funds report capital outlays and the acquiring of land held for sale as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Net book value of assets disposed during the year (13,303,252)

Capital outlay and purchase of land held for sale 3,858,297

Depreciation and amortization expense (631,056)

(10,076,011)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Loan to Glenwood Farms and interest income 11,602,441

Some expenses and expense recoveries reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Payments to County (355,988)

Payments to other organizations (8,769,937)

Change in compensated absences 16,165

Change in pension and pension-related deferred amounts (53,637)

Change in OPEB and OPEB-related deferred amounts 4,199

(9,159,198)

Change in net position of governmental activities \$ (7,251,016)

Economic Development Authority of Henrico County, Virginia

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance From
	Original	Final		Final Budget Increase (Decrease)
REVENUES				
Bond administration fees	\$ 234,342	\$ 234,342	\$ 866,320	\$ 631,978
Appropriation from the County, operations	2,431,320	2,431,320	2,495,405	64,085
Appropriation from the County, pass-through	-	-	25,455,290	25,455,290
Investment and interest income	200,000	200,000	1,492,429	1,292,429
Miscellaneous income	-	-	11,334	11,334
Proceeds on sale of assets	-	-	6,616,498	6,616,498
Total revenues	<u>2,865,662</u>	<u>2,865,662</u>	<u>36,937,276</u>	<u>34,071,614</u>
EXPENDITURES				
Personnel costs:				
Salaries	1,374,000	1,374,000	1,319,757	54,243
Payroll taxes	88,000	88,000	89,353	(1,353)
Retirement and fringe benefits	241,000	241,000	258,275	(17,275)
Program expenses:				
Advertising	349,000	349,000	334,584	14,416
Business First	3,000	3,000	24,682	(21,682)
Dues	17,000	17,000	5,672	11,328
Scholarships	50,000	50,000	-	50,000
Business development	5,000	5,000	5,500	(500)
White Oak Park expenses	12,000	12,000	30,898	(18,898)
Dominion Open sponsorship	180,000	180,000	180,000	-
Payments to other organizations	-	-	19,149,352	(19,149,352)
General and administrative:				
Directors' fees	30,000	30,000	38,600	(8,600)
Accounting and auditing	40,000	40,000	40,641	(641)
Consulting	80,000	80,000	653,190	(573,190)
Books and subscriptions	2,000	2,000	2,174	(174)
Food supplies and service	23,000	23,000	22,592	408
Gasoline and auto	5,000	5,000	830	4,170
Office	83,012	83,012	56,622	26,390
Debt service, lease payments	-	-	680,400	(680,400)
Postal services	1,500	1,500	18	1,482
Miscellaneous	25,750	25,750	15,043	10,707
State of the County	-	-	7,348	(7,348)
Telecommunications	14,400	14,400	-	14,400
Tuition and seminars	5,000	5,000	13,004	(8,004)
Henrico Global Business Gateway	145,000	145,000	33,995	111,005
Boost	-	-	20,000	(20,000)
Travel	60,000	60,000	70,996	(10,996)
Utilities	32,000	32,000	39,572	(7,572)
Glenwood Loan	-	-	11,000,000	(11,000,000)
Land held for sale	-	-	723,126	(723,126)
Purchase of economic development land	-	-	1,352,000	(1,352,000)
Capital outlay	-	-	3,135,171	(3,135,171)
Total expenditures	<u>2,865,662</u>	<u>2,865,662</u>	<u>39,303,395</u>	<u>(36,437,733)</u>
Deficiency of revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,366,119)</u>	<u>\$ (2,366,119)</u>
Change in fund balance			(2,366,119)	
FUND BALANCE				
Beginning of year			30,679,420	
End of year			<u>\$ 28,313,301</u>	

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

The Economic Development Authority of Henrico County, Virginia (the “Authority”) was created by ordinance of the Board of Supervisors of Henrico County, Virginia (the “Board of Supervisors”) as a political subdivision of the Commonwealth of Virginia pursuant to the provisions of the Industrial Development and Revenue Bond Act of the Commonwealth of Virginia (the “Act”) (then Chapter 33 of Title 15.1, now Chapter 49 of Title 15.2, of the *Code of Virginia* (1950), as amended). Ten directors appointed by the Board of Supervisors govern the Authority. It is authorized, among other things, to acquire, own, lease, and dispose of properties and to make loans to the end that the Authority may promote industry and develop trade by inducing manufacturing, industrial, governmental, nonprofit, and commercial enterprises, and institutions of higher learning to locate in and remain in Virginia. The Act empowers the Authority to issue bonds for the purpose of carrying out any of its powers. Bonds issued by the Authority, pursuant to the Act, are not deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including Henrico County, Virginia (the “County”) and the Authority, but are limited obligations of the Authority payable solely from the revenues and moneys pledged for that purpose by the entity for whose benefit the bonds were issued. Reference should be made to the Act for a more complete description of the Authority’s powers and duties, and of its liability for the bonds that it issues.

Basis of Presentation

The basic financial statements have been presented in a combined format that presents both the government-wide financial statements and the fund financial statement as described below.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on all of the non-fiduciary activities, whether short-term or long-term, of the Authority. Governmental activities are supported by charges for services, which consist of industrial revenue bond filing fees, and operating contributions, which consist of support from the County of Henrico, Virginia (the “County”).

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers for filing fees associated with the issuance of industrial revenue bonds and 2) operating contributions that are received from the County based on an annual operating budget. Other items not properly included as program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements (i.e., Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance) of the Authority’s governmental fund report the finances of the Authority and generally include only short-term information, the most readily available assets, and present due liabilities, and just the resources that flow into and out of the Authority during the year or shortly thereafter.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Whereas the government-wide financial statements provide an all-encompassing view of all the Authority's finances, the fund financial statements provide a narrower look at the Authority's current resources as noted above. In addition, a reconciliation is provided explaining the differences between the net change in fund balance on the Statement of Revenues, Expenditures, and Changes in Fund Balance and the change in net position on the Statement of Activities. The differences noted on the reconciliations relate to the fact that the fund financial statement primarily report short-term financial information, whereas the government-wide statements report both short and long-term financial information. Major individual governmental funds are reported as separate columns in the fund financial statements. The Authority reports the following major governmental fund: The General Fund is the operating fund of the Authority and is used to account for all of the Authority's expendable financial resources and related liabilities.

Measurement Focus and Basis of Accounting

The 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 related cash flows.

The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are "measurable" and "available") to pay the liabilities of the current period. For this purpose, the Authority considers revenues to be "available" if they are collected within 45 days of the end of the current fiscal period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for un-accrued principal and interest on general long-term debt, which is recognized when due, and compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, the Authority considers investments with original maturities of three months or less to be cash equivalents.

Investments

Investments with a maturity date of greater 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, which approximates fair value, in accordance with U.S. GAAP. The Authority determines fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. This statement requires the use of valuation techniques, which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. The statement establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The Authority uses a market approach as the valuation technique for Level 2 inputs. Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. Statement No. 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Due from County of Henrico, Virginia

At June 30, 2025, the amount reported as Due from County consists of the following:

Economic development expense reimbursements	<u>\$ 8,769,937</u>
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Other Receivables

At June 30, 2025, the Authority's other receivables consist of the following:

Bond fees	<u>\$ 143,289</u>
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Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements, and are recorded at cost where historical records are available and at an estimated historical cost where no historical cost records exist. Contributed capital assets are recorded at the acquisition value at the time of the receipt.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The Authority capitalizes all equipment purchases exceeding \$500.

The Authority depreciates capital assets using the straight-line method over their estimated useful lives as follows:

Buildings	50 years
Leasehold improvements	7 – 10 years
Furniture and fixtures	7 years
Automobiles	5 years
Audio visual equipment	10 years
Lease asset	Term of the lease
Data processing equipment	5 years

Allowance for Uncollectible Fees Receivable

An allowance for uncollectible fees receivable is generally established using historical collection data, consideration of economic conditions, specific account analysis, and subsequent cash receipts. At June 30, 2025, all amounts are considered collectible and, therefore, no allowance was deemed necessary.

Right-of-Use Lease Asset and Related Lease Liability

The Authority is a lessee for a cancellable lease, in the event that the lessor starts a new lease with an agreed-upon third party between the lessor and lessee, of 92.096 acres of land. The Authority recognizes an intangible right-to-use asset (lease asset) and a related lease liability on the government-wide financial statements. At the commencement of a lease, the Authority initially measures a lease liability at the present value of payments expected to be made during the lease period. 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. Subsequent to the initial measurement and recognition, the lease asset is amortized on a straight-line basis over its useful life. See Notes 4, 5, and 6 for additional information.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

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

Key estimates and judgements include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts and/or payments to present value, (2) lease term, and (3) lease receipts and or payments.

- The Authority uses an estimated incremental borrowing rate as the discount rate for the lease.
- The lease term includes the noncancellable periods of the lease. Lease receipts and payments are included in the measurement of the lease receivable or liability, respectively, and are composed of fixed payments.
- The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease receivable or liability.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement that presents net position reports a separate section for deferred outflows of resources and deferred inflows of resources. These items represent a consumption and acquisition, respectively, of net assets that apply to future periods and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue), respectively, until then. The Authority has the following items that qualify for reporting in these categories:

- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Differences resulting from changes in actuarial assumptions on pension plan or OPEB valuations. These differences will be recognized in pension or OPEB expense over the estimated remaining service life of employees subject to the plan and may be reported as a deferred outflow or inflow as appropriate.
- Differences resulting from a change in proportion of the collective net OPEB liabilities. This difference will be recognized in OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.

