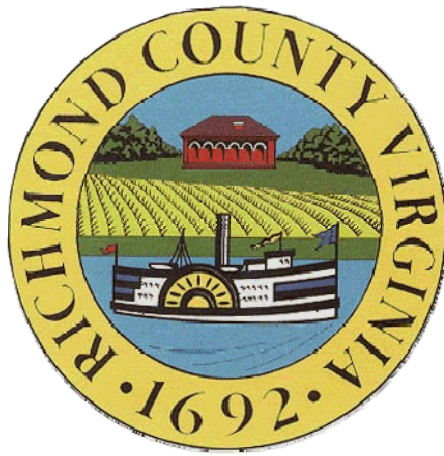


# COUNTY OF RICHMOND, VIRGINIA



## ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023



**COUNTY OF RICHMOND, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**

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## COUNTY OF RICHMOND, VIRGINIA

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### BOARD OF SUPERVISORS

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F. Lee Sanders, Chair

John David Parr  
William C. Herbert, II

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

### COUNTY SCHOOL BOARD

---

Boyd K. Blackley, II, Chair

Frank Johnson  
Vivian G. Wood, Vice-Chair

Kathleen F. Beane  
Patricia P. Pugh

### SOCIAL SERVICES BOARD

---

Robert B. Pemberton, Chairperson

Tim Davis  
Bea Sanders  
Gordon Tolson

Carol Motley  
Vivian Davis

### OTHER OFFICIALS

---

Judge of the Circuit Court.....	Michael E. Levy
Clerk of the Circuit Court .....	Cheryl B. Pierson
Judge of the General District Court .....	John S. Martin
Judge of the Juvenile and Domestic Relations Court .....	William L. Lewis
Commonwealth's Attorney.....	Elizabeth Tribble
Commissioner of the Revenue .....	Jennifer W. Delano
Treasurer .....	Kristie S. Brann
Sheriff .....	Stephan B. Smith
Superintendent of Schools.....	Bernard S. "Trey" Davis III, Ed.D.
Director of Social Services.....	Vanessa Livingstone
County Administrator .....	Hope Mothershead, Interim

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ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023

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**Independent Auditors' Report**

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Richmond, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Richmond, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Principles***

As described in Note 20 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Our opinions are not modified with respect to this matter.

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

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

## ***Responsibilities of Management for the Financial Statements (Continued)***

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

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

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of County of Richmond, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Richmond, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Richmond, Virginia's internal control over financial reporting and compliance.

*Robinson, Fournier, Cox Associates*

Richmond, Virginia  
December 11, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Richmond, Virginia, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023. Please read it in conjunction with the County's basic financial statements, which follow this section.

### **Financial Highlights**

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

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,818,338 (net position).

#### **Fund Financial Statements**

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures and other financing uses of \$101,542 (Exhibit 5) after making contributions totaling \$4,533,154 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$3,684,779, an increase of \$101,542 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,629,066, or 13.41% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$1,335,927 during the current fiscal year.

## **Overview of the Financial Statements**

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

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

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

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

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



## **Overview of the Financial Statements (Continued)**

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

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

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

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

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,818,338 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net position:

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

**Government-wide Financial Analysis (Continued)**

The County's net position increased by \$1,476,380 during the current fiscal year. The following table summarizes the County's Statement of Activities.

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

## **Financial Analysis of the County's Funds**

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$3,684,779, an increase of \$101,542 in comparison with the prior year. Approximately 71.3% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

## **General Fund Budgetary Highlights**

During the year, revenues and other sources exceeded budgetary estimates by \$1,646,334. Budgetary estimates exceeded expenditures and other uses by \$569,216, resulting in a variance of \$2,215,550 for net change in fund balance.

## **Capital Asset and Debt Administration**

< **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2023 amounts to \$21,748,761 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

**Long-term debt** - At the end of the current fiscal year, the County had total debt outstanding of \$13,809,560. Of this amount, \$11,263,875 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds, lease liabilities, capital financing activities, and notes).

The County's total debt decreased by \$1,360,068 during the current fiscal year.

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

### **Economic Factors and Next Year's Budgets and Rates**

< Inflationary trends in the region compare to national indexes.

All of these factors were considered in preparing the County's budget for the 2024 fiscal year.

The fiscal year 2024 budget increased by approximately 0.47% and tax rates for all property taxes remained the same.

### **Requests for Information**

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

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## *BASIC FINANCIAL STATEMENTS*

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## *GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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County of Richmond, Virginia  
Statement of Net Position  
June 30, 2023

	Primary Government			
	Governmental		Component Units	
	Activities	School Board	IDA	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,642,895	\$ 945,627	\$ 62,114	
Receivables (net of allowance for uncollectibles):				
Taxes receivable	347,713	-	-	
Accounts receivable	103,242	7,425	-	
Lease receivable	-	-	67,904	
Interest receivable	-	-	226	
Due from other governmental units	674,370	1,823,329	-	
Net pension asset	-	131,325	-	
Capital assets (net of accumulated depreciation):				
Land	1,437,492	28,062	149,907	
Construction in progress	814,905	-	-	
Buildings and improvements	17,661,964	6,072,927	238,030	
Machinery, equipment, and vehicles	995,217	1,516,994	-	
Subscriptions	114,335	-	-	
Lease buildings and improvements	649,472	-	-	
Lease improvements other than buildings	48,648	-	-	
Lease machinery, equipment, and vehicles	26,728	-	-	
Total assets	<u>\$ 28,516,981</u>	<u>\$ 10,525,689</u>	<u>\$ 518,181</u>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 680,020	\$ 2,552,292	\$ -	
OPEB related items	179,526	685,160	-	
Total deferred outflows of resources	<u>\$ 859,546</u>	<u>\$ 3,237,452</u>	<u>\$ -</u>	
<b>LIABILITIES</b>				
Accounts payable	\$ 251,239	\$ 174,218	\$ -	
Accrued liabilities	-	694,772	-	
Accrued interest payable	146,537	-	-	
Bonds held for others	145,865	-	-	
Due to component unit	1,220,928	-	-	
Unearned revenue	1,005,288	-	-	
Long-term liabilities:				
Due within one year	1,289,328	48,041	-	
Due in more than one year	14,617,790	10,899,661	-	
Total liabilities	<u>\$ 18,676,975</u>	<u>\$ 11,816,692</u>	<u>\$ -</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 60,557	\$ -	\$ -	
Lease related	-	-	65,717	
Pension related items	633,664	1,735,017	-	
OPEB related items	186,993	314,880	-	
Total deferred inflows of resources	<u>\$ 881,214</u>	<u>\$ 2,049,897</u>	<u>\$ 65,717</u>	
<b>NET POSITION</b>				
Net investment in capital assets	\$ 6,573,391	\$ 7,579,398	\$ 387,937	
Restricted for:				
Net pension asset	-	131,325	-	
Construction	-	940,421	-	
Debt service reserve	218,121	-	-	
Unrestricted (deficit)	3,026,826	(8,754,592)	64,527	
Total net position	<u>\$ 9,818,338</u>	<u>\$ (103,448)</u>	<u>\$ 452,464</u>	

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

County of Richmond, Virginia  
Statement of Activities  
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary		
				Government	Component Units	
				Governmental Activities	School Board	IDA
<b>PRIMARY GOVERNMENT:</b>						
Governmental activities:						
General government administration	\$ 2,319,783	\$ 7,144	\$ 345,061	\$ (1,967,578)		
Judicial administration	863,534	3,976	436,037	(423,521)		
Public safety	4,166,137	741,899	1,388,332	(2,035,906)		
Public works	1,164,594	-	-	(1,164,594)		
Health and welfare	1,730,951	-	1,231,717	(499,234)		
Education	4,802,075	-	-	(4,802,075)		
Parks, recreation, and cultural	166,080	-	-	(166,080)		
Community development	2,195,905	-	1,950,309	(245,596)		
Interest on long-term debt	516,599	-	220,352	(296,247)		
Total governmental activities	<u>\$ 17,925,658</u>	<u>\$ 753,019</u>	<u>\$ 5,571,808</u>	<u>\$ (11,600,831)</u>		
Total primary government	<u>\$ 17,925,658</u>	<u>\$ 753,019</u>	<u>\$ 5,571,808</u>	<u>\$ (11,600,831)</u>		
<b>COMPONENT UNITS:</b>						
School Board	\$ 19,863,051	\$ 275	\$ 15,524,517		\$ (4,338,259)	\$ -
IDA	40,834	14,910	-		-	(25,924)
Total component units	<u>\$ 19,903,885</u>	<u>\$ 15,185</u>	<u>\$ 15,524,517</u>		<u>\$ (4,338,259)</u>	<u>\$ (25,924)</u>
General revenues:						
General property taxes				\$ 9,673,222	\$ -	\$ -
Other local taxes:						
Local sales and use taxes				1,603,408	-	-
Other local taxes				282,828	-	-
Unrestricted revenues from use of money and property				262,575	2,496	2,659
Miscellaneous				105,587	907,103	20,039
Grants and contributions not restricted to specific programs				1,149,591	1,209,311	-
Contributions from Richmond County				-	5,085,338	-
Total general revenues				<u>\$ 13,077,211</u>	<u>\$ 7,204,248</u>	<u>\$ 22,698</u>
Change in net position				<u>\$ 1,476,380</u>	<u>\$ 2,865,989</u>	<u>\$ (3,226)</u>
Net position - beginning				8,341,958	(2,969,437)	455,690
Net position - ending				<u>\$ 9,818,338</u>	<u>\$ (103,448)</u>	<u>\$ 452,464</u>

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

## *FUND FINANCIAL STATEMENTS*

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County of Richmond, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2023

	<u>General Fund</u>	<u>Sheriff's Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,621,280	\$ 21,615	\$ 5,642,895
Receivables (net of allowance for uncollectibles):			
Taxes receivable	347,713	-	347,713
Accounts receivable	103,242	-	103,242
Due from other governmental units	674,370	-	674,370
Total assets	<u>\$ 6,746,605</u>	<u>\$ 21,615</u>	<u>\$ 6,768,220</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 251,239	\$ -	\$ 251,239
Bonds held for others	145,865	-	145,865
Due to component unit	1,220,928	-	1,220,928
Unearned revenue	1,005,288	-	1,005,288
Total liabilities	<u>\$ 2,623,320</u>	<u>\$ -</u>	<u>\$ 2,623,320</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	\$ 386,055	\$ -	\$ 386,055
Unavailable revenue - opioid settlement	74,066	-	74,066
Total deferred inflows of resources	<u>\$ 460,121</u>	<u>\$ -</u>	<u>\$ 460,121</u>
<b>FUND BALANCES</b>			
Restricted	\$ 201,074	\$ 21,615	\$ 222,689
Committed	12,835	-	12,835
Assigned	820,189	-	820,189
Unassigned	2,629,066	-	2,629,066
Total fund balances	<u>\$ 3,663,164</u>	<u>\$ 21,615</u>	<u>\$ 3,684,779</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,746,605</u>	<u>\$ 21,615</u>	<u>\$ 6,768,220</u>

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

County of Richmond, Virginia  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2023

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$ 3,684,779
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	\$ 35,211,409	
Accumulated depreciation	<u>(13,462,648)</u>	21,748,761
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$ 325,498	
Unavailable revenue - opioid settlement	<u>74,066</u>	399,564
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 680,020	
OPEB related items	<u>179,526</u>	859,546
Long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Lease revenue bonds	\$ (2,274,000)	
General obligations bonds	(11,263,875)	
USDA loan	(43,352)	
Subscription liability	(113,781)	
Lease liabilities	(741,809)	
Note payable	(228,333)	
Compensated absences	(200,722)	
Deferred issuance premium	(510,220)	
Net OPEB liabilities	(395,283)	
Net pension liability	(135,743)	
Accrued interest payable	<u>(146,537)</u>	(16,053,655)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (633,664)	
OPEB related items	<u>(186,993)</u>	(820,657)
Net position of governmental activities		<u><u>\$ 9,818,338</u></u>

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



County of Richmond, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023

	General Fund	Workforce Investment Act Fund	Sheriff's Fund	Total
<b>REVENUES</b>				
General property taxes	\$ 9,669,669	\$ -	\$ -	\$ 9,669,669
Other local taxes	1,886,236	-	-	1,886,236
Permits, privilege fees, and regulatory licenses	184,342	-	-	184,342
Fines and forfeitures	57,438	-	-	57,438
Revenue from the use of money and property	262,575	-	-	262,575
Charges for services	511,239	-	-	511,239
Miscellaneous	105,587	-	-	105,587
Recovered costs	154,338	-	-	154,338
Intergovernmental:				
Commonwealth	3,459,568	-	-	3,459,568
Federal	1,237,456	1,950,309	-	3,187,765
Total revenues	<u>\$ 17,528,448</u>	<u>\$ 1,950,309</u>	<u>\$ -</u>	<u>\$ 19,478,757</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,242,119	\$ -	\$ -	\$ 2,242,119
Judicial administration	758,571	-	-	758,571
Public safety	4,175,451	-	-	4,175,451
Public works	1,169,295	-	-	1,169,295
Health and welfare	1,766,119	-	-	1,766,119
Education	4,563,046	-	-	4,563,046
Parks, recreation, and cultural	166,080	-	-	166,080
Community development	347,319	1,950,309	-	2,297,628
Nondepartmental	181,163	-	-	181,163
Capital projects	158,164	-	-	158,164
Debt service:				
Principal retirement	1,503,436	-	-	1,503,436
Interest and other fiscal charges	571,748	-	-	571,748
Total expenditures	<u>\$ 17,602,511</u>	<u>\$ 1,950,309</u>	<u>\$ -</u>	<u>\$ 19,552,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (74,063)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (74,063)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of USDA loan	\$ 45,500	\$ -	\$ -	\$ 45,500
Issuance of subscription liability	130,105	-	-	130,105
Total other financing sources (uses)	<u>\$ 175,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,605</u>
Net change in fund balances	\$ 101,542	\$ -	\$ -	\$ 101,542
Fund balances - beginning	3,561,622	-	21,615	3,583,237
Fund balances - ending	<u>\$ 3,663,164</u>	<u>\$ -</u>	<u>\$ 21,615</u>	<u>\$ 3,684,779</u>

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

County of Richmond, Virginia  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$	101,542
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 1,155,417	
Depreciation expense	(968,512)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Government	<u>(552,184)</u>	(365,279)

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

Property taxes	\$ 3,553	
Opioid settlement	<u>74,066</u>	77,619

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect differences in the treatment of long-term obligations and related items. The following is a summary of items supporting this adjustment:

Principal retirement on lease revenue bonds	\$ 149,000	
Principal retirement on general obligation bonds	884,558	
Principal retirement on note payable	114,167	
Principal retirement on capital financing activities	146,000	
Principal retirement on USDA loans	111,843	
Principal retirement on subscription liability	16,324	
Principal retirement on lease liabilities	81,544	
Issuance of subscription liability	(130,105)	
Issuance of USDA loan	<u>(45,500)</u>	1,327,831

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

The following is a summary of items supporting this adjustment:

Amortization of bond premium	\$ 46,480	
Pension expense	276,725	
OPEB expense	17,455	
Change in compensated absences	(14,662)	
Change in accrued interest payable	<u>8,669</u>	334,667

Change in net position of governmental activities	\$	<u>1,476,380</u>
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The notes to the financial statements are an integral part of this statement.