Compensated Absences

All salaried and full-time hourly employees are granted vacation benefits in varying amounts to specified maximums depending on length of service with the Authority. Vacation may be accumulated up to the maximum allowed depending on service. If an employee's accrued vacation leave balance exceeds the maximum amount, the employee may carry over up to 100 hours past the cap into the next year. Sick leave is earned each month and may be accumulated without limit. The Authority accrues accumulated unpaid vacation and sick leave and associated employee costs when earned (or estimated to be earned) by the employee. Upon separation from the Authority, unused vacation will be paid out within one month of the employee's last day at their current rate of pay. If an employee dies during employment or retires from employment and is approved to receive a VRS benefit, or if an employee resigns with over 20 years of service, unused sick leave will be paid out at a rate of \$4 per hour, not to exceed \$15,000. The balances earned that are estimated to be used or taken, valued at current pay rates at year-end, are included in long-term liabilities on the statement of net position.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Pensions

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

Other Postemployment Benefits Plan

Group Life Insurance Program

The VRS Group Life Insurance (GLI) Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to § 51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program Other Postemployment Benefits ("OPEB") Liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI program OPEB and the additions to/deductions from the VRS GLI Program OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Retiree Healthcare Program

The Authority participates in the County's OPEB plan. OPEB plan contributions are actuarially determined. For purposes of measuring OPEB plan net liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense are determined by an annual actuarial valuation.

Sources of Revenue

Each entity applying for industrial revenue bonds must pay a filing fee. If bonds are subsequently issued, the entity must then pay an annual service fee until the bonds are retired.

The Authority is also designated as the official economic development organization for the County and, as such, is authorized to act on behalf of the County Board of Supervisors to accomplish an economic development program for the County. Although the Authority is independent of the County, it receives support from the County in the form of an annual operating budget. The expenditures, which are paid by the County and are subject to the same controls as departments within the County, are presented in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. These expenditures are also reported in the County's annual comprehensive financial report on a fiscal year basis.

The Authority employs its own staff, manages its own day-to-day operations, and sets the fees charged and approves the expenditure of those fees.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Net Position

Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets less accumulated depreciation and any outstanding debt related to the acquisition, construction, or improvement of those assets.

Fund Balance

In the governmental fund's financial statements, fund balance may be composed of restricted and unassigned balances classified dependent of constraints placed on how fund balance can be spent. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed by unassigned fund balance. Specifically:

Nonspendable

Fund balance is reported as nonspendable when it is either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted

This classification includes amounts that are restricted to specific purposes by external parties, constitutional provisions, or imposed by creditors. The Authority had no restricted fund balances at June 30, 2025.

Committed

Fund balance is reported as committed when the use of amounts is constrained by limitations that the Authority imposes upon itself through formal action of the Board, the highest level of decision making authority, and remains legally binding unless removed in the same manner. Limitations of spending imposed by the annual operating budget lapse with the passage of time and thus do not remain binding indefinitely and therefore is not sufficient to commit fund balance. Committed fund balance also incorporates contractual obligations to the extent existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Authority had no committed fund balances at June 30, 2025.

Assigned

Fund balance is reported as assigned when amounts are intended to be used for specific purposes. Assigned fund balance does not meet the criteria to be classified as restricted or committed. In the general fund, intent is expressed by the Board or an official to whom the Board has delegated this authority through the annual budget. The Authority had no assigned fund balances at June 30, 2025.

Unassigned

The portion of the fund balance available for any purpose. Includes all spendable amounts not classified as restricted. The General Fund is the only fund that would report a positive amount in the unassigned fund balance.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Adoption of New Accounting Standard

Effective July 1, 2024, the Authority adopted GASB Statement No. 101, *Compensated Absences*. Statement No. 101 provides guidance on the recognition and measurement guidance for compensated absences. The implementation of this pronouncement had the effect of restating previously reported amounts. Further information on this restatement is provided in Note 16.

Note 2 – Stewardship, Compliance and Accountability

Annual budgets are adopted on a basis consistent with U.S. GAAP for all governmental funds. The Executive Director submits to the Authority’s Finance Committee an annual operating budget for the Authority and in addition submits to the County Board of Supervisors an annual operating budget of Authority expenditures, which are funded through County appropriations for the fiscal year commencing the following July. The Authority’s operating budget includes proposed expenditures and the means of financing them. Prior to June 30, the budgets are legally enacted through the passage of appropriations by the Authority’s Board of Directors and the County Board of Supervisors. Annual appropriations place legal restrictions on expenditures and can be revised by only the Authority’s Board of Directors if pertaining to the Authority’s operating budget and the County Board of Supervisors if pertaining to the Authority’s operating budget funded through County appropriations.

Note 3 – Deposits and Investments

At June 30, 2025, the Authority’s deposits and investments consist of the following:

Demand deposits	\$ 1,566,847
LGIP - amortized cost	1,185,073
U.S. Treasury securities	25,539,133
	<u>\$ 28,291,053</u>

Deposits

The Authority’s deposits with financial institutions are fully covered by federal depository insurance or collateralized in accordance with the Virginia Security of Public Deposits Act (the “Deposits Act”). Under the Deposits Act, banks or financial institutions holding public depositories in excess of the amounts insured by the Federal Deposit Insurance Corporation must pledge collateral in the amount of 50% of the excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans.

Investments

The Authority follows a deposit and investment policy in accordance with the Commonwealth of Virginia statutes. Investment instruments include Commonwealth of Virginia Local Government Investment Pool (the “LGIP”), a 2a-7 like pool, U.S. Treasury securities, and money markets. 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.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Investment Risk Disclosures

The Authority's Investment Policy Statement ("IPS") addresses concentration of credit risk by setting a target allocation of resources between cash (30%) and fixed income investments (70%) using Barclays Aggregate Bonds as the benchmark. Additionally, the IPS sets certain minimum rating requirements and maximum maturity thresholds to address credit risk and interest risk. The Authority's IPS also stipulates guidelines to be used in the selection of brokers/dealers in order to mitigate exposure to custodial credit risk.

Credit Risk

State statutes allow the Authority to invest in, amongst other things, obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia, obligations of any city, county, or town, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and money market mutual funds. During the fiscal year, the Authority's LGIP carried a rating of AAAM.

Fair Value

The Authority's investments in U.S. Treasury securities of \$25,539,133 are measured at fair value using Level 2 inputs in accordance with GASB 72, are carrying a cost basis of \$25,202,467 at June 30, 2025, and all mature in less than one year as of June 30, 2025.

Note 4 – Capital Assets and Land Held for Sale

Capital assets at June 30, 2025, were comprised of the following amounts:

	<u>Balance at July 1, 2024</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Balance at June 30, 2025</u>
Capital assets not subject to depreciation:				
Land	\$ 11,139,483	\$ 3,061,432	\$ (10,000,000)	\$ 4,200,915
Total capital assets not subject to depreciation	<u>11,139,483</u>	<u>3,061,432</u>	<u>(10,000,000)</u>	<u>4,200,915</u>
Capital assets subject to depreciation:				
Buildings	2,177,082	-	-	2,177,082
Leasehold improvements	11,170	73,739	-	84,909
Furniture and fixtures	76,162	-	-	76,162
Automobiles	123,479	-	-	123,479
Audio visual equipment	8,500	-	-	8,500
Leased land	5,631,912	-	-	5,631,912
Data processing equipment	40,127	-	-	40,127
Total capital assets subject to depreciation and amortization	<u>\$ 8,068,432</u>	<u>\$ 73,739</u>	<u>\$ -</u>	<u>\$ 8,142,171</u>

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

	<u>Balance at July 1, 2024</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Balance at June 30, 2025</u>
Accumulated depreciation/amortization:				
Buildings	\$ (941,503)	\$ (43,542)	\$ -	\$ (985,045)
Leasehold improvements	(11,170)	(5,076)	-	(16,246)
Furniture and fixtures	(76,162)	-	-	(76,162)
Automobiles	(57,644)	(18,669)	-	(76,313)
Audio visual equipment	(7,241)	(264)	-	(7,505)
Leased land	(281,596)	(563,191)	-	(844,787)
Data processing equipment	(39,811)	(314)	-	(40,125)
Total accumulated depreciation/amortization	<u>(1,415,127)</u>	<u>(631,056)</u>	<u>-</u>	<u>(2,046,183)</u>
Total capital assets being depreciated/ amortized, net	6,653,305	(557,317)	-	6,095,988
Total capital assets subject to depreciation and amortization, net	<u>\$ 17,792,788</u>	<u>\$ 2,504,115</u>	<u>\$ (10,000,000)</u>	<u>\$ 10,296,903</u>

During fiscal year 2025, the Authority conveyed land known as Wilton Farm to the County. The total book value of the property conveyed was \$10,000,000. The County also assumed the associated lease from the Authority related to the conveyed property.

In fiscal year 2025, the Authority purchased a golf course for \$3,061,432. In the same month, the Authority entered into a long-term lease agreement with a management company to operate the golf course. This lease is at a nominal amount and is excluded from GASB 87 lease accounting considerations.

Other Economic Development Real Estate Transactions and Land Held for Sale

During fiscal year 2025, the Authority sold land with no carrying value, per an established agreement with the Commonwealth of Virginia, to a third party for \$2,072,001.

During fiscal year 2021, the County conveyed land with a tax-assessed value of \$9.1 million to the Authority with the intent the land would be sold to a prospective business in the near future. During fiscal year 2023, that land was sold for \$6.2 million under a financing arrangement to the prospective business. The amounts received under the terms of this financing arrangement by the Authority are passed through to the County. The balance of this financing arrangement outstanding was \$5,221,400 which was reported as both a receivable and Due to County on the Statement of Net Position in the prior year. Due to the inability of the prospective business to pay the remaining balance during fiscal year 2025, in accordance with the financing agreement, the receivable and related payable due to County were written off in the current year. See Note 13 for further details.

Additionally, during fiscal year 2025, the Authority purchased two properties on Scott Farm Road for the purpose of future development for \$696,726, land within the White Oak Technology Park site for \$22,000 to be used as a memorial site, and \$4,400 of nutrient credits. The Authority also sold 24 of the approximately 40 acres of land on Elko Road as a part of the White Oak Technology Park construction, the Eastridge Road property, and the Staples Mill Road property.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

At June 30, 2025, the Authority's land held for sale as reported on the statement of net position consists of the following (all valued at cost):

Park Central	\$ 1,848,337
Elko Road	1,947,869
Scott Farm Road	696,726
White Oak Memorial Site	22,000
Nutrient Credits	4,400
	<u>\$ 4,519,332</u>

Note 5 – Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2025, were as follows:

Heading	Balance at July 1, 2024	Increase	Decrease	Balance at June 30, 2025	One Year
Due to County (Note 4 and 13)	\$ 5,221,400	\$ 6,855,988	\$ (5,221,400)	\$ 6,855,988	\$ 4,746,453
Net OPEB liabilities (Notes 9, 10 and 11)	67,291	13,826	-	81,117	-
Net pension liability (Note 8)	289,647	-	(156,590)	133,057	-
Lease liability (Note 6)	5,325,505	-	(476,366)	4,849,139	438,827
Compensated absences*	191,505**	-	(16,165)	175,340	175,340
	<u>\$ 11,095,348</u>	<u>\$ 6,869,814</u>	<u>\$ (5,870,521)</u>	<u>\$ 12,094,641</u>	<u>\$ 5,360,620</u>

* The change in compensated absences above is a net change for the year.

** Compensated absences balance at July 1, 2024, has been restated due to the implementation of GASB 101.

Note 6 – Lease Liability

During 2024, the Authority, as a lessee, entered into a cancellable lease agreement for the land at 1955 & 2551 Portugee Road in Sandston, Virginia, and, as a result, recognized an intangible right-to-use lease asset and related lease liability. Payments of \$56,700 are due monthly through December 2033 and are discounted at 3.95%. Additionally, the Authority has made a commitment under the terms of this lease to make certain utility infrastructure improvements to the property, the amounts for which have yet to be determined, as well as to market the property for future sale. The land is leased for improvement in anticipation of sale for future economic development prospects.

Future maturities are as follows:

Year Ending	Principal	Interest	Total
2026	\$ 438,827	\$ 184,873	\$ 623,700
2027	515,458	164,942	680,400
2028	536,191	144,209	680,400
2029	557,759	122,641	680,400
2030	580,193	100,207	680,400
Thereafter	2,220,711	160,690	2,381,401
	<u>\$ 4,849,139</u>	<u>\$ 877,562</u>	<u>\$ 5,726,701</u>

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Related lease assets totaling \$5,631,912, offset by accumulated amortization of \$844,787, is included in capital assets, net on the statement of net position as of June 30, 2025 (see Note 4).

Note 7 – Conduit Debt - Revenue Bonds and Notes Issued

The Authority is empowered by the Commonwealth of Virginia to issue Industrial Revenue Bonds (“IRBs”) on behalf of qualified businesses wanting to promote industry and develop trade within the County. Principal and interest on the IRBs are paid entirely by the businesses. The terms of the IRBs stipulate that neither the Authority nor the County guarantees the repayment of principal and interest to the bondholders. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. At June 30, 2025, the Authority had outstanding IRBs with original principal amounts of approximately \$735 million and outstanding principal amounts of approximately \$573 million maturing between fiscal years 2027 and 2052. During the year ended June 30, 2025, one bond was issued for \$265 million on behalf of Bon Secours.

Note 8 – Defined Benefit Pension Plan

Plan Description

All full-time, salaried permanent employees of the Authority, (the “Political Subdivision”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees - Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

Employees Covered by Benefit Terms

As of the June 30, 2023, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>7</u>
Inactive members:	
Vested	4
Non-vested	3
Active elsewhere in VRS	<u>5</u>
Total inactive members	<u>12</u>
Active members	<u>11</u>
	<u>30</u>

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Contributions

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

The Authority's contractually required contribution rate for the year ended June 30, 2025, was 7.55% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$98,236 and \$79,282 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$7,725 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$11,718 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$30,971 for the year ended June 30, 2025.

Net Pension Liability (Asset)

The net pension liability (asset) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability (asset) was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total pension liability for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality Rates: General employees - 15 to 20% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 Improvement Scale with various set-backs or set-forwards for both males and females.

The actuarial assumptions used in the June 30, 2023, valuation was 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

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Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees - Largest 10 - Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates to better fit experience; 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 salary scale; and no change to discount rate.

Long-Term Expected Rate of Return

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

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

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

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the alternate rate was the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2023	\$ 3,285,375	\$ 2,995,728	\$ 289,647
Changes for the year:			
Service cost	124,813	-	124,813
Interest	221,111	-	221,111
Changes of assumptions	-	-	-
Difference between expected and actual	(84,932)	-	(84,932)
Contributions - employer	-	79,282	(79,282)
Contributions - employee	-	55,329	(55,329)
Net investment income (loss)	-	284,901	(284,901)
Benefit payments, including refunds of employee contributions	(268,928)	(268,928)	-
Administrative expense	-	(1,986)	1,986
Other	-	56	(56)
Net changes	(7,936)	148,654	(156,590)
Balances at June 30, 2024	<u>\$ 3,277,439</u>	<u>\$ 3,144,382</u>	<u>\$ 133,057</u>

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

The following table presents the net pension liability (asset) of the Authority, calculated using the discount rate of 6.75%, as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	<u>\$ 420,993</u>	<u>\$ 133,057</u>	<u>\$ (114,194)</u>

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

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

For the year ending June 30, 2025, the Authority recognized pension expense of \$151,873. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 104,415	\$ 54,707
Net difference between projected and actual earnings on pension plan investments	-	83,251
Employer contributions subsequent to the measurement date	98,236	-
	\$ 202,651	\$ 137,958

Deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as an increase or decrease of the net pension asset or liability, respectively, in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2026	\$ (2,088)
2027	1,585
2028	(15,581)
2029	(17,459)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/media/shared/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 9 – Other Postemployment Benefits (OPEB) - Retiree Healthcare

Plan Description

The County provides other postemployment healthcare benefits for retired employees of the Authority through the County of Henrico Post Retirement Benefits Plan, a single employer defined benefit OPEB plan ("Plan"). The benefit levels, employee contributions, and employer contributions are governed by the County and can be amended by the County. The County participates in the Virginia Pooled OPEB Trust Fund ("Trust Fund"), an irrevocable trust established for the purpose of accumulating assets to fund postemployment healthcare benefits other than pensions.

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June 30, 2025

Healthcare Benefits

The County provides health and dental care benefits during retirement for retirees and their dependents. Employees who wish to have County sponsored health and dental care coverage must enroll within 31 days of the date their employment coverage ends. Employees retiring with an immediate VRS monthly retirement payment may elect to be covered under the County sponsored medical and dental plan at the time they retire. Benefits are provided through a third-party insurer.

Eligible retirees, under the age of 65, and their dependents, can remain in the County health and dental plans. Medicare eligible retirees, at age 65, move to a Medicare carve-out plan which is coordinated with Medicare. Upon the death of the retiree, surviving spouses may elect to remain in the County's plan.

Current County retirees who qualify for health benefits receive an implicit rate subsidy by participating in the active employee health care risk pool.

Membership

At June 30, 2024, membership for the postemployment healthcare benefits consisted of:

	<u>Number</u>
Active employees	<u>11</u>

Funding Policy

The County currently contributes amounts to the Virginia Pooled OPEB Trust Fund for the postemployment healthcare benefits. The Board of the Trust Fund establishes rates based on an actuarially determined rate. Contributions are irrevocable and shall be dedicated to providing other postemployment benefits or to defray reasonable expenses of the Trust Fund. While the County contributes to a trust fund, none of the fiduciary net position of the trust fund are allocated to the Authority. For the year ended June 30, 2025, the Authority made pay-as-you-go contributions to cover benefit payments of \$283.

OPEB Liability and OPEB Expense

For purposes of measuring the postemployment Healthcare OPEB liability, deferred outflows, and deferred inflows of resources, OPEB expense and the additions to/deductions from net fiduciary position have been determined on the same basis as they were reported as of June 30, 2025. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2025, the Authority reported a postemployment Healthcare OPEB liability of \$26,548. For the year ended June 30, 2025, the Authority recognized Healthcare OPEB income of \$871.

At June 30, 2025, the Authority's Healthcare OPEB liability is as follows:

Total Healthcare OPEB liability	\$ 26,548
Fiduciary net position	-
Healthcare OPEB liability	<u>\$ 26,548</u>

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Changes in the Healthcare OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	OPEB Liability (a) – (b)
Balances at June 30, 2024	\$ 17,879	\$ -	\$ 17,879
Changes for the year:			
Service cost	7,273	-	7,273
Interest	1,679	-	1,679
Contributions - employer	-	283	(283)
Experience losses (gains)	-	-	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(283)	(283)	-
Net changes	8,669	-	8,669
Balances at June 30, 2025	<u>\$ 26,548</u>	<u>\$ -</u>	<u>\$ 26,548</u>

Actuarial Methods and Assumptions

The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the June 30, 2024, actuarial valuation, which was used for the June 30, 2025, measurement date for other postemployment healthcare benefits, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a 6.75% discount rate of return, 2.5% annual salary increase, and an annual healthcare cost trend rate of 7% trending uniformly to 5.60% over the next 3 years. The remaining closed amortization period beginning July 1, 2017, for the calculation of contributions, was 20 years. Experience gains or losses are amortized over the average working lifetime of all participants, which is 5 years for the current period. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5-year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants. The County plans to continue to fund the OPEB Trust annually and has no plans to currently pay any benefits out of the OPEB Trust.

Mortality Rates

Pre-Commencement

Pub-2010 General Government Healthy Annuitant Headcount Weighted Tables; set forward 2 years for females with no adjustment for males. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Post-Commencement

Pub-2010 General Government Healthy Annuitant Headcount Weighted Tables; 110% for females with no adjustment for males. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Post-Disablement

Pub-2010 General Government Disabled Headcount Weighted Tables; set forward 3 years for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Beneficiaries and Survivors

Pub-2010 General Government Contingent Survivor Headcount Weighted Tables; 110% for males and females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

Discount Rate

The discount rate used to measure the total Healthcare OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contribution rates.