**County of Richmond, Virginia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

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**Custodial  
Funds**

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**ASSETS**

Cash and cash equivalents	\$ 1,236,527
Total assets	\$ <u>1,236,527</u>

**NET POSITION**

Restricted for:

Individuals, organizations, and other governments	\$ 1,236,527
Total net position	\$ <u><u>1,236,527</u></u>

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

**County of Richmond, Virginia**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Contributions	\$ 4,934,763
Investment earnings:	
Interest and dividends	29,130
Miscellaneous	26,288
Revenue from the Federal Government	4,310
Revenue from the Commonwealth	35,089
Total additions	\$ <u>5,029,580</u>
<b>DEDUCTIONS</b>	
Recipient payments	\$ 5,567
Operations	5,048,284
Total deductions	\$ <u>5,053,851</u>
Net increase (decrease) in fiduciary net position	\$ <u>(24,271)</u>
Net position - beginning	\$ <u>1,260,798</u>
Net position - ending	\$ <u><u>1,236,527</u></u>

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

## COUNTY OF RICHMOND, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2023

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#### ***Note 1—Summary of Significant Accounting Policies:***

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

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

#### Government-wide and Fund Financial Statements

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

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

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

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

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

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

## COUNTY OF RICHMOND, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

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

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

#### **A. Financial Reporting Entity**

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

#### **B. Individual Component Unit Disclosures**

##### *Blended Component Unit.*

The County has no blended component units at June 30, 2023.

##### *Discretely Presented Component Units.*

The Richmond County School Board members are appointed by the Richmond County School Board Selection Commission. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2023.

The Richmond County Industrial Development Authority is responsible for industrial and commercial development in the County. The Board of Supervisors appoints the Authority board members. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2023. The Authority does not issue a separate financial report.

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

None

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

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

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

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

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

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

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

**1. Governmental Funds**

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

**a. General Fund**

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

**b. Special Revenue Funds**

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

**2. Fiduciary Fund - (Custodial Fund)**

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



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

**E. Cash and Cash Equivalents**

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

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

**F. Investments**

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

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

**G. Receivables and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$71,692 at June 30, 2023 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

## COUNTY OF RICHMOND, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

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

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##### **H. Capital Assets**

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

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

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

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

##### **I. Leases and Subscription-Based IT Arrangements**

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

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

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

*Lessee*

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

*Lessor*

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

*Subscriptions*

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

*Key Estimates and Judgments*

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

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

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

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

***Key Estimates and Judgments (Continued)***

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

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

**J. Compensated Absences**

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

**K. Use of Estimates**

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

**L. Net Position**

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

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**L. Net Position**

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

**M. Pensions**

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

**N. Other Postemployment Benefits (OPEB)**

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

**O. Long-term Obligations**

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

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

**P. Fund Balance**

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

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

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

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**P. Fund Balance (Continued)**

- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**P. Fund Balance (Continued)**

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

	<u>General</u>	<u>Sheriff's Fund</u>	<u>Total</u>
Fund balances:			
Restricted:			
Drug seizure	\$ -	\$ 21,615	\$ 21,615
Debt service reserve	201,074	-	201,074
Total restricted fund balance	<u>\$ 201,074</u>	<u>\$ 21,615</u>	<u>\$ 222,689</u>
Committed:			
Courthouse maintenance	\$ 12,835	\$ -	\$ 12,835
Total committed fund balance	<u>\$ 12,835</u>	<u>\$ -</u>	<u>\$ 12,835</u>
Assigned:			
Reassessment fund	\$ 71,847	\$ -	\$ 71,847
Asset forfeiture	16	-	16
Central accounting system	117,589	-	117,589
Capital improvement fund	213,516	-	213,516
Animal shelter	22,898	-	22,898
Broadband	325,000	-	325,000
RCPS CIP fund	69,323	-	69,323
Total assigned fund balance	<u>\$ 820,189</u>	<u>\$ -</u>	<u>\$ 820,189</u>
Unassigned	\$ 2,629,066	\$ -	\$ 2,629,066
Total fund balances	<u><u>\$ 3,663,164</u></u>	<u><u>\$ 21,615</u></u>	<u><u>\$ 3,684,779</u></u>

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

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**Q. Deferred Outflows/Inflows of Resources (Continued)**

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

***Note 2—Stewardship, Compliance, and Accounting:***

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

1. On or before March 30<sup>th</sup>, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund of the primary government and the School Operating Fund and School Cafeteria Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations  
Expenditures did not exceed appropriations in any funds at June 30, 2023.



## COUNTY OF RICHMOND, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

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#### ***Note 3—Deposits and Investments:***

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##### Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. Seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

##### Investments

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

##### Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2023 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Rating
	AAAm
Local Government Investment Pool	\$ 22,520
Virginia Investment Pool	65,962
Virginia State Non-Arbitrage Pool	193,732
Total	<u>\$ 282,214</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 3—Deposits and Investments: (Continued)**

**Interest Rate Risk**

Investment Type	Investment Maturities (in years)	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 22,520	\$ 22,520
Virginia Investment Pool	65,962	65,962
Virginia State Non-Arbitrage Pool	193,732	193,732
Total	<u>\$ 282,214</u>	<u>\$ 282,214</u>

**External Investment Pools**

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

**Fair Value Measurements**

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

**Redemption Restrictions**

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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 4—Due from/to Other Governments:**

At June 30, 2023, amounts due from other governments are as follows:

	Primary Government	Component Unit School Board
Other Local Governments:		
County of Richmond, Virginia	\$ -	\$ 1,220,928
Commonwealth of Virginia:		
Mobile home titling tax	975	-
Motor vehicle carriers' tax	9,290	-
Rolling stock tax	495	-
Welfare	28,979	-
State sales Tax	-	234,826
Local sales tax	257,902	-
Constitutional officer reimbursements	118,551	-
Victim witness	6,019	-
Children's services act	38,824	-
Communications tax	33,877	-
Wireless grant	8,523	-
School resource officer	17,755	-
Opioid settlement	74,066	-
Other state funds	1,469	-
Federal Government:		
School fund grants	-	346,231
School food grants	-	21,344
Juvenile justice	22,107	-
Victim witness	5,966	-
Welfare	49,572	-
Total due from other governments	<u>\$ 674,370</u>	<u>\$ 1,823,329</u>

At June 30, 2023, amounts due to other local governments are as follows:

	Primary Government	Component Unit School Board
Other Local Governments:		
Richmond County School Board	\$ 1,220,928	\$ -
Total	<u>\$ 1,220,928</u>	<u>\$ -</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 5—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	GASB 96 Adjustments	Adjusted Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<i>Primary Government:</i>						
Capital assets not subject to depreciation:						
Land	\$ 1,345,463	\$ -	\$ 1,345,463	\$ 92,029	\$ -	\$ 1,437,492
Construction in Progress	169,376	-	169,376	645,529	-	814,905
Total capital assets not subject to depreciation	\$ 1,514,839	\$ -	\$ 1,514,839	\$ 737,558	\$ -	\$ 2,252,397
Capital assets subject to depreciation:						
Buildings and improvements	\$ 9,672,510	\$ -	\$ 9,672,510	\$ 14,727	\$ -	\$ 9,687,237
Machinery, equipment, and vehicles	3,960,834	-	3,960,834	273,027	200,728	4,033,133
Subscriptions	-	130,105	130,105	-	-	130,105
Lease buildings and improvements	792,963	-	792,963	-	-	792,963
Lease improvements other than buildings	61,620	-	61,620	-	-	61,620
Lease machinery, equipment, and vehicles	44,188	-	44,188	-	-	44,188
Jointly owned assets	19,102,457	-	19,102,457	-	892,691	18,209,766
Total capital assets subject to depreciation	\$ 33,634,572	\$ 130,105	\$ 33,764,677	\$ 287,754	\$ 1,093,419	\$ 32,959,012
Accumulated depreciation:						
Buildings and improvements	\$ 3,049,447	\$ -	\$ 3,049,447	\$ 239,701	\$ -	\$ 3,289,148
Machinery, equipment, and vehicles	2,948,294	-	2,948,294	290,350	200,728	3,037,916
Subscriptions	-	-	-	15,770	-	15,770
Lease buildings and improvements	69,948	-	69,948	73,543	-	143,491
Lease improvements other than buildings	6,486	-	6,486	6,486	-	12,972
Lease machinery, equipment, and vehicles	7,172	-	7,172	10,288	-	17,460
Jointly owned assets	6,954,024	-	6,954,024	332,374	340,507	6,945,891
Total accumulated depreciation	\$ 13,035,371	\$ -	\$ 13,035,371	\$ 968,512	\$ 541,235	\$ 13,462,648
Total capital assets subject to depreciation, net	\$ 20,599,201	\$ 130,105	\$ 20,729,306	\$ (680,758)	\$ 552,184	\$ 19,496,364
Governmental activities capital assets, net	\$ 22,114,040	\$ 130,105	\$ 22,244,145	\$ 56,800	\$ 552,184	\$ 21,748,761

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 5—Capital Assets: (Continued)**

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<i>Component Unit-School Board:</i>				
Capital assets not subject to depreciation:				
Land	\$ 28,062	\$ -	\$ -	\$ 28,062
Total capital assets not subject to depreciation	\$ 28,062	\$ -	\$ -	\$ 28,062
Capital assets subject to depreciation:				
Buildings and improvements	\$ 1,334,613	\$ 37,718	\$ -	\$ 1,372,331
Machinery, equipment, and vehicles	4,380,403	462,587	17,097	4,825,893
Jointly owned assets	7,146,288	-	(892,691)	8,038,979
Total capital assets subject to depreciation	\$ 12,861,304	\$ 500,305	\$ (875,594)	\$ 14,237,203
Accumulated depreciation:				
Buildings and improvements	\$ 206,796	\$ 65,218	\$ -	\$ 272,014
Machinery, equipment, and vehicles	2,917,171	406,669	14,941	3,308,899
Jointly owned assets	2,601,520	124,342	(340,507)	3,066,369
Total accumulated depreciation	\$ 5,725,487	\$ 596,229	\$ (325,566)	\$ 6,647,282
Total capital assets subject to depreciation, net	\$ 7,135,817	\$ (95,924)	\$ (550,028)	\$ 7,589,921
Governmental activities capital assets, net	\$ 7,163,879	\$ (95,924)	\$ (550,028)	\$ 7,617,983

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 5—Capital Assets: (Continued)**

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<i>Component Unit-Industrial Development Authority:</i>				
Capital assets not subject to depreciation:				
Land	\$ 149,907	\$ -	\$ -	\$ 149,907
Total capital assets not subject to depreciation	\$ 149,907	\$ -	\$ -	\$ 149,907
Capital assets subject to depreciation:				
Buildings and improvements	\$ 598,470	\$ -	\$ -	\$ 598,470
Machinery, equipment, and vehicles	27,285	-	-	27,285
Total capital assets subject to depreciation	\$ 625,755	\$ -	\$ -	\$ 625,755
Accumulated depreciation:				
Buildings and improvements	\$ 348,470	\$ 11,970	\$ -	\$ 360,440
Machinery, equipment, and vehicles	24,769	2,516	-	27,285
Total accumulated depreciation	\$ 373,239	\$ 14,486	\$ -	\$ 387,725
Total capital assets subject to depreciation, net	\$ 252,516	\$ (14,486)	\$ -	\$ 238,030
Business-type activities capital assets, net	\$ 402,423	\$ (14,486)	\$ -	\$ 387,937

Depreciation expense was charged to functions/programs as follows:

Primary Government:	
Governmental activities:	
General government administration	\$ 103,442
Judicial administration	151,483
Public safety	280,697
Public works	42,613
Health and welfare	55,578
Education	332,374
Community development	2,325
Total Governmental activities	\$ 968,512
Component Unit - School Board	\$ 596,229
Component Unit - Industrial Development Authority	\$ 14,486

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 6—Long-Term Obligations:**

**Primary Government:**

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2023:

	Balance at July 1, 2022	GASB 96 Adjustments	Adjusted Balance July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities Obligations:							
Incurring by County:							
Compensated absences	\$ 186,060	\$ -	\$ 186,060	\$ 33,268	\$ 18,606	\$ 200,722	\$ 20,072
Lease revenue bonds	2,423,000	-	2,423,000	-	149,000	2,274,000	151,000
Subscription liability	-	130,105	130,105	-	16,324	113,781	14,691
Lease liabilities	823,353	-	823,353	-	81,544	741,809	81,132
Add deferred amounts:						-	-
Issuance premium	344,704	-	344,704	-	31,337	313,367	-
Direct borrowings:						-	-
USDA loans	109,695	-	109,695	45,500	111,843	43,352	8,708
Note payable	342,500	-	342,500	-	114,167	228,333	114,167
Capital financing activities (Note 7)	146,000	-	146,000	-	146,000	-	-
Net pension liability	-	-	-	864,745	729,002	135,743	-
Net OPEB liabilities	507,304	-	507,304	159,315	271,336	395,283	-
Total incurred by County	\$ 4,882,616	\$ 130,105	\$ 5,012,721	\$ 1,102,828	\$ 1,669,159	\$ 4,446,390	\$ 389,770
Incurring by School Board:							
General obligation bonds	\$12,148,433	\$ -	\$12,148,433	\$ -	\$ 884,558	\$11,263,875	\$ 899,558
Add deferred amounts:							
Issuance premium	211,996	-	211,996	-	15,143	196,853	-
Total incurred by School Board	\$12,360,429	\$ -	\$12,360,429	\$ -	\$ 899,701	\$11,460,728	\$ 899,558
Total Governmental Activities Obligations	\$17,243,045	\$ 130,105	\$17,373,150	\$ 1,102,828	\$ 2,568,860	\$15,907,118	\$ 1,289,328

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 6—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