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

The following presents the Authority's OPEB liability calculated using the discount rate of 6.75%, as well as what the net Healthcare OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Healthcare OPEB liability	\$ 28,749	\$ 26,548	\$ 24,570

Sensitivity of the Healthcare OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Authority's OPEB liability calculated using the healthcare cost trend assumption rate of 7%, as well as what the Healthcare OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease 6.00% Decreasing to 4.6% Over 3 Years	Current Rate 7.00% Decreasing to 5.6% Over 3 Years	1% Increase 8.00% Decreasing to 6.6% Over 3 Years
Healthcare OPEB liability	\$ 23,026	\$ 26,548	\$ 30,727

Deferred Outflows and Inflows of Resources Related to Healthcare OPEB

At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to Healthcare OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 11,817
Changes of assumptions	-	13,574
	\$ -	\$ 25,391

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The collected amounts reported as deferred outflows of resources and deferred inflows of resources related to Healthcare OPEB that will be recognized in Healthcare OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Effect on OPEB Expense</u>
2026	\$ (9,823)
2027	(9,820)
2028	(5,748)

Note 10 – Other Postemployment Benefits (OPEB) – Virginia Retirement System Group Life Insurance

In addition to their participation in the pension plan offered through the Virginia Retirement System (VRS), the Authority also participates in a cost-sharing other postemployment benefit plan, described as follows.

Plan Description

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/benefits-and-programs/benefits/life-insurance/>.

The GLI Program is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. This plan is considered a multiple employer, cost-sharing plan.

Contributions

Contributions to the VRS OPEB program were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rate was expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability, with the exception of GLI, which was also combined with employee contributions. Specific details related to the contributions for the VRS OPEB program are as follows:

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025 Contribution	\$6,115
June 30, 2024 Contribution	\$6,782

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

OPEB Liability, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially determined employer contributions for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers.

June 30, 2025 proportionate share of liability	\$ 54,569
June 30, 2024 proportion	0.0000489%
June 30, 2023 proportion	0.0000412%
June 30, 2025 expense	\$ 3,070

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,607	\$ 1,333
Changes of assumptions	311	2,704
Net difference between projected and actual earnings on plan investments	-	4,600
Change in proportion	9,385	432
Employer contributions subsequent to the measurement date	6,115	-
	\$ 24,418	\$ 9,069

The deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending June 30,	Effect on OPEB Expense
2026	\$ (466)
2027	2,920
2028	2,163
2029	2,375
2030	2,242

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases, including inflation:	
Locality - general employees	3.50% - 5.35%
Locality - hazardous duty employees	3.50% - 4.75%
Teachers	3.50% - 5.95%
Healthcare cost trend rates:	
Under age 65	7.25% - 4.25%
Ages 65 and older	6.50% - 4.25%
Investment rate of return, net of expenses, including inflation	6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 8.

Net OPEB Liability

The net OPEB liability represents each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, net OPEB liability amounts are as follows (amounts expressed in thousands):

	GLI
Total OPEB liability	\$ 4,196,055
Plan fiduciary net position	3,080,133
Employers' net OPEB liability (asset)	\$ 1,115,922
Plan fiduciary net position as a percentage of total OPEB liability	73.41%

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

Long-Term Expected Rate of Return

The long-term expected rate of return on VRS 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are the same as those used for the VRS pension plan as shown in detail at Note 8.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Discount Rate

The discount rate used to measure the GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member 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. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities 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 for GLI. From July 1, 2024, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
GLI net OPEB liability	\$ 84,861	\$ 54,569	\$ 30,096

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Note 11 – Other Postemployment Benefits (OPEB) Summary

A summary of the other post-employment benefits-related financial statement elements is as follows:

	Retiree Healthcare	VRS GLI	Total
Net other post-employment benefits liability	\$ 26,548	\$ 54,569	\$ 81,117
Deferred outflows of resources:			
Change in proportion	\$ -	\$ 9,385	\$ 9,385
Contributions subsequent to measurement date	-	6,115	6,115
Difference between expected and actual experience	-	8,607	8,607
Changes in actuarial assumptions	-	311	311
Total deferred outflows of resources	\$ -	\$ 24,418	\$ 24,418
Deferred inflows of resources:			
Difference between expected and actual experience	\$ 11,817	\$ 1,333	\$ 13,150
Changes in actuarial assumptions	13,574	2,704	16,278
Net difference between projected and actual investment earnings	-	4,600	4,600
Change in proportion	-	432	432
Total deferred inflows of resources	\$ 25,391	\$ 9,069	\$ 34,460
Net other post-employment benefits expense (income)	\$ (871)	\$ 3,070	\$ 2,199

Note 12 – Commitments

The Authority executed a lease agreement with the County Board of Supervisors and the Authority on October 4, 2001. The term of the lease is 50 years with an annual consideration of \$1 for the 2.5-acre parcel of land located at the northwest corner of Parham and Hermitage High Boulevard. As part of the lease agreement, the Authority agreed to construct an office building, parking lot, and other appurtenant facilities on the premises. The building and all facilities shall revert to the County at termination of the lease.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

Note 13 – Claims and Judgements

Litigation

At any point in time, various claims and lawsuits are pending against the Authority. In the opinion of outside legal counsel, resolution of one of these cases has a favorable outcome for the Authority.

The Authority filed suit against Green City Development Corporation, LLC (GCDC) and Green City Partners, LLC, arising from a real estate transaction by which the Authority conveyed certain real estate to GCDC. Under the terms of the contract, GCDC was required to make payments in accordance with the agreement. The agreement provided the option for the Authority to repurchase the property if payments were not made timely or at all. The Authority did not receive the final payment and exercised the repurchase option, but GCDC refused to sell the property back to the Authority. In September 2025, subsequent to year-end, the court ruled in favor of the Authority. GCDC was required to sell the property back to the Authority. The Authority paid the \$1,000,000 purchase price as set out in the original agreement in exchange for the real estate.

Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains a comprehensive property and casualty policy, a commercial general liability policy, a comprehensive liability vehicle policy, and coverage for Authority errors and omissions, workers' compensation and employer's liability, and certain other risks with commercial insurance companies. There have been no significant reductions in insurance coverage in comparison to coverage in the prior year and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 14 – Performance Agreements

The Authority has executed performance agreements with various businesses on behalf of the County, which contain capital investment and employment goals. Upon completion of the specific requirements, the grant funds are awarded in accordance with the terms of the performance agreements, which are generally contingent upon appropriation of such awards by the County. During the year ended June 30, 2025, the Authority awarded \$18,685,596 under the terms of these agreements, all of which had been reimbursed by the County as of year-end. Additionally, during 2025, the County advanced a performance agreement payment in the amount of \$154,850 to the Authority. As of June 30, 2025, the business had not yet requested payment from the Authority and as such, it is included in unearned revenues at year-end. At June 30, 2025, the Authority owed a balance of \$8,769,937 related to a tax incentive for a performance agreement. The Authority is being used as a passthrough for the transaction, and the funds are to be received from the County. The Authority has recorded a receivable due from the County on the statement of net position. The payable for the tax incentive is included in performance agreements payable on the statement of net position.

Note 15 – Notes Receivable

During August 2024, the Authority provided Glenwood Redevelopment LLC ("Glenwood") with two loans totaling \$11 million to fund the acquisition of property located at the intersection of Bolling Road and East Laburnum Avenue. Glenwood will redevelop the property as a new mixed-income residential community with a variety of amenities and housing choices. At June 30, 2025, Glenwood owed the Authority a total of \$602,441 of interest on the loans in addition to the principal balance of the \$11 million.

Economic Development Authority of Henrico County, Virginia

Notes to Financial Statements

June 30, 2025

The County EDA Bridge Loan Note (the “Bridge Loan”) made to Glenwood was for a total of \$9 million. Interest on the Bridge Loan is 5.35% annually. Principal and interest are due in full on August 5, 2025. There is an option to extend the loan for eight successive three-month periods. The balance owed on the Bridge Loan, including accrued interest, was \$9,492,907 at June 30, 2025, and is included in notes receivable on the statement of net position. The County loaned a total of \$4,500,000 to the Authority to help fund this Bridge Loan. The Authority is required to pay half of the principal and interest received on the Bridge Loan to the County. See Note 5 for further discussion.

The County EDA Affordable Support Loan (the “Support Loan”) made to Glenwood was for a total of \$2 million. Interest on the Support Loan is 5.35% annually. Principal and interest are due in full on August 5, 2029. The balance owed on the note, including accrued interest, was \$2,109,534 at June 30, 2025, and is included in notes receivable on the statement of net position. The County provided the total \$2 million to the Authority to fund the Support Loan. The Authority is required to pay all of the principal and interest received on the loan to the County. See Note 5 for further discussion.

Note 16 – Restatement

During fiscal year 2025, the implementation of GASB Statement No. 101 resulted in the restatement of net position as of June 30, 2024, as follows:

	Net Position
June 30, 2024, as previously reported	\$ 49,916,627
Change in accounting principle	(46,472)
June 30, 2024, as restated	<u>\$ 49,870,155</u>

This change has been applied retrospectively.

Note 17 – New Accounting Standards

In April 2024, the GASB issued **Statement No. 103**, Financial Reporting Model Improvements. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.