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

Year Ending June 30	Governmental Activities									
							Direct Borrowings			
	Lease Liabilities		Subscription Liability		Lease Revenue Bonds		USDA Loan		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 81,132	\$ 15,090	\$ 14,691	\$ 3,484	\$ 151,000	\$ 85,393	\$ 8,708	\$ 988	\$ 114,167	\$ 2,521
2025	79,391	13,352	16,049	3,034	169,000	78,698	8,931	765	114,166	2,521
2026	84,250	11,610	13,942	2,543	176,000	71,413	9,157	539	-	-
2027	83,930	9,823	15,193	2,116	183,000	63,812	9,388	308	-	-
2028	85,189	8,021	16,524	1,651	246,000	54,468	7,168	104	-	-
2029	86,690	6,165	17,939	1,145	258,000	43,255	-	-	-	-
2030	88,875	4,251	19,443	595	271,000	31,453	-	-	-	-
2031	77,002	2,510	-	-	195,000	20,403	-	-	-	-
2032	75,350	745	-	-	200,000	12,281	-	-	-	-
2033	-	-	-	-	425,000	4,578	-	-	-	-
Total	<u>\$ 741,809</u>	<u>\$ 71,567</u>	<u>\$ 113,781</u>	<u>\$ 14,568</u>	<u>\$ 2,274,000</u>	<u>\$ 465,754</u>	<u>\$ 43,352</u>	<u>\$ 2,704</u>	<u>\$ 228,333</u>	<u>\$ 5,042</u>

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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***Note 6—Long-Term Obligations: (Continued)***

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**Primary Government: (Continued)**

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

Year Ending June 30	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2024	\$ 899,558	\$ 434,481
2025	900,526	424,226
2026	910,526	414,324
2027	920,526	403,629
2028	883,467	386,478
2029	903,467	365,583
2030	923,467	346,979
2031	943,467	327,763
2032	963,467	307,939
2033	983,467	287,503
2034	1,003,467	266,459
2035	1,028,470	127,891
Total	<u>\$ 11,263,875</u>	<u>\$ 4,093,255</u>

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# COUNTY OF RICHMOND, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

### Note 6—Long-Term Obligations: (Continued)

#### Primary Government: (Continued)

##### Details of Long-Term Obligations:

	Total Amount
<u>Incurring by County:</u>	
<u>Lease Revenue Bonds:</u>	
\$1,880,000 lease revenue bond issued November 12, 2020, due in annual principal installments through April 1, 2033, interest payable semi-annually at 5.125%.	\$ 1,725,000
\$750,000 lease revenue bond issued July 2, 2019, due in annual principal installments through July 15, 2029, interest payable monthly at 3.05%.	549,000
Total Lease Revenue Bonds	\$ 2,274,000
Bond issuance premium	\$ 313,367
<u>Direct Borrowings:</u>	
<u>USDA Loans:</u>	
\$45,500 USDA loan issued March 15, 2023, due in monthly installments of \$808 through February 15, 2028 with interest due at 2.5%.	\$ 43,352
Total USDA loans	\$ 43,352
<u>Note Payable:</u>	
\$342,500 real estate purchase agreement issued August 17, 2021, due in annual installments through August 15, 2024. Interest at 1.1%.	\$ 228,333
<u>Subscription Liability:</u>	
\$130,105 software subscription, due in annual installments of \$15,700-\$16,485 through September 2025 at 3.02% interest	\$ 113,781
<u>Lease Liabilities:</u>	
\$530,857 office lease, due in monthly installments of \$4,620 through May 2032 at 2% interest	\$ 446,197
\$154,260 office lease, due in monthly installments of \$1,310 through May 2032 at 2% interest	127,738
\$107,847 office lease, due in monthly installments of 1,000 through October 2031 at 2% interest	90,445
\$10,877 office equipment lease, due in quarterly installments of \$923 through June 2024 at 3.5% interest	3,664
\$11,992 office equipment lease, due in monthly installments of \$205 through December 2026 at 2% interest	8,157
\$12,352 office equipment lease, due in monthly installments of 210 through December 2026 at 2% interest	8,383
\$8,993 office equipment lease, due in monthly installments of \$153 through December 2026 at 3.5% interest	6,117
\$61,620 land improvement lease, due in variable monthly installments through December 2030 at 2%	51,108
Total lease liabilities	\$ 741,809
Compensated absences (payable by General Fund)	\$ 200,722
Net pension liability (payable by General Fund)	\$ 135,743
Net OPEB liabilities (payable by General Fund)	\$ 395,283
Total incurred by County	\$ 4,446,390

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 6—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

The County's outstanding direct borrowings related to governmental activities of \$43,352 contain a provision that in the event of default, outstanding amounts become immediately due if the County is unable to make payment.

Incurred by School Board:

General Obligation Bonds:

\$2,500,000 School bonds issued September 1, 2010, due in annual principal installments of \$147,059 through September 1, 2026. This bond is interest-free.	\$ 588,235
\$6,085,183 School bonds issued October 31, 2012, due in varying annual installments of principal and interest through December 1, 2034, interest payable semi-annually at the rate of 3.84% per annum.	3,720,640
\$8,770,000 School bonds issued November 15, 2012, due in varying annual installments of principal and interest through July 15, 2034, interest payable semi-annually ranges from 2.05% to 5.05%.	6,955,000
Total General Obligation Bonds	\$ 11,263,875
Bond issuance premium	\$ 196,853
Total incurred by School Board	\$ 11,460,728
Total Long-Term Obligations, Primary Government	\$ 15,907,118

**Component Unit-School Board:**

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2023:

	Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	\$ 225,922	\$ -	\$ 131,362	\$ 94,560	\$ 9,456
Capital financing activities	75,791	-	37,206	38,585	38,585
Net pension liabilities	6,508,581	6,477,443	4,722,144	8,263,880	-
Net OPEB liabilities	2,278,407	852,688	580,418	2,550,677	-
Total Component Unit-School Board	\$ 9,088,701	\$ 7,330,131	\$ 5,471,130	\$10,947,702	\$ 48,041

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 6—Long-Term Obligations: (Continued)**

**Component Unit-School Board: (Continued)**

Details of Long-Term Obligations:

	<u>Total Amount</u>
<u>Incurred by School Board:</u>	
<u>Capital Financing Activities:</u>	
\$185,690 buses (payable from the School Fund) issued July 15, 2019, due in annual installments of \$40,026 through August 15, 2023. Interest at 3.72%.	\$ 38,585
Compensated absences	\$ 94,560
Net pension liability	\$ 8,263,880
Net OPEB liabilities	\$ 2,550,677
Total incurred by School Board	<u>\$ 10,947,702</u>

**Note 7—Postclosure Costs:**

Old County Landfill

The County demonstrated financial assurance requirements for postclosure care and corrective action costs, if any, through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA20-70 of the Virginia Administrative Code. In addition, the County closed its landfill in August 1996 and is liable for the postclosure monitoring for a period of ten years. The County's ten-year period has expired but they are still required to complete an annual landfill assurance calculation. The amount reported as landfill postclosure liability on June 30, 2023 represents the estimated liability for postclosure monitoring of \$0 over a period of one year. This amount is based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

**Note 8—Unearned and Deferred/Unavailable Revenue:**

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

Unavailable Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$325,498 at June 30, 2023.

Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2023 but paid in advance by the taxpayers totaled \$60,557 at June 30, 2023.

## COUNTY OF RICHMOND, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

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#### ***Note 9—Commitments and Contingent Liabilities:***

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

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

The school board has entered into a contract for the Rappahannock High School addition. The total contract amount is \$1,490,000. As of June 30, 2023, \$1,186,238 remains outstanding, including \$107,182 payable.

#### ***Note 10—Litigation:***

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At June 30, 2023, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

#### ***Note 11—Risk Management:***

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

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

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

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

#### ***Note 12—Pension Plans:***

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##### ***Plan Description***

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

**Note 12—Pension Plans: (Continued)**

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***Benefit Structures***

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

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

***Average Final Compensation and Service Retirement Multiplier***

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

*Note 12—Pension Plans: (Continued)*

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

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

***Employees Covered by Benefit Terms***

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	53	7
Inactive members:		
Vested inactive members	12	1
Non-vested inactive members	15	6
Inactive members active elsewhere in VRS	57	2
Total inactive members	84	9
Active members	67	2
Total covered employees	204	18

***Contributions***

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

The County's contractually required employer contribution rate for the year ended June 30, 2023 was 13.29% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$534,273 and \$440,688 for the years ended June 30, 2023 and June 30, 2022, respectively.

**Note 12—Pension Plans: (Continued)**

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**Contributions (Continued)**

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 0.38% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$357 and \$2,892 for the years ended June 30, 2023 and June 30, 2022, respectively.

**Net Pension Liability (Asset)**

The net pension liability (asset) (NPL(A)) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The County’s and Component Unit School Board’s (nonprofessional) net pension liability (asset) were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022.

**Actuarial Assumptions - General Employees**

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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**Note 12—Pension Plans: (Continued)**

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**Actuarial Assumptions - General Employees (Continued)**

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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**Note 12—Pension Plans: (Continued)**

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**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits**

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement:**

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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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**Note 12—Pension Plans: (Continued)**

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**Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

*Note 12—Pension Plans: (Continued)*

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

\*The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*\*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 12—Pension Plans: (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability (Asset)**

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 16,459,607	\$ 17,225,728	\$ (766,121)
Changes for the year:			
Service cost	\$ 490,599	\$ -	\$ 490,599
Interest	1,112,599	-	1,112,599
Differences between expected and actual experience	(113,883)	-	(113,883)
Contributions - employer	-	440,688	(440,688)
Contributions - employee	-	174,034	(174,034)
Net investment income	-	(16,912)	16,912
Benefit payments, including refunds of employee contributions	(934,524)	(934,524)	-
Administrative expenses	-	(10,756)	10,756
Other changes	-	397	(397)
Net changes	\$ 554,791	\$ (347,073)	\$ 901,864
Balances at June 30, 2022	\$ 17,014,398	\$ 16,878,655	\$ 135,743

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

*Note 12—Pension Plans: (Continued)*

*Changes in Net Pension Liability (Asset)*

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 828,419	\$ 1,010,379	\$ (181,960)
Changes for the year:			
Service cost	\$ 8,903	\$ -	\$ 8,903
Interest	55,047	-	55,047
Differences between expected and actual experience	(7,573)	-	(7,573)
Contributions - employer	-	2,390	(2,390)
Contributions - employee	-	4,475	(4,475)
Net investment income	-	(509)	509
Benefit payments, including refunds of employee contributions	(43,607)	(43,607)	-
Administrative expenses	-	(637)	637
Other changes	-	23	(23)
Net changes	\$ 12,770	\$ (37,865)	\$ 50,635
Balances at June 30, 2022	\$ 841,189	\$ 972,514	\$ (131,325)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability (Asset)	\$ 2,273,155	\$ 135,743	\$ (1,612,663)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (40,828)	\$ (131,325)	\$ (207,643)

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 12—Pension Plans: (Continued)**

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$257,548 and \$(26,649) respectively. At June 30, 2023, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 136,896	\$ -	\$ -
Change of assumptions	145,747	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	496,768	-	30,091
Employer contributions subsequent to the measurement date	534,273	-	357	-
Total	\$ 680,020	\$ 633,664	\$ 357	\$ 30,091

\$534,273 and \$357 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of (increase to) the Net Pension Liability (Asset) in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2024	\$ (154,042)	\$ (11,491)
2025	(232,447)	(12,050)
2026	(335,130)	(20,039)
2027	233,702	13,489
2028	-	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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***Note 12—Pension Plans: (Continued)***

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**Component Unit School Board (professional)**

***Plan Description***

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

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,370,946 and \$1,289,462 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2023, the school division reported a liability of \$8,263,880 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 0.08680% as compared to 0.08384% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$517,918. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

*Note 12—Pension Plans: (Continued)*

**Component Unit School Board (professional) (Continued)**

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

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience \$	-	\$ 569,827
Change of assumptions	779,117	-
Net difference between projected and actual earnings on pension plan investments	-	1,077,437
Changes in proportion and differences between employer contributions and proportionate share of contributions	401,872	57,662
Employer contributions subsequent to the measurement date	<u>1,370,946</u>	<u>-</u>
Total	<u>\$ 2,551,935</u>	<u>\$ 1,704,926</u>

\$1,370,946 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<b><u>Year ended June 30</u></b>	
2024	\$ (170,243)
2025	(273,898)
2026	(632,557)
2027	552,761
2028	-

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*Note 12—Pension Plans: (Continued)*

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Component Unit School Board (professional) (Continued)

*Actuarial Assumptions*

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

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

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 12—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

***Actuarial Assumptions (Continued)***

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee Retirement Plan</b>
Total Pension Liability	\$	54,732,329
Plan Fiduciary Net Position		45,211,731
Employers' Net Pension Liability (Asset)	\$	<u>9,520,598</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.61%

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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

**Note 12—Pension Plans: (Continued)**

**Component Unit School Board (professional) (Continued)**

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

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

		Rate		
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$	14,759,922	\$ 8,263,880	\$ 2,974,673

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 680,020	\$ 633,664	\$ 135,743	\$ 257,548	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	357	30,091	(131,325)	(26,649)
School Board Professional	-	-	-	-	2,551,935	1,704,926	8,263,880	517,918
Totals	\$ 680,020	\$ 633,664	\$ 135,743	\$ 257,548	\$ 2,552,292	\$ 1,735,017	\$ 8,132,555	\$ 491,269

## COUNTY OF RICHMOND, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

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

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##### ***Plan Description***

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

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

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

##### ***Eligible Employees***

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

##### ***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

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***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$22,430 and \$19,519 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$46,159 and \$43,255 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$507 and \$483 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

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

At June 30, 2023, the County reported a liability of \$200,121 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$443,348 and \$4,937, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the County's proportion was 0.01660% as compared to 0.01550% at June 30, 2021. At June 30, 2022, the Component Unit School Board professional and nonprofessional groups' proportion were 0.03680% and 0.00040%, respectively as compared to 0.03550% and 0.00040%, respectively at June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of \$11,471. For the year ended June 30, 2023, the Component Unit School Board professional group recognized GLI OPEB expense of \$18,662. For the year ended June 30, 2023, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$339. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

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

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,847	8,028	\$ 35,108	\$ 17,786	\$ 391	\$ 198
Net difference between projected and actual earnings on GLI OPEB plan investments	-	12,505	-	27,703	-	308
Change of assumptions	7,464	19,493	16,536	43,184	184	481
Changes in proportionate share	23,781	4,498	25,603	8,396	1,001	512
Employer contributions subsequent to the measurement date	22,430	-	46,159	-	507	-
Total	\$ 69,522	\$ 44,524	\$ 123,406	\$ 97,069	\$ 2,083	\$ 1,499

\$22,430, \$46,159 and \$507, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
2024	1,572	\$ (4,258)	\$ 94
2025	514	(3,126)	97
2026	(6,483)	(18,921)	(188)
2027	5,915	6,852	130
2028	1,050	(369)	(56)
Thereafter	-	-	-

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

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**Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

**Mortality Rates - Teachers**

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



COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

*Actuarial Assumptions (Continued)*

**Mortality Rates - Teachers (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<b>GLI OPEB Plan</b>
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
GLI Net OPEB Liability (Asset)	\$	<u>1,204,096</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.21%

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

\*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

**Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 291,199	\$ 200,121	\$ 126,517
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 645,124	\$ 443,348	\$ 280,286
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 7,184	\$ 4,937	\$ 3,121

**GLI Plan Fiduciary Net Position**

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

**Plan Description**

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

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***Plan Description***

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

***Eligible Employees***

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

***Benefit Amounts***

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

***HIC Plan Notes***

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

***Employees Covered by Benefit Terms***

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>2</u>
Inactive members:	
Vested inactive members	-
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	<u>-</u>
Active members	<u>2</u>
Total covered employees	<u><u>4</u></u>

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

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**Contributions**

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2023 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$489 and \$546 for the years ended June 30, 2023 and June 30, 2022, respectively.

**Net HIC OPEB Liability**

The School Board’s net HIC OPEB liability was measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

**Actuarial Assumptions**

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Actuarial Assumptions: (Continued)**

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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



COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Actuarial Assumptions: (Continued)**

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

\*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Discount Rate**

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

**Changes in Net HIC OPEB Liability**

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 8,405	\$ 595	\$ 7,810
Changes for the year:			
Service cost	\$ 40	\$ -	\$ 40
Interest	553	-	553
Benefit changes	3,536	-	3,536
Differences between expected and actual experience	(3,042)	-	(3,042)
Assumption changes	7,192	-	7,192
Contributions - employer	-	913	(913)
Net investment income	-	(6)	6
Benefit payments	(495)	(495)	-
Administrative expenses	-	(3)	3
Net changes	\$ 7,784	\$ 409	\$ 7,375
Balances at June 30, 2022	\$ 16,189	\$ 1,004	\$ 15,185

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Component School Board (nonprofessional):			
Net HIC OPEB Liability	\$ 16,335	\$ 15,185	\$ 14,172

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

For the year ended June 30, 2023, the School Board recognized HIC Plan OPEB expense of \$5,355. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	2,204
Net difference between projected and actual earnings on HIC OPEB plan investments	14	-
Change in assumptions	5,438	-
Employer contributions subsequent to the measurement date	\$ 489	\$ -
Total	\$ 5,941	\$ 2,204

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

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

\$489 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<b>Year Ended</b>	
<b>June 30</b>	
<hr/>	
2024	\$ 1,277
2025	1,236
2026	723
2027	12
2028	-
Thereafter	-

**HIC Plan Data**

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

**Plan Description**

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

## COUNTY OF RICHMOND, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

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

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##### ***Plan Description (Continued)***

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

##### ***Eligible Employees***

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

##### ***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

##### ***HIC Plan Notes***

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

##### ***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$103,431 and \$96,924 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

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

At June 30, 2023, the school division reported a liability of \$1,073,555 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC was 0.08595% as compared to 0.08299% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$91,243. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 43,760
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,078
Change of assumptions	31,364	2,742
Changes in proportionate share and differences between actual and expected contributions	51,494	15,952
Employer contributions subsequent to the measurement date	103,431	-
Total	<u>\$ 186,289</u>	<u>\$ 63,532</u>

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

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

\$103,431 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ 2,170
2025	2,135
2026	3,161
2027	6,868
2028	2,444
Thereafter	2,548

**Actuarial Assumptions**

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

**Mortality Rates - Teachers**

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



COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

**Net Teacher Employee HIC OPEB Liability**

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,470,891
Plan Fiduciary Net Position		221,845
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,249,046</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		15.08%

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Long-Term Expected Rate of Return**

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

\*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*\*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**Discount Rate**

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 1,209,909	\$ 1,073,555	\$ 957,972

**Teacher Employee HIC OPEB Fiduciary Net Position**

Detailed information about the VRS Teacher Employee HIC Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## COUNTY OF RICHMOND, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

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

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##### **County and School Board**

###### ***Plan Description***

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

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

###### ***Benefits Provided***

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

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

###### ***Plan Membership***

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

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

###### ***Contributions***

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amounts paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2023 were \$23,715 and \$68,055, respectively.

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

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**County and School Board: (Continued)**

***Total OPEB Liability***

The County and School Board’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

***Actuarial Assumptions***

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

Inflation	2.50% per year
Salary Increases	The salary increase rate was 3.50% to 5.35% per annum.
Discount Rate	3.65% based on the Bond Buyer 20-Year Bond GO Index
Healthcare Trend Data	The healthcare trend assumption used in this valuation (which covers medical, dental, and vision) is based on long-term healthcare trend rates generated by the Getzen Trend Model.

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

Pre-Retirement: RP-2014 General Employee Mortality Tables projected to 2022 using Scale BB with Males and Females setback 1 year.

Pre-Retirement: RP-2014 Public Safety Employer Mortality Tables projected to 2022 using Scale BB with Females set forward 1 year.

Post-Retirement: RP-2014 General Employees Mortality Tables project to 2022 using Scale BB with females setback 1 year.

Post Retirement: RP-2014 Public Safety Mortality Tables projected to 2022 using Scale BB with males set forward 2 year and females set forward 3 years.

Post-Disablement: RP-2014 General Employee Disabled Life Mortality Tables projected to 2022 using Scale BB.

Post-Disablement: RP-2014 Public Safety Employees Disabled Life Mortality Tables projected to 2022 using Scale BB with males set forward 2 years.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**County and School Board: Continued)**

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

Pre-Retirement: RP-2014 General Employee Mortality Tables projected to 2022 using Scale BB with Males and Females setback 1 year.

Post-Retirement: RP-2014 General Employees Mortality Tables project to 2022 using Scale BB with females setback 1 year.

Post-Disablement: RP-2014 General Employee Disabled Life Mortality Tables projected to 2022 using Scale BB.

***Discount Rate***

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Go Index as of June 30, 2023.

***Changes in Total OPEB Liability***

	<b>Primary Government Total OPEB Liability</b>	<b>Component Unit School Board Total OPEB Liability</b>
Balances at June 30, 2022	\$ 326,609	\$ 786,575
Changes for the year:		
Service cost	13,816	58,829
Interest	11,635	28,734
Effect of economic/demographic gains or losses	(109,281)	250,369
Changes of assumptions	(23,902)	(42,800)
Benefit payments	(23,715)	(68,055)
Net changes	\$ (131,447)	\$ 227,077
Balances at June 30, 2023	\$ 195,162	\$ 1,013,652

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**County and School Board: (Continued)**

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

		Rate		
		1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
<b>Primary Government:</b>				
Total OPEB liability	\$	209,872	\$ 195,162	\$ 181,614
<b>Component Unit School Board:</b>				
Total OPEB liability	\$	1,085,256	\$ 1,013,652	\$ 946,103

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

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

		Rates		
		1% Decrease	Healthcare Cost Trend	1% Increase
<b>Primary Government:</b>				
Total OPEB liability	\$	174,208	\$ 195,162	\$ 220,296
<b>Component Unit School Board:</b>				
Total OPEB liability	\$	914,361	\$ 1,013,652	\$ 1,130,088

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

**County and School Board: (Continued)**

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

For the year ended June 30, 2023, the County and the School Board recognized OPEB expense in the amount of \$22,677 and \$108,841. At June 30, 2023, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Primary Government</u>		<u>Component Unit School Board</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
Differences between expected and actual experience	\$ 91,215	\$ 91,940	\$ 271,264	\$ 16,679
Changes in assumptions	18,789	50,529	96,177	133,897
Total	<u>\$ 110,004</u>	<u>\$ 142,469</u>	<u>\$ 367,441</u>	<u>\$ 150,576</u>

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

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board</u>
2024	\$ (1,992)	\$ 21,278
2025	200	31,101
2026	1,051	41,983
2027	(13,356)	41,983
2028	(18,368)	41,983
Thereafter	-	38,537

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



# COUNTY OF RICHMOND, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2023

### Note 17—Summary of Other Postemployment Benefit Plans:

#### Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 13):								
County	\$ 69,522	\$ 44,524	\$ 200,121	\$ 11,471	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	2,083	1,499	4,937	339
School Board Professional	-	-	-	-	123,406	97,069	443,348	18,662
Health Insurance Credit Plan (Note 14)	-	-	-	-	5,941	2,204	15,185	5,355
Teacher Health Insurance Credit Plan (Note 15)	-	-	-	-	186,289	63,532	1,073,555	91,243
County Stand-Alone Plan (Note 16)	110,004	142,469	195,162	22,677	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	367,441	150,576	1,013,652	108,841
Totals	\$ 179,526	\$ 186,993	\$ 395,283	\$ 34,148	\$ 685,160	\$ 314,880	\$ 2,550,677	\$ 224,440

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

### Note 18-Surety Bonds:

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County’s LODA coverage is fully covered or “insured” through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County’s LODA premium for the year ended June 30, 2023 was \$19,512.

**Note 20-Adoption of Accounting Principles:**

The County implemented provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based IT Arrangements (SBITAs)* during the fiscal year ended June 30, 2023. Statement No. 96, *SBITAs* requires recognition of certain subscription assets and liabilities for certain contracts that convey control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. No restatement of beginning net position was required as a result of this implementation.

Primary Government:		Governmental Activities
Subscription assets	\$	130,105
Subscription liabilities	\$	130,105

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AS OF JUNE 30, 2023

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***Note 21-Upcoming Pronouncements:***

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Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

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

**Implementation Guide No. 2021-1, *Implementation Guidance Update—2021***, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

**Implementation Guide No. 2023-1, *Implementation Guidance Update—2023***, effective for fiscal years beginning after June 15, 2023.

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

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*REQUIRED SUPPLEMENTARY INFORMATION*

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County of Richmond, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
General property taxes	\$ 9,120,456	\$ 9,120,456	\$ 9,669,669	\$ 549,213
Other local taxes	1,897,000	1,897,000	1,886,236	(10,764)
Permits, privilege fees, and regulatory licenses	79,100	79,100	184,342	105,242
Fines and forfeitures	35,000	35,000	57,438	22,438
Revenue from the use of money and property	40,000	40,000	262,575	222,575
Charges for services	366,500	366,500	511,239	144,739
Miscellaneous	40,000	40,000	105,587	65,587
Recovered costs	923,750	923,750	154,338	(769,412)
Intergovernmental:				
Commonwealth	3,592,998	4,603,498	3,459,568	(1,143,930)
Federal	721,247	822,310	1,237,456	415,146
Total revenues	<u>\$ 16,816,051</u>	<u>\$ 17,927,614</u>	<u>\$ 17,528,448</u>	<u>\$ (399,166)</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,442,106	\$ 2,230,304	\$ 2,242,119	\$ (11,815)
Judicial administration	781,655	789,070	758,571	30,499
Public safety	3,731,510	4,204,638	4,175,451	29,187
Public works	1,015,769	1,168,525	1,169,295	(770)
Health and welfare	2,602,286	2,602,286	1,766,119	836,167
Education	5,082,869	5,101,619	4,563,046	538,573
Parks, recreation, and cultural	161,154	161,154	166,080	(4,926)
Community development	366,610	1,407,548	347,319	1,060,229
Nondepartmental	254,811	270,056	181,163	88,893
Capital projects	-	179,554	158,164	21,390
Debt service:				
Principal retirement	1,871,281	2,056,973	1,503,436	553,537
Interest and other fiscal charges	-	-	571,748	(571,748)
Total expenditures	<u>\$ 17,310,051</u>	<u>\$ 20,171,727</u>	<u>\$ 17,602,511</u>	<u>\$ 2,569,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (494,000)</u>	<u>\$ (2,244,113)</u>	<u>\$ (74,063)</u>	<u>\$ 2,170,050</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of USDA loan	\$ -	\$ -	\$ 45,500	\$ 45,500
Issuance of subscription liability	-	130,105	130,105	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 130,105</u>	<u>\$ 175,605</u>	<u>\$ 45,500</u>
Net change in fund balances	<u>\$ (494,000)</u>	<u>\$ (2,114,008)</u>	<u>\$ 101,542</u>	<u>\$ 2,215,550</u>
Fund balances - beginning	494,000	2,114,008	3,561,622	1,447,614
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,663,164</u></u>	<u><u>\$ 3,663,164</u></u>

County of Richmond, Virginia  
 Sheriff's Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2023

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



County of Richmond, Virginia  
Workforce Investment Act Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Total revenues	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
<b>EXPENDITURES</b>				
Current:				
Community development	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Total expenditures	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

County of Richmond, Virginia  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Primary Government  
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020
<b>Total pension liability</b>			
Service cost	\$ 490,599	\$ 409,513	\$ 440,289
Interest	1,112,599	1,027,695	967,490
Changes in benefit terms	-	-	-
Changes of assumptions	-	524,309	-
Differences between expected and actual experience	(113,883)	(232,306)	377,564
Benefit payments	(934,524)	(989,424)	(797,428)
<b>Net change in total pension liability</b>	<b>\$ 554,791</b>	<b>\$ 739,787</b>	<b>\$ 987,915</b>
<b>Total pension liability - beginning</b>	<b>16,459,607</b>	<b>15,719,820</b>	<b>14,731,905</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 17,014,398</b>	<b>\$ 16,459,607</b>	<b>\$ 15,719,820</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 440,688	\$ 390,697	\$ 307,494
Contributions - employee	174,034	154,436	147,098
Net investment income	(16,912)	3,767,863	265,774
Benefit payments	(934,524)	(989,424)	(797,428)
Administrator charges	(10,756)	(9,553)	(9,190)
Other	397	353	(314)
<b>Net change in plan fiduciary net position</b>	<b>\$ (347,073)</b>	<b>\$ 3,314,372</b>	<b>\$ (86,566)</b>
<b>Plan fiduciary net position - beginning</b>	<b>17,225,728</b>	<b>13,911,356</b>	<b>13,997,922</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 16,878,655</b>	<b>\$ 17,225,728</b>	<b>\$ 13,911,356</b>
<b>County's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 135,743</b>	<b>\$ (766,121)</b>	<b>\$ 1,808,464</b>
<b>Plan fiduciary net position as a percentage of the total pension liability (asset)</b>	<b>99.20%</b>	<b>104.65%</b>	<b>88.50%</b>
<b>Covered payroll</b>	<b>\$ 3,614,544</b>	<b>\$ 3,204,359</b>	<b>\$ 3,020,649</b>
<b>County's net pension liability (asset) as a percentage of covered payroll</b>	<b>3.76%</b>	<b>-23.91%</b>	<b>59.87%</b>