Required Supplementary Information

Economic Development Authority of Henrico County, Virginia
Schedule of Changes in Net Pension Liability (Asset) with Related Ratios

Exhibit 1

	Plan Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	\$ 124,813	\$ 100,464	\$ 93,634	\$ 96,015	\$ 95,026	\$ 84,908	\$ 85,736	\$ 91,738	\$ 73,447	\$ 76,852
Interest	221,111	191,449	189,901	185,611	169,984	167,993	164,273	157,627	151,476	145,107
Changes of assumptions	-	-	-	78,571	-	51,422	-	(28,649)	-	-
Difference between expected and actual experience	(84,932)	386,621	(5,138)	(178,081)	123,481	(40,609)	(67,375)	(3,573)	(15,896)	(10,857)
Benefit payments, including refunds of employee contributions	(268,928)	(257,941)	(266,662)	(157,726)	(156,231)	(134,445)	(124,529)	(119,880)	(122,408)	(117,850)
Net change in total pension liability (asset)	(7,936)	420,593	11,735	24,390	232,260	129,269	58,105	97,263	86,619	93,252
Total pension liability, beginning	3,285,375	2,864,782	2,853,047	2,828,657	2,596,397	2,467,128	2,409,023	2,311,760	2,225,141	2,131,889
Total pension liability, ending (a)	3,277,439	3,285,375	2,864,782	2,853,047	2,828,657	2,596,397	2,467,128	2,409,023	2,311,760	2,225,141
PLAN FIDUCIARY NET POSITION										
Contributions - employer	79,282	62,518	74,991	71,426	61,129	57,886	66,287	64,961	80,531	72,678
Contributions - employee	55,329	42,578	40,366	41,500	38,324	35,983	36,639	35,713	32,603	29,305
Net investment income (loss)	284,901	185,530	(2,758)	678,183	47,510	158,726	165,515	245,313	34,715	87,632
Benefit payments, including refunds of employee contributions	(268,928)	(257,941)	(266,662)	(157,726)	(156,231)	(134,445)	(124,529)	(119,880)	(122,408)	(117,850)
Administrative expenses	(1,986)	(1,935)	(2,037)	(1,684)	(1,629)	(1,571)	(1,421)	(1,405)	(1,225)	(1,199)
Other changes	56	74	70	64	(56)	(100)	(148)	(219)	(15)	(20)
Net change in plan fiduciary net position	148,654	30,824	(156,030)	631,763	(10,953)	116,479	142,343	224,483	24,201	70,546
Plan fiduciary net position, beginning	2,995,728	2,964,904	3,120,934	2,489,171	2,500,124	2,383,645	2,241,302	2,016,819	1,992,618	1,922,072
Plan fiduciary net position, ending (b)	3,144,382	2,995,728	2,964,904	3,120,934	2,489,171	2,500,124	2,383,645	2,241,302	2,016,819	1,992,618
Net pension liability (asset), beginning	289,647	(100,122)	(267,887)	339,486	96,273	83,483	167,721	294,941	232,523	209,817
Net pension liability (asset), ending (a) - (b)	\$ 133,057	\$ 289,647	\$ (100,122)	\$ (267,887)	\$ 339,486	\$ 96,273	\$ 83,483	\$ 167,721	\$ 294,941	\$ 232,523
Plan fiduciary net position as a percentage of the total pension liability	95.9%	91.2%	103.5%	109.4%	88.0%	96.3%	96.6%	93.0%	87.2%	89.6%
Employer's covered payroll	\$ 1,255,957	\$ 969,823	\$ 879,778	\$ 814,166	\$ 830,381	\$ 795,486	\$ 773,479	\$ 717,476	\$ 607,128	\$ 558,862
Net pension liability (asset) as a percentage of covered payroll	10.6%	29.9%	-11.4%	-32.9%	40.9%	12.1%	10.8%	23.4%	48.6%	41.6%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2015 information was presented in the entity's fiscal year 2016 financial report.

Schedule of Employer Pension Contributions

<u>For the Years Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Excess</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2025	\$ 98,236	\$ 98,236	\$ -	\$ 1,301,143	7.55%
2024	79,282	79,282	-	1,255,957	6.31%
2023	62,518	62,518	-	969,823	6.45%
2022	74,991	74,991	-	879,778	8.52%
2021	71,426	71,426	-	814,166	8.77%
2020	70,250	79,666	9,416	830,381	9.59%
2019	67,298	76,373	9,075	795,486	9.60%
2018	65,436	80,631	15,195	773,479	10.42%
2017	65,506	78,078	12,572	717,476	10.88%
2016	75,405	89,960	14,555	607,128	14.82%

Economic Development Authority of Henrico County, Virginia

Notes to Required Supplementary Pension Information

June 30, 2025

Note 1 – Changes of Benefit Terms

There have been no actuarial material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Note 2 – Changes of Assumptions

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

- Update mortality table 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 Plan2/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 salary scale.
- No change to line of duty rates.
- No change to discount rate.

Economic Development Authority of Henrico County, Virginia

Exhibit 3

Schedule of Changes in Total OPEB Liability with Related Ratios

	Plan Year							
	2024	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY								
Service cost	\$ 7,273	\$ 10,201	\$ 9,534	\$ 6,031	\$ 5,636	\$ 4,033	\$ 3,841	\$ 3,658
Interest	1,679	3,050	2,200	3,050	2,474	1,800	1,466	1,226
Change of assumptions	-	(18,040)	-	(8,250)	-	-	-	-
Difference between expected and actual experience	-	(10,700)	-	(16,197)	-	2,955	-	-
Benefit payments, including refunds of employee contributions	(283)	(264)	(282)	(266)	(774)	(720)	(1,645)	(1,523)
Total change in total OPEB liability (asset)	8,669	(15,753)	11,452	(15,632)	7,336	8,068	3,662	3,361
Total OPEB liability, beginning	17,879	33,632	22,180	37,812	30,476	22,408	18,746	15,385
Total OPEB liability, ending (a)	26,548	17,879	33,632	22,180	37,812	30,476	22,408	18,746
PLAN FIDUCIARY NET POSITION*								
Contributions - employer	283	264	282	266	774	720	1,645	1,523
Benefit payments, including refunds of employee contributions	(283)	(264)	(282)	(266)	(774)	(720)	(1,645)	(1,523)
Total change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position, beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	-	-	-	-	-	-	-	-
Total OPEB liability, beginning	17,879	33,632	22,180	37,812	30,476	22,408	18,746	15,385
Total OPEB liability, ending (a) - (b)	\$ 26,548	\$ 17,879	\$ 33,632	\$ 22,180	\$ 37,812	\$ 30,476	\$ 22,408	\$ 18,746
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%
Employer's covered-employee payroll	\$ 1,093,369	\$ 1,066,701	\$ 942,645	\$ 942,645	\$ 786,622	\$ 786,622	\$ 792,076	\$ 792,076
Total OPEB liability as a percentage of covered-employee payroll	2%	2%	4%	2%	5%	4%	3%	2%

*No assets have been accumulated in a trust or equivalent arrangement for the payment of future benefits.

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

Economic Development Authority of Henrico County, Virginia

Exhibit 4

Schedule of Employer's Share of Net GLI OPEB Liability

	Plan Year					
	2024	2023	2022	2021	2020	2019
Employer's Proportion of the Net GLI OPEB Liability	\$ 54,569	\$ 49,412	\$ 48,645	\$ 45,872	\$ 66,754	\$ 64,114
Employer's Proportionate Share of the Net GLI OPEB Liability	0.00489%	0.00412%	0.00404%	0.00394%	0.00400%	0.00394%
Employer's Covered Payroll	\$ 1,255,957	\$ 969,823	\$ 879,778	\$ 814,166	\$ 830,381	\$ 795,486
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	4.34%	5.09%	5.53%	5.63%	8.04%	8.06%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%

This schedule is intended to show information for 10 years. Since fiscal year 2020 (plan year 2019) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

Schedule of Employer OPEB Contributions

For the Years Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
RETIREE HEALTHCARE PROGRAM					
2025	\$ 9,556	\$ 283	\$ (9,273)	\$ 1,093,369	0.03%
2024	14,270	264	(14,006)	1,066,701	0.02%
2023	12,216	282	(11,934)	942,645	0.03%
2022	10,093	266	(9,827)	942,645	0.03%
2021	8,847	774	(8,073)	786,622	0.10%
2020	8,847	720	(8,127)	786,622	0.09%
2019	5,726	1,645	(4,081)	792,076	0.21%
2018	5,188	1,523	(3,665)	792,076	0.19%
GROUP LIFE INSURANCE PROGRAM					
2025	\$ 6,115	\$ 6,115	\$ -	\$ 1,301,143	0.47%
2024	6,782	6,782	-	1,255,957	0.54%
2023	5,237	5,237	-	969,823	0.54%
2022	4,751	4,751	-	879,778	0.54%
2021	4,395	4,395	-	814,166	0.54%
2020	4,288	4,288	-	830,381	0.52%

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation for the Retiree Healthcare Program and since fiscal year 2020 (plan year 2019) was the first year for this presentation for the Group Life Insurance Program, no earlier data is available. Additional years will be included as they become available.

Economic Development Authority of Henrico County, Virginia

Notes to Required Supplementary OPEB Information

June 30, 2025

Note 1 – Changes of Benefit Terms

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

Note 2 – Changes of Assumptions

Actuarial Assumptions (Healthcare OPEB Plan)

The following changes have been made to the actuarial assumptions and since the previous valuation date:

1. The mortality, retirement, termination, and disability decrements were updated to match the current VRS assumptions as of the June 30, 2023, report.
2. The health care cost trend rate was updated to 7.00% in 2024 grading to 5.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.
3. The discount rate was updated to 6.75% to match the current VRS OPEB plan discount rate.

The total OPEB liability was based on an actuarial valuation as of June 30, 2025, using the following assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry age normal
Amortization period	20 years
Discount rate	6.75%
Salary increases, including inflation	2.5%
Healthcare cost rent rates	7% initial, graded to 5.60% over 3 years and following the Getzen model thereafter

Actuarial assumptions (GLI OPEB Plan)

The actuarial assumptions used in the June 30, 2022, valuation was 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:

- Update mortality table 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 Plan2/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 salary scale.
- No change to line of duty rates.
- No change to discount rate.

Economic Development Authority of Henrico County, Virginia

Notes to Required Supplementary OPEB Information

June 30, 2025

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

- Update mortality table 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 Plan2/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 salary scale.
- No change to line of duty rates.
- No change to discount rate.



Statistical Section (Unaudited)

Economic Development Authority of Henrico County, Virginia

Statistical Section

June 30, 2025

The statistical section of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information say about the Authority's overall financial health. This information has not been audited by the independent auditor.

Contents:

Financial Trends (Tables 1 - 4)

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity (Table 5)

This schedule contains trend information to help the reader assess the Authority's most significant revenue sources.

Debt Capacity (Table 6)

This schedule contains trend information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 7 - 14)

These schedules offer demographic and economic indicators that help the reader understand how the environment within the Authority's activities take place.

Operating Information (Tables 15 - 16)

These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Economic Development Authority of Henrico County, Virginia

Table 1

Net Position by Component - Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 5,447,764	\$ 12,467,283	\$ 12,671,508	\$ 20,887,472	\$ 20,942,748	\$ 11,454,632	\$ 1,505,031	\$ 1,521,478	\$ 1,574,883	\$ 1,602,279
Restricted	-	-	100,122	267,887	-	-	-	-	-	-
Unrestricted	37,171,375	37,449,344	26,465,493	13,140,051	5,892,482	5,065,753	1,482,421	1,574,186	1,696,693	1,668,177
Total governmental activities net position	<u>\$42,619,139</u>	<u>\$49,916,627</u>	<u>\$39,237,123</u>	<u>\$34,295,410</u>	<u>\$26,835,230</u>	<u>\$16,520,385</u>	<u>\$ 2,987,452</u>	<u>\$ 3,095,664</u>	<u>\$ 3,271,576</u>	<u>\$ 3,270,456</u>
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 5,447,764	\$ 12,467,283	\$ 12,671,508	\$ 20,887,472	\$ 20,942,748	\$ 11,454,632	\$ 1,505,031	\$ 1,521,478	\$ 1,574,883	\$ 1,602,279
Restricted	-	-	100,122	267,887	-	-	-	-	-	-
Unrestricted	37,171,375	37,449,344	26,465,493	13,140,051	5,892,482	5,065,753	1,482,421	1,574,186	1,696,693	1,668,177
Total primary government net position	<u>\$42,619,139</u>	<u>\$49,916,627</u>	<u>\$39,237,123</u>	<u>\$34,295,410</u>	<u>\$26,835,230</u>	<u>\$16,520,385</u>	<u>\$ 2,987,452</u>	<u>\$ 3,095,664</u>	<u>\$ 3,271,576</u>	<u>\$ 3,270,456</u>

Economic Development Authority of Henrico County, Virginia

Table 2

Changes in Net Position - Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental activities:										
Economic development	\$ 40,444,172	\$ 15,404,589	\$11,740,638	\$ 4,107,227	\$ 2,904,475	\$ 4,567,651	\$ 2,243,068	\$ 2,265,596	\$ 2,706,860	\$ 2,639,534
Total governmental activities expenses	40,444,172	15,404,589	11,740,638	4,107,227	2,904,475	4,567,651	2,243,068	2,265,596	2,706,860	2,639,534
Total primary government expenses	<u>\$ 40,444,172</u>	<u>\$ 15,404,589</u>	<u>\$11,740,638</u>	<u>\$ 4,107,227</u>	<u>\$ 2,904,475</u>	<u>\$ 4,567,651</u>	<u>\$ 2,243,068</u>	<u>\$ 2,265,596</u>	<u>\$ 2,706,860</u>	<u>\$ 2,639,534</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 866,320	\$ 226,633	\$ 234,342	\$ 268,582	\$ 168,411	\$ 180,915	\$ 236,949	\$ 228,882	\$ 219,059	\$ 230,548
Operating grants and contributions	30,220,632	24,312,822	4,652,004	4,292,179	2,402,252	3,502,375	1,693,633	1,719,837	1,450,815	1,548,155
Capital grants and contributions	-	-	4,840,000	-	9,261,100	10,000,000	-	-	-	-
Total governmental activities program revenues	31,086,952	24,539,455	9,726,346	4,560,761	11,831,763	13,683,290	1,930,582	1,948,719	1,669,874	1,778,703
Total primary government program revenues	<u>\$ 31,086,952</u>	<u>\$ 24,539,455</u>	<u>\$ 9,726,346</u>	<u>\$ 4,560,761</u>	<u>\$11,831,763</u>	<u>\$13,683,290</u>	<u>\$ 1,930,582</u>	<u>\$ 1,948,719</u>	<u>\$ 1,669,874</u>	<u>\$ 1,778,703</u>
NET (EXPENSE) REVENUE										
Governmental activities	\$ (9,357,220)	\$ 9,134,866	\$ (2,014,292)	\$ 453,534	\$ 8,927,288	\$ 9,115,639	\$ (312,486)	\$ (316,877)	\$ (1,036,986)	\$ (860,831)
Total primary government net expense	<u>\$ (9,357,220)</u>	<u>\$ 9,134,866</u>	<u>\$ (2,014,292)</u>	<u>\$ 453,534</u>	<u>\$ 8,927,288</u>	<u>\$ 9,115,639</u>	<u>\$ (312,486)</u>	<u>\$ (316,877)</u>	<u>\$ (1,036,986)</u>	<u>\$ (860,831)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,000	\$ -
Interest and investment income (loss)	2,094,870	1,532,995	739,837	(55,657)	31,359	59,816	27,134	14,993	-	-
Miscellaneous income	11,334	11,643	12,912	16,114	179,743	989,017	168,726	141,357	138,106	127,829
Gain on sale of assets	-	-	6,203,256	7,046,189	1,230,551	3,368,461	8,414	-	-	-
Total governmental activities	2,106,204	1,544,638	6,956,005	7,006,646	1,441,653	4,417,294	204,274	156,350	1,038,106	127,829
Total primary government	<u>\$ 2,106,204</u>	<u>\$ 1,544,638</u>	<u>\$ 6,956,005</u>	<u>\$ 7,006,646</u>	<u>\$ 1,441,653</u>	<u>\$ 4,417,294</u>	<u>\$ 204,274</u>	<u>\$ 156,350</u>	<u>\$ 1,038,106</u>	<u>\$ 127,829</u>
CHANGE IN NET POSITION										
Governmental activities	\$ (7,251,016)	\$ 10,679,504	\$ 4,941,713	\$ 7,460,180	\$10,368,941	\$13,532,933	\$ (108,212)	\$ (160,527)	\$ 1,120	\$ (733,002)
Total primary government	<u>\$ (7,251,016)</u>	<u>\$ 10,679,504</u>	<u>\$ 4,941,713</u>	<u>\$ 7,460,180</u>	<u>\$10,368,941</u>	<u>\$13,532,933</u>	<u>\$ (108,212)</u>	<u>\$ (160,527)</u>	<u>\$ 1,120</u>	<u>\$ (733,002)</u>

Economic Development Authority of Henrico County, Virginia

Table 3

Fund Balances - Governmental Funds - Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GENERAL FUND										
Nonspendable	\$ 57,700	\$ 60,275	\$ 20,642	\$ 57,624	\$ 8,075	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	28,255,601	30,619,145	24,444,058	13,520,691	6,198,837	5,260,469	1,683,316	1,823,350	1,954,707	1,945,335
Total general fund	<u>\$28,313,301</u>	<u>\$30,679,420</u>	<u>\$24,464,700</u>	<u>\$13,578,315</u>	<u>\$ 6,206,912</u>	<u>\$ 5,260,469</u>	<u>\$ 1,683,316</u>	<u>\$ 1,823,350</u>	<u>\$ 1,954,707</u>	<u>\$ 1,945,335</u>

Economic Development Authority of Henrico County, Virginia
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years

Table 4

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Charges for services	\$ 866,320	\$ 226,633	\$ 234,342	\$ 268,582	\$ 168,411	\$ 180,915	\$ 236,949	\$ 228,882	\$ 219,059	\$ 230,548
Revenues from use of money and property	1,492,429	1,532,995	739,837	(55,657)	31,359	59,816	27,134	14,993	-	-
Miscellaneous	6,627,832	29,200,747	12,912	16,114	179,743	989,017	168,726	141,357	138,106	127,829
Intergovernmental:										
Other	-	-	-	-	-	-	-	-	900,000	-
County of Henrico, VA	27,950,695	26,269,522	7,242,004	4,292,179	2,402,252	3,502,375	1,693,633	1,719,837	1,450,815	1,548,155
Total revenues	<u>36,937,276</u>	<u>57,229,897</u>	<u>8,229,095</u>	<u>4,521,218</u>	<u>2,781,765</u>	<u>4,732,123</u>	<u>2,126,442</u>	<u>2,105,069</u>	<u>2,707,980</u>	<u>1,906,532</u>
EXPENDITURES										
Economic development	35,487,824	50,690,318	5,969,880	4,196,004	2,782,893	4,510,902	2,249,077	2,225,034	2,665,590	2,608,669
Capital projects	3,135,171	5,667,364	5,476,446	-	141,746	6,529	17,399	11,392	2,574	5,323
Debt service	680,400	306,407	-	-	-	-	-	-	30,444	63,221
Total expenditures	<u>39,303,395</u>	<u>56,664,089</u>	<u>11,446,326</u>	<u>4,196,004</u>	<u>2,924,639</u>	<u>4,517,431</u>	<u>2,266,476</u>	<u>2,236,426</u>	<u>2,698,608</u>	<u>2,677,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,366,119)</u>	<u>565,808</u>	<u>(3,217,231)</u>	<u>325,214</u>	<u>(142,874)</u>	<u>214,692</u>	<u>(140,034)</u>	<u>(131,357)</u>	<u>9,372</u>	<u>(770,681)</u>
OTHER FINANCING SOURCES										
Acquisition of lease	-	5,631,912	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	17,000	14,103,616	7,046,189	1,230,551	3,362,461	-	-	-	-
Total other financing sources	<u>-</u>	<u>5,648,912</u>	<u>14,103,616</u>	<u>7,046,189</u>	<u>1,230,551</u>	<u>3,362,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,366,119)</u>	<u>\$ 6,214,720</u>	<u>\$10,886,385</u>	<u>\$ 7,371,403</u>	<u>\$ 1,087,677</u>	<u>\$ 3,577,153</u>	<u>\$ (140,034)</u>	<u>\$ (131,357)</u>	<u>\$ 9,372</u>	<u>\$ (770,681)</u>

Economic Development Authority of Henrico County, Virginia

Table 5

Assessed Value of Taxable Property - Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Public Service Corporations	Total Real Property	Personal Property	Public Service Corporations	Total Personal Property	Total Taxable Assessed Value
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	41,480,526	17,734,763	1,584,150	60,799,439	7,188,574	1,498	7,190,072	67,989,511
2023	38,995,183	17,125,970	1,460,793	57,581,946	6,985,525	1,764	6,987,289	64,569,235
2022	33,930,579	15,628,350	1,273,603	50,832,532	6,586,172	1,411	6,587,583	57,420,115
2021	30,410,639	13,707,745	1,212,770	45,331,154	5,345,993	1,716	5,347,709	50,678,863
2020	28,778,272	13,879,253	1,229,027	43,886,552	4,557,328	1,796	4,559,124	48,446,133
2019	27,424,613	12,779,275	1,195,727	41,399,615	4,610,809	2,225	4,613,034	46,012,194
2018	26,117,583	11,776,171	1,162,001	39,055,755	4,241,370	1,994	4,243,364	43,299,119
2017	24,611,556	11,130,742	1,129,400	36,871,698	4,087,035	2,130	4,089,165	40,960,863
2016	23,518,182	10,657,341	1,004,054	35,179,577	4,013,147	2,222	4,015,369	39,194,946

Notes:

Personal Property tax rate is \$3.50.