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

## Exhibit 12

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

County of Richmond, Virginia  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Component Unit School Board (nonprofessional)  
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020
<b>Total pension liability</b>			
Service cost	\$ 8,903	\$ 10,341	\$ 7,642
Interest	55,047	52,692	50,477
Changes of assumptions	-	6,135	-
Differences between expected and actual experience	(7,573)	169	17,385
Benefit payments	(43,607)	(43,077)	(42,311)
<b>Net change in total pension liability</b>	<b>\$ 12,770</b>	<b>\$ 26,260</b>	<b>\$ 33,193</b>
<b>Total pension liability - beginning</b>	<b>828,419</b>	<b>802,159</b>	<b>768,966</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 841,189</b>	<b>\$ 828,419</b>	<b>\$ 802,159</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 2,390	\$ 2,282	\$ 576
Contributions - employee	4,475	4,274	3,642
Net investment income	(509)	222,097	16,010
Benefit payments	(43,607)	(43,077)	(42,311)
Administrator charges	(637)	(573)	(568)
Other	23	21	(19)
<b>Net change in plan fiduciary net position</b>	<b>\$ (37,865)</b>	<b>\$ 185,024</b>	<b>\$ (22,670)</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,010,379</b>	<b>825,355</b>	<b>848,025</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 972,514</b>	<b>\$ 1,010,379</b>	<b>\$ 825,355</b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (131,325)</b>	<b>\$ (181,960)</b>	<b>\$ (23,196)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>115.61%</b>	<b>121.96%</b>	<b>102.89%</b>
<b>Covered payroll</b>	<b>\$ 89,506</b>	<b>\$ 85,480</b>	<b>\$ 74,126</b>
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	<b>-146.72%</b>	<b>-212.87%</b>	<b>-31.29%</b>

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Exhibit 13

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

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

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

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Richmond, Virginia  
Schedule of Employer Contributions - Pension Plans  
For the Years Ended June 30, 2014 through June 30, 2023

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
(1)	(2)	(3)	(4)	(5)	
<b>Primary Government</b>					
2023	\$ 534,273	\$ 534,273	\$ -	\$ 4,153,680	12.86%
2022	440,688	440,688	-	3,614,544	12.19%
2021	390,697	390,697	-	3,204,359	12.19%
2020	307,373	307,373	-	3,020,649	10.18%
2019	300,679	300,679	-	2,941,892	10.22%
2018	305,935	305,935	-	2,914,636	10.50%
2017	283,832	283,832	-	2,693,648	10.54%
2016	279,196	279,196	-	2,602,804	10.73%
2015	286,796	286,796	-	2,663,210	10.77%
2014	295,831	295,831	-	2,597,287	11.39%
<b>Component Unit School Board (nonprofessional)</b>					
2023	\$ 357	\$ 357	\$ -	\$ 93,981	0.38%
2022	2,892	2,892	-	89,506	3.23%
2021	2,282	2,282	-	85,480	2.67%
2020	566	566	-	74,126	0.76%
2019	314	314	-	81,627	0.38%
2018	212	212	-	64,888	0.33%
2017	95	95	-	72,168	0.13%
2016	3,660	3,660	-	94,878	3.86%
2015	9,175	9,175	-	230,452	3.98%
2014	19,068	19,068	-	214,727	8.88%
<b>Component Unit School Board (professional)</b>					
2023	\$ 1,370,946	\$ 1,370,946	\$ -	\$ 8,548,026	16.04%
2022	1,289,462	1,289,462	-	8,010,229	16.10%
2021	1,186,096	1,186,096	-	7,339,714	16.16%
2020	1,108,639	1,108,639	-	7,236,109	15.32%
2019	1,075,614	1,075,614	-	6,990,664	15.39%
2018	1,053,012	1,053,012	-	6,626,525	15.89%
2017	950,449	950,449	-	6,599,563	14.40%
2016	981,446	981,446	-	6,305,596	15.56%
2015	907,206	907,206	-	6,256,592	14.50%
2014	721,664	721,664	-	6,145,391	11.74%

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

County of Richmond, Virginia  
Notes to Required Supplementary Information  
Pension Plans  
For the Year Ended June 30, 2023

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees:

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



County of Richmond, Virginia  
Schedule of County and Component Unit School Board's Share of Net OPEB Liability  
Group Life Insurance (GLI) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2022

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

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

County of Richmond, Virginia  
Schedule of Employer Contributions  
Group Life Insurance(GLI) Plan  
For the Years Ended June 30, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2023	\$ 22,430	\$ 22,430	\$ -	\$ 4,153,680	0.54%
2022	19,519	19,519	-	3,614,544	0.54%
2021	17,304	17,304	-	3,204,359	0.54%
2020	15,707	15,707	-	3,020,649	0.52%
2019	15,298	15,298	-	2,941,892	0.52%
2018	15,156	15,156	-	2,914,636	0.52%
2017	14,007	14,007	-	2,693,648	0.52%
2016	12,493	12,493	-	2,602,804	0.48%
2015	12,783	12,783	-	2,663,210	0.48%
2014	12,467	12,467	-	2,597,287	0.48%
Component Unit School Board (nonprofessional):					
2023	\$ 507	\$ 507	\$ -	\$ 93,981	0.54%
2022	483	483	-	89,506	0.54%
2021	462	462	-	85,480	0.54%
2020	385	385	-	74,126	0.52%
2019	424	424	-	81,627	0.52%
2018	337	337	-	64,888	0.52%
2017	375	375	-	72,168	0.52%
2016	455	455	-	94,878	0.48%
2015	1,106	1,106	-	230,452	0.48%
2014	1,031	1,031	-	214,727	0.48%
Component Unit School Board (professional):					
2023	\$ 46,159	\$ 46,159	\$ -	\$ 8,548,026	0.54%
2022	43,255	43,255	-	8,010,229	0.54%
2021	39,634	39,634	-	7,339,714	0.54%
2020	37,628	37,628	-	7,236,109	0.52%
2019	36,419	36,419	-	7,003,694	0.52%
2018	34,574	34,574	-	6,598,082	0.52%
2017	34,318	34,318	-	6,599,563	0.52%
2016	30,267	30,267	-	6,305,596	0.48%
2015	30,032	30,032	-	6,256,592	0.48%
2014	29,498	29,498	-	6,145,391	0.48%

County of Richmond, Virginia  
Notes to Required Supplementary Information  
Group Life Insurance (GLI) Plan  
For the Year Ended June 30, 2023

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Teachers**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Richmond, Virginia  
Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios  
Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2020 through June 30, 2022

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

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

County of Richmond, Virginia  
Schedule of Employer Contributions  
Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2021 through June 30, 2023

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

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

County of Richmond, Virginia  
Notes to Required Supplementary Information  
Health Insurance Credit (HIC) Plan  
For the Year Ended June 30, 2023

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Richmond, Virginia  
Schedule of Component Unit School Board's Share of Net OPEB Liability  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2022

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

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

County of Richmond, Virginia  
Schedule of Employer Contributions - Component Unit School Board  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2014 through June 30, 2023

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Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2023	\$ 103,431	\$ 103,431	\$ -	\$ 8,548,026	1.21%
2022	96,924	96,924	-	8,010,229	1.21%
2021	88,811	88,811	-	7,339,714	1.21%
2020	86,833	86,833	-	7,236,109	1.20%
2019	83,888	83,888	-	6,990,664	1.20%
2018	80,910	80,910	-	6,578,062	1.23%
2017	73,255	73,255	-	6,599,563	1.11%
2016	66,839	66,839	-	6,305,596	1.06%
2015	66,320	66,320	-	6,256,592	1.06%
2014	68,214	68,214	-	6,145,391	1.11%



County of Richmond, Virginia  
Notes to Required Supplementary Information -Component Unit School Board  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Year Ended June 30, 2023

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

County of Richmond, Virginia  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Primary Government  
For the Years Ended June 30, 2018 through June 30, 2023

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

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

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

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

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

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

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Valuation Date: 7/1/2022  
Measurement Date: 6/30/2023

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.65% based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates.
Inflation	2.50% per year
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.40% graded down to 3.90% over 50 years
Salary Increase Rates	The salary increase rate was 3.50% to 5.35% per annum for non-law officers and 3.50% to 4.75% per annum for law officers.
Retirement Age	The average age of retirement is 65
Mortality Rates	<p>Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p>

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

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Valuation Date: 7/1/2022  
Measurement Date: 6/30/2023

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.65% based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates.
Inflation	2.50% per year
Healthcare Trend Rate	6.40% for fiscal year end 2023, decreasing yearly to an ultimate rate of 3.90% in 2072
Salary Increase Rates	The salary increase rate was 3.50% to 5.35% per annum.
Retirement Age	The average age of retirement is 65
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

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*OTHER SUPPLEMENTARY INFORMATION*

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*COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES*

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County of Richmond, Virginia  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2023

	Custodial Funds					Total
	Richmond County Public <u>Library</u>	Special Welfare	Menokin Foundation	Northern Neck Regional Technical <u>Center</u>	Northern Neck Regional Special Education <u>Program</u>	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 8,831	\$ 21,958	\$ -	\$ 262,435	\$ 943,303	\$ 1,236,527
Total assets	\$ 8,831	\$ 21,958	\$ -	\$ 262,435	\$ 943,303	\$ 1,236,527
<b>NET POSITION</b>						
Restricted for:						
Individuals, organizations, and other governments	\$ 8,831	\$ 21,958	\$ -	\$ 262,435	\$ 943,303	\$ 1,236,527
Total net position	\$ 8,831	\$ 21,958	\$ -	\$ 262,435	\$ 943,303	\$ 1,236,527

County of Richmond, Virginia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

	Custodial Funds					
	Richmond County Public <u>Library</u>	Special <u>Welfare</u>	Menokin <u>Foundation</u>	Northern Neck Regional Technical <u>Center</u>	Northern Neck Regional Special Education <u>Program</u>	<u>Total</u>
<b>ADDITIONS</b>						
Contributions	\$ 126,625	\$ 7,226	\$ 1,000,000	\$ 2,375,829	\$ 1,425,083	\$ 4,934,763
Investment earnings:						
Interest and dividends	488	262	-	9,958	18,422	29,130
Miscellaneous	-	-	-	-	26,288	26,288
Revenue from the Federal Government	4,310	-	-	-	-	4,310
Revenue from the Commonwealth	35,089	-	-	-	-	35,089
 Total additions	 \$ 166,512	 \$ 7,488	 \$ 1,000,000	 \$ 2,385,787	 \$ 1,469,793	 \$ 5,029,580
<b>DEDUCTIONS</b>						
Recipient payments	\$ -	\$ 5,567	\$ -	\$ -	\$ -	\$ 5,567
Operations	165,865	-	1,000,000	2,399,297	1,483,122	5,048,284
 Total deductions	 \$ 165,865	 \$ 5,567	 \$ 1,000,000	 \$ 2,399,297	 \$ 1,483,122	 \$ 5,053,851
 Net increase (decrease) in fiduciary net position	 \$ 647	 \$ 1,921	 \$ -	 \$ (13,510)	 \$ (13,329)	 \$ (24,271)
 Net position, beginning	 8,184	 20,037	 -	 275,945	 956,632	 1,260,798
Net position, ending	\$ 8,831	\$ 21,958	\$ -	\$ 262,435	\$ 943,303	\$ 1,236,527

*DISCRETELY PRESENTED COMPONENT UNIT  
SCHOOL BOARD*

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County of Richmond, Virginia  
Combining Balance Sheet - Governmental Funds  
Discretely Presented Component Unit - School Board  
June 30, 2023

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 607,346	\$ 338,281	\$ 945,627
Receivables (net of allowance for uncollectibles):				
Accounts receivable	7,425	-	-	7,425
Due from other governmental units	1,801,986	21,343	-	1,823,329
Total assets	<u>\$ 1,809,411</u>	<u>\$ 628,689</u>	<u>\$ 338,281</u>	<u>\$ 2,776,381</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 174,218	\$ -	\$ -	\$ 174,218
Accrued liabilities	694,772	-	-	694,772
Total liabilities	<u>\$ 868,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 868,990</u>
<b>FUND BALANCES</b>				
Reserved for:				
Capital projects	\$ 940,421	\$ -	\$ -	\$ 940,421
Committed:				
School Cafeteria Fund	-	628,689	-	628,689
School Activity Funds	-	-	338,281	338,281
Total fund balances	<u>\$ 940,421</u>	<u>\$ 628,689</u>	<u>\$ 338,281</u>	<u>\$ 1,907,391</u>
Total liabilities and fund balances	<u>\$ 1,809,411</u>	<u>\$ 628,689</u>	<u>\$ 338,281</u>	<u>\$ 2,776,381</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Total fund balances per above				\$ 1,907,391
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Capital assets, cost			\$ 14,265,265	
Accumulated depreciation			<u>(6,647,282)</u>	7,617,983
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				
Net pension asset				131,325
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.				
Pension related items			\$ 2,552,292	
OPEB related items			<u>685,160</u>	3,237,452
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.				
Compensated absences			\$ (94,560)	
Capital financing			(38,585)	
Net pension liability			(8,263,880)	
Net OPEB liabilities			<u>(2,550,677)</u>	(10,947,702)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.				
Pension related items			\$ (1,735,017)	
OPEB related items			<u>(314,880)</u>	(2,049,897)
Net position of governmental activities				<u><u>\$ (103,448)</u></u>

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County of Richmond, Virginia  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds - Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2023

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ 2,496	\$ -	\$ 2,496
Charges for services	-	275	-	275
Miscellaneous	421,513	25,553	460,037	907,103
Recovered costs	144,096	-	-	144,096
Intergovernmental:				
Local government	4,533,154	-	-	4,533,154
Commonwealth	13,322,490	24,240	-	13,346,730
Federal	2,146,707	856,413	-	3,003,120
Total revenues	<u>\$ 20,567,960</u>	<u>\$ 908,977</u>	<u>\$ 460,037</u>	<u>\$ 21,936,974</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 19,587,513	\$ 935,229	\$ 410,624	\$ 20,933,366
Debt service:				
Principal retirement	37,206	-	-	37,206
Interest and other fiscal charges	2,820	-	-	2,820
Total expenditures	<u>\$ 19,627,539</u>	<u>\$ 935,229</u>	<u>\$ 410,624</u>	<u>\$ 20,973,392</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 940,421</u>	<u>\$ (26,252)</u>	<u>\$ 49,413</u>	<u>\$ 963,582</u>
Net change in fund balances	\$ 940,421	\$ (26,252)	\$ 49,413	\$ 963,582
Fund balances - beginning	-	654,941	288,868	943,809
Fund balances - ending	<u>\$ 940,421</u>	<u>\$ 628,689</u>	<u>\$ 338,281</u>	<u>\$ 1,907,391</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:				
Net change in fund balances - total governmental funds - per above				\$ 963,582
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.				
Capital asset additions			\$ 500,305	
Depreciation expense			(596,229)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Government			<u>552,184</u>	456,260
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.				(2,156)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.				
Principal retirement on capital lease				37,206
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.				
Change in compensated absences			\$ 131,362	
Pension expense			1,263,510	
OPEB expense			<u>16,225</u>	1,411,097
Change in net position of governmental activities				<u>\$ 2,865,989</u>