Total direct Personal Property tax rate is \$5.45.

Information for 2025 is not yet available.

Source: Henrico County Department of Finance

Ratio of Outstanding Debt

Fiscal Year Ended June 30,	Governmental Activities	Total Primary Government	Percentage of Actual Taxable Value of Property	Population	Per Capita
	Leases				
2025	4,849,139	\$ 4,849,139	-	-	-
2024	5,325,505	5,325,505	8%	347,938	15.31

Notes:

Population figure was provided by the County of Henrico.

Population and actual taxable value of property information for 2025 was not available.

Source: Economic Development Authority of Henrico

Source: Henrico County Department of Finance

Metrics

<u>Fiscal Year Ended June 30,</u>	<u>Capital Investment</u>	<u>Jobs Created</u>	<u>Added Wages</u>	<u>Added Square Footage</u>
2025	\$ 8,116,000,000	1,445	\$ 51,067,840	4,448,000
2024	767,758,000	396	45,198,000	1,576,209
2023	187,600,000	642	42,465,390	2,129,700
2022	264,290,000	1,271	81,409,144	1,207,053
2021	420,381,001	1,417	52,345,022	3,133,600
2020	162,563,301	3,574	208,727,669	753,451
2019	814,248,200	915	66,930,161	1,990,677
2018	846,554,000	672	31,420,151	1,325,698
2017	69,815,209	611	30,341,037	419,221
2016	526,620,000	1,800	-	996,512

Note: Wage data was not tracked prior to CY16

Source: Economic Development Authority of Henrico, Virginia Quarterly Reports

Top Ten Capital Investors

<u>As of June 30,</u>	<u>Company</u>	<u>Invested Capital</u>
2025	QTS	\$ 5,000,000,000
2025	Iron Mountain	2,600,000,000
2023	QTS	1,290,000,000
2019	Facebook II	750,000,000
2018	Facebook	750,000,000
2024	QTS	710,000,000
2025	Bon Secours	370,000,000
2021	Amazon	340,000,000
2025	DC Blox	107,000,000
2022	Mondelez	102,500,000

Source: Economic Development Authority of Henrico, Virginia Quarterly Reports

Top Ten Employers - Jobs

As of June 30,	Company	Number of Jobs
2020	PPD	1,200
2020	T-Mobile	1,200
2021	Amazon	1,000
2016	SunTrust Bank	1,000
2025	QTS	800
2020	SimpliSafe	572
2022	PPD	400
2025	Bon Secours	375
2018	TemperPack	260
2023	Allianz	252

Source: Economic Development Authority of Henrico, Virginia Quarterly Reports

Top Ten Employers - Wages

As of June 30,	Company	Annual Wages
2020	PPD	\$ 75,240,000
2020	T-Mobile	70,800,000
2016	SunTrust Bank	63,298,000
2019	Kinsale Insurance	34,000,000
2024	Owens & Minor	33,250,000
2021	Amazon	32,952,000
2025	Bon Secours	30,000,000
2023	BHE	28,047,000
2022	PPD	24,958,000
2020	SimpliSafe	20,000,000

Note: Wage data was not tracked prior to CY16

Source: Economic Development Authority of Henrico, Virginia Quarterly Reports

Top Ten Companies - Space

As of June 30,	Company	Square Footage
2021	Amazon	2,600,000
2025	QTS	2,500,000
2023	QTS	2,250,000
2025	Iron Mountain	1,600,000
2019	Facebook II	1,500,000
2024	QTS	1,250,000
2018	Facebook	970,000
2022	Mondelez	490,000
2020	PPD	280,000
2021	Disney Studios - Hulu	260,000

Source: Economic Development Authority of Henrico, Virginia Quarterly Reports

Economic Development Authority of Henrico County, Virginia

Table 12

Gross Domestic Product Ranking - Top Ten Virginia Localities

2014		2015		2016		2017		2018	
Fairfax ¹	\$ 100,934,675	Fairfax ¹	\$ 101,864,626	Fairfax ¹	\$ 103,118,016	Fairfax ¹	\$ 104,542,481	Fairfax ¹	\$ 108,821,125
Arlington	\$ 28,216,779	Arlington	\$ 29,234,912	Arlington	\$ 29,938,035	Arlington	\$ 31,059,088	Arlington	\$ 32,290,955
Henrico	\$ 22,877,228	Henrico	\$ 24,019,301	Henrico	\$ 24,763,537	Henrico	\$ 25,680,836	Loudoun	\$ 26,603,263
Loudoun	\$ 21,520,276	Loudoun	\$ 22,508,275	Loudoun	\$ 23,683,289	Loudoun	\$ 25,105,391	Henrico	\$ 26,383,775
Norfolk	\$ 19,322,401	Norfolk	\$ 19,631,215	Norfolk	\$ 20,023,207	Richmond	\$ 19,943,220	Richmond	\$ 20,309,537
Virginia Beach	\$ 18,908,043	Richmond	\$ 19,232,732	Richmond	\$ 19,623,531	Virginia Beach	\$ 19,879,488	Virginia Beach	\$ 19,477,842
Richmond	\$ 18,484,148	Virginia Beach	\$ 19,154,532	Virginia Beach	\$ 19,460,847	Norfolk	\$ 19,276,997	Prince William ²	\$ 18,885,461
Prince William ²	\$ 17,663,908	Prince William ²	\$ 17,618,363	Prince William ²	\$ 17,776,851	Prince William ²	\$ 18,431,806	Norfolk	\$ 17,708,474
Chesterfield	\$ 14,044,418	Chesterfield	\$ 14,147,481	Chesterfield	\$ 14,065,016	Chesterfield	\$ 14,048,934	Chesterfield	\$ 14,233,196
Alexandria	\$ 13,526,212	Alexandria	\$ 13,490,303	Alexandria	\$ 13,434,338	Alexandria	\$ 13,544,958	Alexandria	\$ 13,656,411

2019		2020		2021		2022		2023	
Fairfax ¹	\$ 125,609,583	Fairfax ¹	\$ 125,528,564	Fairfax ¹	\$ 133,842,882	Fairfax ¹	\$ 139,448,207	Fairfax ¹	\$ 146,733,771
Arlington	\$ 36,745,481	Arlington	\$ 36,742,228	Arlington	\$ 39,226,989	Arlington	\$ 39,302,516	Arlington	\$ 41,158,444
Henrico	\$ 30,500,513	Henrico	\$ 29,143,774	Loudoun	\$ 31,660,872	Loudoun	\$ 33,451,362	Loudoun	\$ 35,130,231
Loudoun	\$ 29,573,439	Loudoun	\$ 28,719,129	Henrico	\$ 31,032,664	Henrico	\$ 31,131,360	Henrico	\$ 29,493,660
Richmond	\$ 23,522,992	Richmond	\$ 23,679,538	Richmond	\$ 24,725,393	Richmond	\$ 25,903,577	Richmond	\$ 27,367,900
Virginia Beach	\$ 22,335,512	Virginia Beach	\$ 22,065,772	Virginia Beach	\$ 23,140,024	Virginia Beach	\$ 23,435,104	Virginia Beach	\$ 24,018,999
Prince William ²	\$ 21,798,355	Prince William ²	\$ 21,586,164	Prince William ²	\$ 22,390,684	Prince William ²	\$ 22,744,449	Prince William	\$ 23,734,783
Norfolk	\$ 19,200,787	Norfolk	\$ 18,955,161	Norfolk	\$ 20,169,493	Norfolk	\$ 20,629,746	Norfolk	\$ 21,207,484
Chesterfield	\$ 16,052,186	Chesterfield	\$ 15,870,989	Chesterfield	\$ 16,766,169	Chesterfield	\$ 17,306,701	Chesterfield	\$ 17,808,290
Alexandria	\$ 14,974,340	Alexandria	\$ 14,475,024	Alexandria	\$ 14,853,589	Newport News	\$ 15,093,048	Newport News	\$ 15,777,786

Note: [1] Full identifier "Fairfax, Fairfax City + Falls Church, VA"
 [2] Full identifier "Prince William, Manassas + Manassas Park, VA"
 [3] Data revision - 2022 BEA comprehensive update. Numbers have been updated back to 2019.

Source: U.S. Bureau of Economic Analysis

Economic Development Authority of Henrico County, Virginia

Table 13

Demographic Comparisons

HENRICO	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Median age	38.8	38.6	39.3	39.1	39.1	39.3	39.7	39.7	39.4	0
White	57.70%	56%	56%	54.50%	55.10%	50.60%	50.50%	58.30%	51.30%	0.00%
Black/African American	29.40%	29.70%	28.80%	31%	29.70%	29.70%	29.30%	32.60%	29.70%	0.00%
Asian	8.30%	8.30%	8.60%	8.50%	9.00%	9.50%	9.60%	11.10%	9.50%	0.00%
Hispanic	5.30%	5.60%	5.80%	6%	5.80%	6.30%	6.40%	7%	7%	0%
Avg. household size	2.53	2.54	2.52	2.51	2.51	2.41	2.4	2.4	2.4	0
High School graduate	20.90%	20.10%	19.90%	19.50%	19.90%	20.30%	20.50%	20.30%	20.80%	0.00%
Bachelors or higher	27.00%	27.80%	28.30%	28.20%	28.90%	28.40%	28.30%	27.40%	27.90%	0.00%
Unemployment rate	3.80%	3.60%	3.00%	2.80%	6.70%	4.00%	2.80%	2.90%	2.90%	0.00%
Median earnings	\$ 41,623	\$ 44,547	\$ 45,776	\$ 43,689	\$ 45,798	\$ 51,008	\$ 51,839	\$ 50,400	\$ 51,900	\$ -

VIRGINIA	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Median age	38.2	38.2	38.3	38.5	38.4	38.8	39	39.2	39.5	0
White	67.80%	67.50%	67.40%	67%	66.30%	60.80%	60.20%	71.50%	61.50%	0.00%
Black/African American	19%	19.20%	19.20%	19.40%	19%	18.40%	18.70%	21.80%	18.70%	0.00%
Asian	6.30%	6.40%	6.50%	6.60%	6.70%	6.80%	7%	8.90%	6.90%	0.00%
Hispanic	9%	9.30%	9.50%	9.70%	9.50%	10.20%	10.40%	11.20%	10.70%	0.00%
Avg. household size	2.62	2.62	2.61	2.6	2.6	2.52	2.5	2.5	2.4	0
High School graduate	23.40%	23.20%	23.00%	22.90%	22.70%	22.70%	22.70%	23.90%	22.70%	0.00%
Bachelors or higher	22.80%	23.10%	23.30%	23.60%	23.90%	24.30%	24.70%	23.60%	24.90%	0.00%
Unemployment rate	4.00%	3.70%	3.00%	2.80%	6.50%	3.90%	2.90%	2.90%	2.90%	0.00%
Median earnings	\$ 42,006	\$ 44,823	\$ 45,865	\$ 46,873	\$ 47,318	\$ 51,330	\$ 55,607	\$ 51,900	\$ 53,900	\$ -

UNITED STATES	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Median age	37.9	38.7	38.2	38.5	38.2	38.8	39	38.3	39.1	0
White	72.60%	72.30%	72.20%	72%	70.40%	61.20%	60.90%	65.88%	63.40%	0.00%
Black/African American	12.70%	12.70%	12.70%	12.80%	12.60%	12.10%	12.20%	12.47%	12.40%	0.00%
Asian	5.40%	5.60%	5.60%	5.70%	5.60%	5.80%	5.90%	5.77%	5.80%	0.00%
Hispanic	17.80%	18.10%	18.30%	18.40%	18.20%	18.80%	19.10%	18.65%	19.00%	0.00%
Avg. household size	2.65	2.65	2.63	2.61	2.6	2.54	2.5	2.5	2.4	0
High School graduate	26.10%	26.00%	25.80%	25.70%	25.40%	25.30%	25.10%	26.10%	25.00%	0.00%
Bachelors or higher	20.20%	20.50%	20.80%	21.20%	21.60%	22.00%	22.40%	21.60%	22.80%	0.00%
Unemployment rate	4.87%	4.36%	3.90%	3.67%	8.05%	5.35%	3.61%	3.60%	4.00%	0.00%
Median earnings	\$ 37,842	\$ 40,069	\$ 40,867	\$ 41,801	\$ 42,002	\$ 45,943	\$ 50,145	\$ 49,900	\$ 51,600	\$ -

*Note: Information subsequent to 2024 is not yet available.

Note: Median earnings in past 12 months (in inflation adjusted dollars) for population 25 years and over with earnings

Source: Chmura JobsEQ, US Census Bureau, St. Louis Federal Reserve

Economic Development Authority of Henrico County, Virginia

Table 14

Jobs and Growth

	2016	2017	2018	2019	2020	2021	2022	2023	2024*	2025*
HENRICO										
Jobs	186,728	189,618	189,572	193,284	192,419	182,508	196,465	198,497	n/a	n/a
Population	329,227	332,368	335,283	339,191	334,756	336,226	333,962	334,434	n/a	n/a
Percent Employed	56.72%	57.05%	56.54%	56.98%	57.48%	54.28%	58.83%	59.35%	n/a	n/a
Growth	1.11%	0.33%	-0.51%	0.44%	0.50%	-3.20%	4.55%	0.52%	n/a	n/a

Surrounding Localities

RICHMOND										
Jobs	161,707	163,795	164,845	167,863	156,479	158,046	159,134	169,147	n/a	n/a
Population	226,370	230,460	230,093	229,895	226,613	226,623	229,395	227,595	n/a	n/a
Percent Employed	71.43%	71.07%	71.64%	73.02%	69.05%	69.74%	69.37%	74.32%	n/a	n/a
Growth	0.22%	-0.36%	0.57%	1.37%	-3.97%	0.69%	-0.37%	4.95%	n/a	n/a
CHESTERFIELD										
Jobs	143,892	145,707	148,539	147,347	141,582	146,402	148,654	154,119	n/a	n/a
Population	336,396	340,506	347,589	354,923	365,627	369,943	378,408	371,610	n/a	n/a
Percent Employed	42.77%	42.79%	42.73%	41.52%	38.72%	39.57%	39.28%	41.47%	n/a	n/a
Growth	0.46%	0.02%	-0.06%	-1.22%	-2.79%	0.85%	-0.29%	2.19%	n/a	n/a

*Note: Information subsequent to 2023 is not yet available.

Source: Chmura JobsEQ, University of Virginia Weldon Cooper Center for Public Service

Conduit Debt

<u>Company</u>	<u>Bond Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Richmond Volleyball Club	\$ 3,200,000	3/15/2010	3/15/2035
The Steward School	7,255,000	11/1/2010	7/1/2033
VA. United Methodist Homes	30,425,000	8/9/2012	6/1/2027
Faison Center	7,629,000	7/27/2017	7/1/2032
Virginia Baptist Homes	73,000,000	12/20/2017	7/1/2032
Westminster-Canterbury	40,065,000	12/1/2018	10/1/2037
The Collegiate School	4,215,000	4/1/2022	4/1/2027
The Collegiate School	11,655,000	4/1/2022	4/1/2042
The Collegiate School	12,770,000	4/1/2022	4/1/2042
Westminster-Canterbury	193,195,000	4/28/2022	4/1/2052
VA United Methodist Homes	45,000,000	11/1/2018	10/1/2048
County of Henrico, Virginia	41,220,000	4/23/2024	8/1/2043
Bon Secours	265,000,000	1/16/2025	1/16/2065
	<u>\$ 734,629,000</u>		

Note: Table excludes VSBAF bonds.

Source: Economic Development of Henrico, Virginia's Bond Issuances

Economic Development Authority of Henrico County, Virginia

Table 16

Total Grant Performance Agreements Over the Past Ten Years

FY2016			FY2017			FY2018		
Company	Investment	Grant Amount	Company	Investment	Grant Amount	Company	Investment	Grant Amount
Polykon	\$ 56,400,000	\$ 400,000	1420 N. Parham Packaging	\$ 52,800,000	\$ 14,500,000	Facebook	\$ 500,000,000	\$ 1,363,280
Total	\$ 56,400,000	\$ 400,000	Total	\$ 77,900,000	\$ 14,650,000	Libbie Mill	47,000,000	5,000,000
						Topgolf	25,000,000	1,300,000
						Total	\$ 572,000,000	\$ 7,663,280
FY2019			FY2020			FY2021		
Company	Investment	Grant Amount	Company	Investment	Grant Amount	Company	Investment	Grant Amount
Kinsale	\$ 90,000,000	\$ 6,000,000	PPD #2	\$ 63,700,000	\$ 675,000	Hillwood	\$ 340,000,000	\$ 11,832,766
Rocketts Landing	26,800,000	2,150,000	Richmond Print Group	24,900,000	100,000	Mondelez	122,540,000	1,707,000
NOVA	10,750,000	1,750,000	ePac Packaging	6,500,000	37,500	Henrico Plaza	88,000,000	1,000,000
Total	\$ 127,550,000	\$ 9,900,000	Total	\$ 95,100,000	\$ 812,500	T-Mobile	30,000,000	826,350
						Temperpak	21,000,000	126,648
						ASGN	5,000,000	701,554
						Kroger	2,050,000	200,000
						Total	\$ 608,590,000	\$ 16,394,318
FY2022			FY2023			FY2024		
Company	Investment	Grant Amount	Company	Investment	Grant Amount	Company	Investment	Grant Amount
VCC	\$ 35,500,000	\$ 1,189,000	Meta	\$ 600,000,000	\$ -	Lewis Ginter Botanical Garden	\$ 15,000,000	\$ 479,793
American Paper	17,211,258	245,000	EAB	8,560,000	451,000	Total	\$ 15,000,000	\$ 479,793
SimpliSafe	7,949,250	256,843	Total	\$ 608,560,000	\$ 451,000			
Total	\$ 60,660,508	\$ 1,690,843						
FY2025								
Company	Investment	Grant Amount						
Berkely Insurance	\$ 6,128,039	\$ 200,000						
PPD	92,316,547	185,000						
Total	\$ 98,444,586	\$ 385,000						

Source: Economic Development of Henrico, Virginia's Performance Agreements



Compliance Section

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

To the Honorable Members of Board of Directors
Economic Development Authority of Henrico County, Virginia
Henrico, 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 Authorities, Boards and Commissions, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities and the major fund of the Economic Development Authority of Henrico County, Virginia (the “Authority”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority’s basic financials, and have issued our report thereon dated November 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’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 the Authority'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 determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

Glen Allen, Virginia
November 4, 2025

Economic Development Authority of Henrico County, Virginia

Summary of Compliance Matters

June 30, 2025

As more fully described in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the Authority's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia

- Cash and Investment Laws
- Conflicts of Interest Act
- Procurement Laws
- Local Retirement Systems
- Uniform Disposition of Unclaimed Property Act

Economic Development Authority of Henrico County, Virginia

Schedule of Findings and Responses

June 30, 2025

A – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies or material weaknesses were reported in the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were disclosed.

B – Findings – Financial Statement Audit

None noted.

C – Findings – Commonwealth of Virginia

None noted.