County of Richmond, Virginia  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2023

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	150,150	327,581	421,513	93,932
Recovered costs	-	121,500	144,096	22,596
Intergovernmental:				
Local government	5,071,727	5,071,727	4,533,154	(538,573)
Commonwealth	12,877,747	12,877,747	13,322,490	444,743
Federal	1,342,725	1,477,460	2,146,707	669,247
Total revenues	\$ 19,442,349	\$ 19,876,015	\$ 20,567,960	\$ 691,945
<b>EXPENDITURES</b>				
Current:				
Education	\$ 19,442,349	\$ 19,756,015	\$ 19,587,513	\$ 168,502
Debt service:				
Principal retirement	-	-	37,206	(37,206)
Interest and other fiscal charges	-	-	2,820	(2,820)
Total expenditures	\$ 19,442,349	\$ 19,756,015	\$ 19,627,539	\$ 128,476
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 120,000	\$ 940,421	\$ 820,421
Net change in fund balances	\$ -	\$ 120,000	\$ 940,421	\$ 820,421
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 120,000	\$ 940,421	\$ 820,421

School Cafeteria Fund				
Budgeted Amounts			Variance with	
<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget	
			Positive	
			<u>(Negative)</u>	
\$ -	\$ -	\$ 2,496	\$	2,496
-	-	275		275
-	-	25,553		25,553
-	-	-		-
-	-	-		-
-	-	24,240		24,240
896,230	951,550	856,413		(95,137)
\$ 896,230	\$ 951,550	\$ 908,977	\$	(42,573)
\$ 896,230	\$ 951,550	\$ 935,229	\$	16,321
-	-	-		-
-	-	-		-
\$ 896,230	\$ 951,550	\$ 935,229	\$	16,321
\$ -	\$ -	\$ (26,252)	\$	(26,252)
\$ -	\$ -	\$ (26,252)	\$	(26,252)
-	-	654,941		654,941
\$ -	\$ -	\$ 628,689	\$	628,689

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*DISCRETELY PRESENTED COMPONENT UNIT  
INDUSTRIAL DEVELOPMENT AUTHORITY*

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County of Richmond, Virginia  
Statement of Net Position  
Discretely Presented Component Unit - Industrial Development Authority  
June 30, 2023

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	<b>Industrial Development Authority</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 62,114
Lease receivable	67,904
Interest receivable	226
Capital assets:	
Land	149,907
Buildings and improvements	598,470
Machinery, equipment and vehicles	27,285
Accumulated depreciation	(387,725)
Total assets	<u>\$ 518,181</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Lease related	<u>\$ 65,717</u>
<b>NET POSITION</b>	
Investment in capital assets	\$ 387,937
Unrestricted	64,527
Total net position	<u>\$ 452,464</u>

County of Richmond, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Discretely Presented Component Unit - Industrial Development Authority  
For the Year Ended June 30, 2023

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	<b>Industrial Development Authority</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Rents	\$ 14,910
Miscellaneous	20,039
Total operating revenues	<u>\$ 34,949</u>
<b>OPERATING EXPENSES</b>	
Other charges	\$ 26,348
Depreciation	14,486
Total operating expenses	<u>\$ 40,834</u>
Operating income (loss)	<u>\$ (5,885)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	\$ 2,659
Total nonoperating revenues (expenses)	<u>\$ 2,659</u>
Changes in net position	\$ (3,226)
Net position - beginning	455,690
Net position - ending	<u><u>\$ 452,464</u></u>



County of Richmond, Virginia  
Statement of Cash Flows  
Discretely Presented Component Unit - Industrial Development Authority  
For the Year Ended June 30, 2023

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 32,762
Other receipts (payments)	(26,348)
Net cash provided by (used for) operating activities	<u>\$ 6,414</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	\$ 2,433
Net cash provided by (used for) investing activities	<u>\$ 2,433</u>

Net increase (decrease) in cash and cash equivalents \$ 8,847

Cash and cash equivalents - beginning 53,267

Cash and cash equivalents - ending \$ 62,114

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

Operating income (loss) \$ (5,885)

Adjustments to reconcile operating income (loss) to net cash

provided (used) by operating activities:

Depreciation 14,486

(Increase) decrease in lease receivable (67,904)

Increase (decrease) in deferred inflows of resources - lease 65,717

Total adjustments \$ 12,299

Net cash provided by (used for) operating activities \$ 6,414

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## *SUPPORTING SCHEDULES*

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County of Richmond, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2023

Schedule 1  
Page 1 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,780,000	\$ 5,780,000	\$ 6,017,711	\$ 237,711
Real and personal public service corporation taxes	660,000	660,000	650,801	(9,199)
Personal property taxes	2,439,956	2,439,956	2,697,348	257,392
Mobile home taxes	11,500	11,500	12,861	1,361
Merchant's capital taxes	81,000	81,000	91,025	10,025
Machinery and tools taxes	45,000	45,000	64,433	19,433
Penalties	67,000	67,000	95,634	28,634
Interest	36,000	36,000	39,856	3,856
Total general property taxes	<u>\$ 9,120,456</u>	<u>\$ 9,120,456</u>	<u>\$ 9,669,669</u>	<u>\$ 549,213</u>
Other local taxes:				
Local sales and use taxes	\$ 1,675,000	\$ 1,675,000	\$ 1,603,408	\$ (71,592)
Consumers' utility taxes	122,000	122,000	126,881	4,881
Consumption tax	20,000	20,000	20,291	291
Taxes on recordation and wills	80,000	80,000	135,656	55,656
Total other local taxes	<u>\$ 1,897,000</u>	<u>\$ 1,897,000</u>	<u>\$ 1,886,236</u>	<u>\$ (10,764)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 3,500	\$ 3,500	\$ 2,695	\$ (805)
Transfer fees	350	350	381	31
Permits and other licenses	75,250	75,250	181,266	106,016
Total permits, privilege fees, and regulatory licenses	<u>\$ 79,100</u>	<u>\$ 79,100</u>	<u>\$ 184,342</u>	<u>\$ 105,242</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 35,000	\$ 35,000	\$ 57,438	\$ 22,438
Revenue from use of money and property:				
Revenue from use of money	\$ 20,000	\$ 20,000	\$ 236,986	\$ 216,986
Revenue from use of property	20,000	20,000	25,589	5,589
Total revenue from use of money and property	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 262,575</u>	<u>\$ 222,575</u>
Charges for services:				
Sheriff's fees	\$ 1,000	\$ 1,000	\$ 1,007	\$ 7
Charges for courthouse maintenance	4,000	4,000	3,279	(721)
Charges for courthouse security	16,000	16,000	35,653	19,653
Charges for other court costs	350	350	4,399	4,049
Charges for Commonwealth's Attorney	500	500	697	197
Charges for EMS billings	340,000	340,000	448,678	108,678
Charges for correction and detention	-	-	710	710
Charges for other protection	4,150	4,150	14,071	9,921
Charges for sales of publications	500	500	-	(500)
Charges for DMV fees	-	-	2,745	2,745
Total charges for services	<u>\$ 366,500</u>	<u>\$ 366,500</u>	<u>\$ 511,239</u>	<u>\$ 144,739</u>

County of Richmond, Virginia  
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 40,000	\$ 40,000	\$ 105,587	\$ 65,587
Recovered costs:				
Streetlights	\$ -	\$ -	\$ 2,477	\$ 2,477
Solar project	-	-	93,261	93,261
Court services unit	15,750	15,750	16,112	362
Other recovered costs	908,000	908,000	42,488	(865,512)
Total recovered costs	\$ 923,750	\$ 923,750	\$ 154,338	\$ (769,412)
Total revenue from local sources	\$ 12,501,806	\$ 12,501,806	\$ 12,831,424	\$ 329,618
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Mobile home titling tax	12,000	12,000	24,887	12,887
Rolling stock tax	-	-	495	495
Motor vehicle rental tax	-	-	53,383	53,383
Moped and all-terrain vehicle tax	-	-	192	192
Communications tax	275,000	275,000	213,358	(61,642)
Opioid settlement	-	-	25,203	25,203
Personal property tax relief funds	803,954	803,954	803,955	1
Total noncategorical aid	\$ 1,091,954	\$ 1,091,954	\$ 1,121,473	\$ 29,519
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 192,400	\$ 192,400	\$ 194,061	\$ 1,661
Sheriff	736,200	736,200	789,401	53,201
Commissioner of revenue	90,000	90,000	101,135	11,135
Treasurer	96,000	96,000	113,666	17,666
Medical examiner	90	90	-	(90)
Registrar/electoral board	40,000	40,000	58,109	18,109
Clerk of the Circuit Court	201,050	201,050	241,976	40,926
Total shared expenses	\$ 1,355,740	\$ 1,355,740	\$ 1,498,348	\$ 142,608
Other categorical aid:				
Four for life grant	\$ 9,739	\$ 9,739	\$ 16,440	\$ 6,701
Fire program funds	19,500	30,000	30,000	-
Children's services act	320,000	320,000	289,238	(30,762)
Public assistance and welfare administration	584,045	584,045	319,558	(264,487)
Litter control grant	6,300	6,300	-	(6,300)

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
DMV selective enforcement	\$ 25,500	\$ 25,500	\$ -	\$ (25,500)
Wireless grant	40,000	40,000	47,704	7,704
Forest	-	-	2,696	2,696
School resource officer	-	-	71,020	71,020
Court security grant	22,000	22,000	-	(22,000)
Victim witness grant	57,000	57,000	18,136	(38,864)
Historic resources	-	1,000,000	-	(1,000,000)
Circuit court records preservation grant	-	-	44,955	44,955
Law enforcement grant	10,620	10,620	-	(10,620)
Other state grants	50,600	50,600	-	(50,600)
Total other categorical aid	<u>\$ 1,145,304</u>	<u>\$ 2,155,804</u>	<u>\$ 839,747</u>	<u>\$ (1,316,057)</u>
Total categorical aid	<u>\$ 2,501,044</u>	<u>\$ 3,511,544</u>	<u>\$ 2,338,095</u>	<u>\$ (1,173,449)</u>
Total revenue from the Commonwealth	<u>\$ 3,592,998</u>	<u>\$ 4,603,498</u>	<u>\$ 3,459,568</u>	<u>\$ (1,143,930)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	<u>\$ 26,000</u>	<u>\$ 26,000</u>	<u>\$ 28,118</u>	<u>\$ 2,118</u>
Categorical aid:				
Law enforcement grant	\$ 22,400	\$ 22,400	\$ 22,107	\$ (293)
State and community highway safety	-	-	30,909	30,909
Public assistance and welfare administration	400,000	400,000	605,625	205,625
Children's services act	-	-	17,296	17,296
QSCB interest rate subsidy	216,847	216,847	220,352	3,505
Victim witness grant	-	-	42,317	42,317
ARPA Act	-	101,063	246,232	145,169
USDA equipment grant	56,000	56,000	24,500	(31,500)
Total categorical aid	<u>\$ 695,247</u>	<u>\$ 796,310</u>	<u>\$ 1,209,338</u>	<u>\$ 413,028</u>
Total revenue from the federal government	<u>\$ 721,247</u>	<u>\$ 822,310</u>	<u>\$ 1,237,456</u>	<u>\$ 415,146</u>
Total General Fund	<u><u>\$ 16,816,051</u></u>	<u><u>\$ 17,927,614</u></u>	<u><u>\$ 17,528,448</u></u>	<u><u>\$ (399,166)</u></u>

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds:</b>				
<b>Workforce Investment Act Fund:</b>				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Workforce Investment Act	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Total revenue from the federal government	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Total Workforce Investment Act Fund	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Total Primary Government	\$ 16,816,051	\$ 19,877,923	\$ 19,478,757	\$ (399,166)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ 150,150	\$ 327,581	\$ 421,513	\$ 93,932
Total miscellaneous	\$ 150,150	\$ 327,581	\$ 421,513	\$ 93,932
Recovered costs:				
Other recovered costs	\$ -	\$ 121,500	\$ 144,096	\$ 22,596
Total recovered costs	\$ -	\$ 121,500	\$ 144,096	\$ 22,596
Total revenue from local sources	\$ 150,150	\$ 449,081	\$ 565,609	\$ 116,528
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Richmond, Virginia	\$ 5,071,727	\$ 5,071,727	\$ 4,533,154	\$ (538,573)



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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,537,690	\$ 1,537,690	\$ 1,615,108	\$ 77,418
Basic school aid	4,951,889	4,951,889	5,189,555	237,666
At risk payments	976,966	976,966	763,846	(213,120)
Compensation supplement	326,353	326,353	319,080	(7,273)
Early reading intervention	106,480	106,480	72,718	(33,762)
English as a second language	76,685	76,685	50,771	(25,914)
Fringe benefits	982,953	982,953	1,036,813	53,860
GED preparation assistance	-	-	8,203	8,203
Gifted and talented	48,455	48,455	50,664	2,209
Hold harmless	171,565	143,827	143,827	-
Homebound education	2,295	2,295	1,382	(913)
Industry certification	-	-	1,582	1,582
In lieu of sales tax	-	27,738	91,917	64,179
Jobs for VA graduates	-	-	30,000	30,000
Lottery/per pupil	356,674	356,674	365,500	8,826
Mentor teacher program	618	618	533	(85)
Primary class size	226,641	226,641	240,631	13,990
Project graduation	3,898	3,898	3,898	-
Regional program tuition	-	-	219,121	219,121
Regular foster care	4,511	4,511	3,939	(572)
Remedial education	199,879	199,879	208,991	9,112
Remedial summer education	85,641	85,641	56,011	(29,630)
School construction	1,483,457	1,483,457	1,351,365	(132,092)
Special education	604,827	604,827	632,402	27,575
Special education - foster children	-	-	7,258	7,258
Special education - northern neck regional SPED	-	-	60,300	60,300
Special education - jails	6,505	6,505	2,140	(4,365)
SOL algebra readiness	29,059	29,059	26,344	(2,715)
STEM recruitment	-	-	5,000	5,000
Technology	102,000	102,000	102,000	-
Textbook payment	114,545	114,545	119,767	5,222
Vocational education	309,685	309,685	363,685	54,000
VPSI one time grant - Preschool	168,476	168,476	177,771	9,295
Workforce readiness	-	-	368	368
Total categorical aid	\$ 12,877,747	\$ 12,877,747	\$ 13,322,490	\$ 444,743
Total revenue from the Commonwealth	\$ 12,877,747	\$ 12,877,747	\$ 13,322,490	\$ 444,743

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title VI-B, special education flow-through	\$ 283,335	\$ 283,335	\$ 285,704	\$ 2,369
Preschool	-	-	17,926	17,926
Student Support and Academic Enrichment	-	-	610	610
Title V, rural and low income	44,142	44,142	-	(44,142)
Vocational education	24,748	24,748	48,241	23,493
Title I	343,952	343,952	334,433	(9,519)
Title II, Part A	54,329	54,329	31,293	(23,036)
Title III	7,982	7,982	-	(7,982)
JROTC	60,705	60,705	20,683	(40,022)
ARPA	-	134,735	368,355	233,620
COVID 19 - ESSER funding	523,532	523,532	1,039,462	515,930
Total categorical aid	<u>\$ 1,342,725</u>	<u>\$ 1,477,460</u>	<u>\$ 2,146,707</u>	<u>\$ 669,247</u>
Total revenue from the federal government	<u>\$ 1,342,725</u>	<u>\$ 1,477,460</u>	<u>\$ 2,146,707</u>	<u>\$ 669,247</u>
Total School Operating Fund	<u><u>\$ 19,442,349</u></u>	<u><u>\$ 19,876,015</u></u>	<u><u>\$ 20,567,960</u></u>	<u><u>\$ 691,945</u></u>
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2,496	\$ 2,496
Charges for services:				
Cafeteria sales	\$ -	\$ -	\$ 275	\$ 275
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 25,553	\$ 25,553
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,324</u>	<u>\$ 28,324</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program	\$ -	\$ -	\$ 24,240	\$ 24,240
Total categorical aid	<u>-</u>	<u>-</u>	<u>24,240</u>	<u>24,240</u>
Total revenue from the Commonwealth	<u>-</u>	<u>-</u>	<u>24,240</u>	<u>24,240</u>
Revenue from the federal government:				
Categorical aid:				
School nutrition program	\$ 896,230	\$ 896,230	\$ 733,480	\$ (162,750)
Commodities	-	55,320	55,320	-
Other categorical aid	-	-	67,613	67,613
Total categorical aid	<u>\$ 896,230</u>	<u>\$ 951,550</u>	<u>\$ 856,413</u>	<u>\$ (95,137)</u>
Total School Cafeteria Fund	<u><u>\$ 896,230</u></u>	<u><u>\$ 951,550</u></u>	<u><u>\$ 908,977</u></u>	<u><u>\$ (42,573)</u></u>

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
School Activity Funds:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 460,037	\$ 460,037
Total School Activity Funds	\$ -	\$ -	\$ 460,037	\$ 460,037
Total Discretely Presented Component Unit - School Board	\$ 20,338,579	\$ 20,827,565	\$ 21,936,974	\$ 1,109,409

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County of Richmond, Virginia  
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of Supervisors	\$ 181,761	\$ 712,705	\$ 773,513	\$ (60,808)
General and financial administration:				
County administrator	\$ 262,196	\$ 293,476	\$ 285,735	\$ 7,741
Information technology	381,610	526,999	511,972	15,027
Commissioner of revenue	214,125	220,517	216,789	3,728
Assessor	25,000	25,000	-	25,000
Treasurer	264,877	275,553	278,828	(3,275)
Total general and financial administration	\$ 1,147,808	\$ 1,341,545	\$ 1,293,324	\$ 48,221
Board of elections:				
Electoral board and officials	\$ 18,175	\$ 65,055	\$ 65,043	\$ 12
Registrar	94,362	110,999	110,239	760
Total board of elections	\$ 112,537	\$ 176,054	\$ 175,282	\$ 772
Total general government administration	\$ 1,442,106	\$ 2,230,304	\$ 2,242,119	\$ (11,815)
Judicial administration:				
Courts:				
Circuit court	\$ 28,603	\$ 30,681	\$ 30,681	\$ -
General district court	5,485	5,485	5,153	332
Magistrate	100	100	-	100
Court services unit	30,859	30,859	30,847	12
Clerk of the circuit court	372,664	378,000	364,862	13,138
Total courts	\$ 437,711	\$ 445,125	\$ 431,543	\$ 13,582
Commonwealth's attorney:				
Commonwealth's attorney	\$ 343,944	\$ 343,945	\$ 327,028	\$ 16,917
Total judicial administration	\$ 781,655	\$ 789,070	\$ 758,571	\$ 30,499
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,940,855	\$ 2,236,478	\$ 2,248,115	\$ (11,637)
Fire and rescue services:				
Volunteer fire department	\$ 180,000	\$ 190,500	\$ 192,459	\$ (1,959)
Volunteer rescue squad	1,276,009	1,439,224	1,408,147	31,077
Total fire and rescue services	\$ 1,456,009	\$ 1,629,724	\$ 1,600,606	\$ 29,118
Correction and detention:				
Juvenile group home	\$ 12,500	\$ 12,500	\$ 12,500	\$ -

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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Inspections:				
Building	\$ 83,801	\$ 83,801	\$ 78,134	\$ 5,667
Other protection:				
Animal control	\$ 125,745	\$ 125,746	\$ 123,274	\$ 2,472
Medical examiner	400	4,189	3,849	340
E-911 system	112,200	112,200	108,973	3,227
Total other protection	\$ 238,345	\$ 242,135	\$ 236,096	\$ 6,039
Total public safety	\$ 3,731,510	\$ 4,204,638	\$ 4,175,451	\$ 29,187
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,150	\$ 5,700	\$ 6,166	\$ (466)
Sanitation and waste removal:				
Refuse collection and disposal	\$ 656,000	\$ 717,283	\$ 711,347	\$ 5,936
Maintenance of general buildings and grounds:				
General properties	\$ 355,619	\$ 445,542	\$ 451,782	\$ (6,240)
Total public works	\$ 1,015,769	\$ 1,168,525	\$ 1,169,295	\$ (770)
Health and welfare:				
Health:				
Supplement of local health department	\$ 164,886	\$ 153,386	\$ 153,386	\$ -
Mental health and mental retardation:				
Community services board	\$ 35,965	\$ 35,965	\$ 35,965	\$ -
Welfare:				
Area agency on aging	\$ 7,890	\$ 7,890	\$ 7,890	\$ -
Virginia public assistance	1,931,045	1,931,045	1,142,744	788,301
Tax relief for the elderly	-	-	53,837	(53,837)
Children's services act	462,500	462,500	362,297	100,203
NN free clinic	-	3,000	3,000	-
Tappahannock free clinic	-	7,000	7,000	-
Remote area medical	-	1,500	-	1,500
Total welfare	\$ 2,401,435	\$ 2,412,935	\$ 1,576,768	\$ 836,167
Total health and welfare	\$ 2,602,286	\$ 2,602,286	\$ 1,766,119	\$ 836,167
Education:				
Other instructional costs:				
Contributions to Rappahannock Community College	\$ 11,142	\$ 29,892	\$ 29,892	\$ -
Contribution to County School Board	5,071,727	5,071,727	4,533,154	538,573
Total education	\$ 5,082,869	\$ 5,101,619	\$ 4,563,046	\$ 538,573

County of Richmond, Virginia  
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational programs	\$ 39,500	\$ 39,500	\$ 48,500	\$ (9,000)
Cultural enrichment:				
Richmond County museum	\$ 18,129	\$ 18,129	\$ 14,055	\$ 4,074
Library:				
Contribution to county library	\$ 103,525	\$ 103,525	\$ 103,525	\$ -
Total parks, recreation, and cultural	\$ 161,154	\$ 161,154	\$ 166,080	\$ (4,926)
Community development:				
Planning and community development:				
Planning	\$ 274,191	\$ 308,379	\$ 272,746	\$ 35,633
Economic development	19,000	24,250	15,250	9,000
Northern Neck planning district commission	9,500	9,500	9,500	-
Contribution to foundation	-	1,001,500	1,500	1,000,000
Total planning and community development	\$ 302,691	\$ 1,343,629	\$ 298,996	\$ 1,044,633
Environmental management:				
Contribution to soil and water conservation district	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Wetlands board	3,172	3,172	1,977	1,195
Total environmental management	\$ 18,172	\$ 18,172	\$ 16,977	\$ 1,195
Cooperative extension program:				
Extension office	\$ 45,747	\$ 45,747	\$ 31,346	\$ 14,401
Total community development	\$ 366,610	\$ 1,407,548	\$ 347,319	\$ 1,060,229
Nondepartmental:				
Other nondepartmental	\$ 254,811	\$ 270,056	\$ 181,163	\$ 88,893
Capital projects:				
Other capital projects	\$ -	\$ 179,554	\$ 158,164	\$ 21,390
Debt service:				
Principal retirement	\$ 1,871,281	\$ 2,056,973	\$ 1,503,436	\$ 553,537
Interest and other fiscal charges	-	-	571,748	(571,748)
Total debt service	\$ 1,871,281	\$ 2,056,973	\$ 2,075,184	\$ (18,211)
Total General Fund	\$ 17,310,051	\$ 20,171,727	\$ 17,602,511	\$ 2,569,216

County of Richmond, Virginia  
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<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds:</b>				
<b>Workforce Investment Act Fund:</b>				
Community development:				
Bay Consortium Workforce Investment Board				
Other protection	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Total community development	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Total Workforce Investment Act Fund	\$ -	\$ 1,950,309	\$ 1,950,309	\$ -
Total Primary Government	\$ 17,310,051	\$ 22,122,036	\$ 19,552,820	\$ 2,569,216
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction costs:				
Instructional costs	\$ 14,123,221	\$ 14,315,814	\$ 14,976,253	\$ (660,439)
Operating costs:				
Administration, attendance and health services	\$ 1,017,686	\$ 1,118,441	\$ 1,073,166	\$ 45,275
Pupil transportation	1,251,208	1,271,523	1,321,589	(50,066)
Operation and maintenance of school plant	3,050,234	3,050,237	2,216,505	833,732
Total operating costs	\$ 5,319,128	\$ 5,440,201	\$ 4,611,260	\$ 828,941
Total education	\$ 19,442,349	\$ 19,756,015	\$ 19,587,513	\$ 168,502
Debt service:				
Principal retirement	\$ -	\$ -	\$ 37,206	\$ (37,206)
Interest and other fiscal charges	-	-	2,820	(2,820)
Total debt service	\$ -	\$ -	\$ 40,026	\$ (40,026)
Total School Operating Fund	\$ 19,442,349	\$ 19,756,015	\$ 19,627,539	\$ 128,476
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 896,230	\$ 896,230	\$ 879,909	\$ 16,321
Commodities	-	55,320	55,320	-
Total school food services	\$ 896,230	\$ 951,550	\$ 935,229	\$ 16,321
Total education	\$ 896,230	\$ 951,550	\$ 935,229	\$ 16,321
Total School Cafeteria Fund	\$ 896,230	\$ 951,550	\$ 935,229	\$ 16,321



County of Richmond, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2023

Schedule 2  
Page 5 of 5

<u>Fund, Function, Activity and Elements</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Activity Funds:				
Education:				
Instruction	\$ -	\$ -	\$ 410,624	\$ (410,624)
Total education	\$ -	\$ -	\$ 410,624	\$ (410,624)
 Total School Activity Funds	 \$ -	 \$ -	 \$ 410,624	 \$ (410,624)
  Total Discretely Presented Component Unit - School Board	  \$ 20,338,579	  \$ 20,707,565	  \$ 20,973,392	  \$ (265,827)

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## *STATISTICAL INFORMATION*

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Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2023	\$ 2,319,783	\$ 863,534	\$ 4,166,137	\$ 1,164,594	\$ 1,730,951	\$ 4,802,075	\$ 166,080	\$ 2,195,905	\$ 516,599	\$ 17,925,658
2022	1,644,874	810,671	4,415,169	1,110,140	1,676,140	5,175,333	156,251	1,700,927	532,201	17,221,706
2021	2,612,721	780,515	3,459,679	1,168,914	1,596,157	5,331,834	162,210	1,423,998	692,900	17,228,928
2020	1,615,192	737,081	2,966,810	1,155,898	1,514,695	5,210,228	158,884	2,158,471	692,599	16,209,858
2019	1,115,970	676,827	2,692,882	1,366,630	1,712,735	5,482,484	150,976	2,035,917	612,099	15,846,520
2018	1,156,714	702,259	2,810,860	1,200,647	1,655,037	5,093,707	142,795	2,181,334	676,629	15,619,982
2017	1,199,922	679,860	2,565,301	1,001,652	1,553,210	5,561,858	128,334	2,336,174	546,455	15,572,766
2016	1,201,406	670,488	2,493,259	1,023,874	1,630,672	7,274,186	88,765	229,255	583,898	15,195,803
2015	1,010,419	672,506	2,387,427	895,848	1,570,764	5,215,355	115,768	233,541	589,396	12,691,024
2014	1,120,423	710,582	2,402,184	846,800	1,690,009	5,642,298	162,972	228,685	575,697	13,379,650

Table 2

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

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES						
	Charges for Services	Operating Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions		
								Not Restricted to Specific Programs	Contributions from Richmond IDA	
2023	\$ 753,019	\$ 5,571,808	\$ 9,673,222	\$ 1,886,236	\$ 262,575	\$ 105,587	\$ 1,149,591	\$ -	\$ -	\$ 19,402,038
2022	698,476	4,899,054	9,274,101	1,782,508	14,047	45,054	1,685,258	-	-	18,398,498
2021	508,706	5,242,855	9,016,703	1,976,648	39,202	312,974	1,246,390	-	-	18,343,478
2020	440,318	4,689,466	8,518,390	1,813,034	95,099	339,758	1,196,507	10,000	-	17,102,572
2019	502,285	4,597,607	8,475,342	1,712,840	95,241	56,022	1,133,335	-	-	16,572,672
2018	496,099	4,946,946	8,298,459	1,504,943	46,929	165,675	1,145,684	-	-	16,604,735
2017	464,313	4,775,138	8,097,044	1,595,454	22,904	80,301	1,118,371	-	-	16,153,525
2016	436,188	2,933,962	7,682,309	1,508,226	16,539	149,040	1,144,085	-	-	13,870,349
2015	413,529	2,600,508	7,360,601	1,323,118	31,078	184,290	1,204,750	75,000	-	13,192,874
2014	421,007	3,055,840	7,157,053	1,491,479	232,585	119,088	1,146,354	-	-	13,623,406

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Total
2023	\$ 2,242,119	\$ 758,571	\$ 4,175,451	\$ 1,169,295	\$ 1,766,119	\$ 20,963,258	\$ 166,080	\$ 2,297,628	\$ 181,163	\$ 2,115,210	\$ 35,834,894
2022	2,476,801	692,990	3,952,740	1,081,888	2,590,050	19,404,489	156,251	1,796,368	47,500	1,739,272	33,938,349
2021	2,530,108	643,211	3,181,384	1,128,221	2,408,671	16,943,328	161,520	1,534,561	111,441	3,831,992	32,474,437
2020	1,477,139	623,833	2,987,688	1,127,992	2,304,703	15,848,844	159,179	2,158,112	81,861	1,845,363	28,614,714
2019	1,129,077	594,757	3,137,698	1,029,423	2,546,282	15,250,992	152,620	2,045,011	68,228	1,810,162	27,764,250
2018	1,076,488	571,533	3,006,303	1,034,255	2,505,914	14,751,040	142,532	2,177,947	49,128	1,808,739	27,123,879
2017	1,138,798	557,419	2,661,534	991,323	2,174,990	14,691,720	128,386	2,334,403	67,957	1,718,644	26,465,174
2016	1,221,390	629,439	2,732,816	1,041,407	2,222,780	14,466,568	167,886	217,722	66,227	1,633,827	24,400,062
2015	1,001,344	654,643	2,564,027	904,524	2,170,967	13,961,741	146,032	242,690	43,544	1,597,674	23,287,186
2014	1,090,274	632,107	2,590,816	848,147	2,390,932	13,857,177	141,032	228,823	68,970	1,474,862	23,323,140

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter- governmental (2)	Total
2023	\$ 9,669,669	\$ 1,886,236	\$ 184,342	\$ 57,438	\$ 265,071	\$ 511,514	\$ 1,012,690	\$ 298,434	\$ 22,997,183	\$ 36,882,577
2022	9,206,194	1,782,508	207,310	53,780	14,090	452,089	766,572	1,134,780	20,836,281	34,453,604
2021	9,080,147	1,976,648	71,301	48,578	39,228	393,257	766,512	1,415,505	18,346,373	32,137,549
2020	8,425,987	1,813,034	74,400	25,433	95,126	372,732	477,651	908,436	16,844,920	29,037,719
2019	8,449,105	1,712,840	57,859	42,323	99,632	438,830	222,081	904,762	16,080,401	28,007,833
2018	8,369,159	1,504,943	80,149	50,298	47,622	455,063	336,932	992,723	16,069,022	27,905,911
2017	8,196,389	1,595,454	46,744	42,184	37,418	472,121	302,813	688,818	15,389,005	26,770,946
2016	7,647,553	1,508,226	54,875	41,110	20,598	460,271	555,726	829,382	13,047,621	24,165,362
2015	7,431,289	1,323,118	58,390	37,152	25,025	436,648	275,897	946,669	12,554,441	23,088,629
2014	7,118,755	1,491,479	53,928	29,785	207,402	447,874	152,141	1,002,971	12,205,371	22,709,706

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



Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1,2)	Total Tax Collections	Percent of		Percent of	
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1, 2)	Delinquent Taxes to Tax Levy	
2023	\$ 10,846,709	\$ 10,115,224	93.26%	\$ 222,910	10,338,134	95.31%	\$ 330,480	3.05%	
2022	9,989,882	9,948,145	99.58%	164,297	10,112,442	101.23%	330,480	3.31%	
2021	9,425,511	9,301,600	98.69%	446,688	9,748,288	103.42%	281,200	2.98%	
2020	9,174,934	8,866,262	96.64%	187,327	9,053,589	98.68%	335,685	3.66%	
2019	9,132,382	8,815,793	96.53%	203,967	9,019,760	98.77%	267,301	2.93%	
2018	8,965,692	8,739,107	97.47%	248,563	8,987,670	100.25%	254,106	2.83%	
2017	8,808,383	8,427,059	95.67%	358,576	8,785,635	99.74%	292,770	3.32%	
2016	8,357,577	7,995,339	95.67%	244,771	8,240,110	98.59%	410,884	4.92%	
2015	8,129,588	7,772,456	95.61%	294,468	8,066,924	99.23%	385,381	4.74%	
2014	7,972,187	7,599,200	95.32%	223,201	7,822,401	98.12%	443,024	5.56%	

(1) Exclusive of penalties and interest.

(2) Delinquent tax collections are exclusive of land redemptions.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile		Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
		Homes	Real Estate			Real Estate	Personal Property		
2023	\$ 856,642,787	\$ 107,241,566	\$ 13,917,050	\$ 3,014,050	\$ 83,836,715	\$ 1,705,168	\$ 1,066,357,336		
2022	842,831,910	82,066,680	14,043,010	2,679,000	84,211,938	1,930,469	1,027,763,007		
2021	826,222,795	77,798,108	11,370,210	2,264,830	75,161,362	2,010,857	994,828,162		
2020	806,371,551	70,823,970	10,771,210	1,990,350	69,092,906	1,556,117	960,606,104		
2019	803,825,024	70,041,071	4,721,940	1,947,780	75,657,362	1,686,879	957,880,056		
2018	802,339,284	66,559,619	4,711,590	1,879,500	73,189,440	1,786,937	950,466,370		
2017	795,835,664	64,488,034	4,049,620	1,827,220	63,132,163	1,614,273	930,946,974		
2016	791,569,124	61,822,591	3,405,019	1,798,680	59,110,301	1,499,177	919,204,892		
2015	782,102,928	60,970,573	3,317,151	1,769,910	61,611,846	1,384,915	911,157,323		
2014	784,551,166	59,139,690	3,485,854	1,736,997	53,094,641	1,530,251	903,538,599		

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital	Public Utility	
					Real Estate	Personal Property
2023	\$ 0.70	\$ 3.75	\$ 0.40	\$ 3.50	\$ 0.70	\$ 3.75
2022	0.70	3.75	0.40	3.50	0.70	3.75
2021	0.70	3.75	0.40	3.50	0.70	3.75
2020	0.70	3.75	0.40	3.50	0.70	3.75
2019	0.70	3.75	0.40	3.50	0.70	3.75
2018	0.70	3.75	0.40	3.50	0.70	3.75
2017	0.70	3.75	0.40	3.50	0.70	3.75
2016	0.67	3.75	0.40	3.50	0.67	3.75
2015	0.67	3.50	0.01	3.50	0.67	3.50
2014	0.67	3.50	0.01	3.50	0.67	3.50

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands)(2)	Gross and Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2023	8,947	\$ 1,066,357	\$ 11,263,875	1.06%	\$ 1,259
2022	8,947	1,027,763	12,148,433	1.18%	1,358
2021	8,923	994,828	13,017,992	1.31%	1,459
2020	9,254	960,606	13,872,551	1.44%	1,499
2019	9,254	957,880	14,433,868	1.51%	1,560
2018	9,254	950,466	14,987,305	1.58%	1,620
2017	9,254	930,947	15,528,235	1.67%	1,678
2016	9,254	919,205	16,061,983	1.75%	1,736
2015	9,254	911,157	16,588,442	1.82%	1,793
2014	9,254	903,539	17,107,931	1.89%	1,849

(1) Center for Weldon Cooper Public Service at the University of Virginia from 2010 and 2020 census.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and literary fund loans.

Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

*COMPLIANCE*

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**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Richmond, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise County of Richmond, Virginia's basic financial statements and have issued our report thereon dated December 11, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Richmond, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

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

*Robinson, Fennell, Cox Associates*

Richmond, Virginia  
December 11, 2023





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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited County of Richmond, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Richmond, Virginia's major federal programs for the year ended June 30, 2023. County of Richmond, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Richmond, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Richmond, Virginia's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Richmond, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Richmond, Virginia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Richmond, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Richmond, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Richmond, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

## Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Fournier, Cox Associates*

Richmond, Virginia  
December 11, 2023

County of Richmond, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Page 1 of 2

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
<b>Department of Health and Human Services:</b>				
Pass-Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	1110122/1110123		\$ 45
Title IV-E Prevention Program	93.472	1140122/1140123		1,773
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121/0950122		13,025
Temporary Assistance for Needy Families	93.558	0400122/0400123		91,063
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500122/0500123		316
Low-Income Home Energy Assistance	93.568	0600422/0600423		18,919
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760122/0760123		22,043
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122		191
Foster Care - Title IV-E	93.658	1100122/1100123		63,333
Adoption Assistance	93.659	1120122/1120123		15,813
Social Services Block Grant	93.667	1000122/1000123		90,766
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122		785
Children's Health Insurance Program	93.767	0540122/0540123		912
Medicaid Cluster:				
Medical Assistance Program	93.778	1200122/1200123		103,203
Total Department of Health and Human Services				<u>\$ 422,187</u>
<b>Department of Agriculture:</b>				
Direct Payments:				
Community, Facilities, Loans and Grants Cluster:				
Community Facilities Loans and Grants	10.766	N/A		\$ 69,500
Pass-Through Payments:				
Child Nutrition Cluster:				
Department of Agriculture:				
Summer Food Service Programs for Children	10.559	202221N119941	\$ 16,748	
Food Distribution	10.555	17901-45707	55,320	
Department of Education:				
National School Lunch Program				
	10.555	202221N119941/202 222N119941/202222 N890341/202322N89 0341	521,405	
			<u>\$ 593,473</u>	
School Breakfast Program				
	10.553	202221N119941/ 202222N119941/202 323N119941	\$ 212,075	805,548
Department of Agriculture:				
Child and Adult Care Food Program (CACFP)				
	10.558	202323N202041/202 323N119941		10,662
Child Nutrition Discretionary Grants Limited Availability	10.579	202121N810341		37,068
COVID-19 Pandemic EBT Administrative Costs	10.649	202222S900941		3,135
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010122/0010123/ 0040122/0040123	200,734	200,734
Total Department of Agriculture				<u>\$ 1,126,647</u>

County of Richmond, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Page 2 of 2

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
<b>Department of Labor:</b>				
Pass Through Payments:				
<i>Virginia Community College System:</i>				
WIOA Cluster:				
WIOA Adult Program	17.258	Not Available	\$ 675,260	\$ 675,260
WIOA Youth Activities	17.259	Not Available	783,439	783,439
WIOA Dislocated Worker Formula Grants	17.278	Not Available	491,610	491,610
				<u>\$ 1,950,309</u>
Total Department of Labor				<u>\$ 1,950,309</u>
<b>Department of Justice:</b>				
Pass Through Payments:				
<i>Department of Criminal Justice Services:</i>				
		21-E4003VW19/ 22-		
Crime Victim Assistance	16.575	O1239VW19		\$ 42,317
Juvenile Justice and Delinquency Prevention	16.540	504159		<u>22,107</u>
Total Department of Justice				<u>\$ 64,424</u>
<b>Department of Transportation:</b>				
Pass-Through Payments:				
<i>Department of Motor Vehicles:</i>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	605007		\$ 17,487
Alcohol Open Container Requirements	20.607	605007		<u>13,423</u>
Total Department of Transportation				<u>\$ 30,910</u>
<b>Institute of Museum and Library Services:</b>				
Pass Through Payments:				
<i>Virginia State Library:</i>				
Grants to States	45.310	142003		\$ 4,310
<b>Department of Education:</b>				
Pass-Through Payments:				
<i>Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	S010A210046		\$ 334,433
Special Education Cluster:				
Special Education - Grants to States	84.027	H027A210107	\$ 285,703	
Special Education - Preschool Grants	84.173	H173A200112	<u>17,926</u>	303,629
Career and Technical Education - Basic Grants to States	84.048	17901-61095		48,241
Supporting Effective Instruction State Grants	84.367	S367A190044		31,293
Student Support and Academic Enrichment Program	84.424	S424A200048		610
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	S425C200008	\$ 54,954	
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	S425D200008	265,553	
COVID-19 - American Rescue Plan - Elementary and Secondary School				
Emergency Relief (ARP ESSER)	84.425U	S425W200008	<u>718,955</u>	<u>1,039,462</u>
Total Department of Education				<u>\$ 1,757,668</u>
<b>Department of Treasury:</b>				
Pass-Through Payments:				
<i>Department of Accounts:</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	2206FFARPA		\$ 614,587
<b>Department of Defense:</b>				
Direct Payments:				
Junior ROTC	12.U01	N/A		<u>\$ 20,683</u>
Total Expenditures of Federal Awards			<u>\$ 1,950,309</u>	<u>\$ 5,991,725</u>

See accompanying notes to schedule of expenditures of federal awards.

**County of Richmond, Virginia**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Richmond, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Richmond, Virginia, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the County of Richmond, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,237,456
Special Revenue Funds:	
Workforce Investment Act Fund	1,950,309
Fiduciary Funds	
Library Fund	4,310
Total primary government	<u>\$ 3,192,075</u>

Component Unit School Board:

School Operating Fund	\$ 2,146,707
School Cafeteria Fund	856,413
Total Component Unit School Board	<u>\$ 3,003,120</u>

Total federal expenditures per basic financial statements	<u>\$ 6,195,195</u>
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Add: USDA loan proceeds	\$ 45,000
Less: Federal interest subsidy	(220,352)
Less: Payment in Lieu of Taxes	<u>(28,118)</u>

Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u><u>\$ 5,991,725</u></u>
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Note 5 - De Minimis Cost Rate

The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 6 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

County of Richmond, Virginia  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

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**Section I-Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes ✓ no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

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

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

Identification of major programs:

Assistance Listing Number(s)

10.561

84.425

17.258/17.259/17.278

Name of Federal Program or Cluster

State Administrative Matching Grants for the  
Supplemental Nutrition Assistance Program  
Education Stabilization Fund  
WIOA Cluster

Dollar threshold used to distinguish between type A  
and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

✓ yes \_\_\_\_\_ no

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

County of Richmond, Virginia  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2023

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**Section IV-Commonwealth of Virginia Findings and Questioned Costs**

Finding 2022-001:

<b>Finding Type:</b>	Commonwealth of Virginia Findings and Questioned Costs
<b>Condition:</b>	The School Board did not provide 10 days' notice for budget public hearing in accordance with Section 22.1-92.
<b>Recommendation:</b>	Management put procedures in place to ensure the School Board is compliance with Section 22.1-92.
<b>Current Status:</b>	The finding was corrected in the current year.