

# Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2025



**HENRICO COUNTY, VIRGINIA**  
**2024-2025**





**COUNTY OF HENRICO**

**VIRGINIA**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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

**Prepared By  
The Director of Finance**

**HENRICO COUNTY, VIRGINIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
for the Fiscal Year Ended June 30, 2025**

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## **INTRODUCTORY SECTION**



statements is presented as the first component of the Financial Section of this report. The independent audit of the County's financial statements is also part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing such engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the government's compliance with federal requirements that could have a direct and material effect on each of its major federal programs and on internal controls over compliance in accordance with 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). This Uniform Guidance information is available in a separately issued report, which is available upon request from the County's Department of Finance.

### **Profile of the Government**

The County is located in central Virginia and surrounds the City of Richmond on the north side of the James River and constitutes approximately one third of the population of the immediate Richmond area. The County's location in the middle of the eastern seaboard is within 750 miles of two-thirds of the nation's population and is ideal for commerce due to the presence of Interstates 95, 64, and 295, Route 895, major rail lines, and the James River, an international shipping channel. It is also home to Richmond International Airport, the primary airport for the Richmond Metropolitan Area. Henrico County is also convenient to nearby oceanic ports in the Tidewater region of Virginia. Based on recent county population estimates, over 347,000 Henrico County residents live in a well-planned community of 244 square miles that consists of highly developed urban and suburban areas, as well as undeveloped agricultural and forest land.

Captain Christopher Newport and company (including Captain John Smith and George Percy) ventured from Jamestown in 1607 to the foot of the James River in Henrico. Four years after this discovery and exploration, Sir Thomas Dale, Deputy Governor of Virginia, founded Henrico and named it for Prince Henry Frederick, eldest son of King James I. Within four months, it was a bustling community as John Rolfe successfully cultivated a Spanish-type of tobacco similar to that produced in Varinas, Spain, giving birth to America's tobacco industry. In 1614, Rolfe married Princess Pocahontas, daughter of the Great Indian King Powhatan. Her profile now appears on the Henrico County seal as a symbol of Henrico's place in our nation's history. In 1634, Henrico became one of the original eight shires in the Virginia Colony. Three hundred years later, in 1934, Henrico County voters approved the County Manager form of government with a five member elected Board of Supervisors who serve four-year terms, each representing one of five magisterial districts. The Board elects a Chair annually and hires the County Manager, who serves at their pleasure. The duties of the County Manager include implementing the approved ordinances and policies of the Board, appointing the County's department directors, and managing the day-to-day operations of the County government, while also serving as the Director of Public Safety. The County government is responsible for providing a wide array of public services including public safety (police, fire and emergency medical response, and building code enforcement), a full-service water and sewer system, the maintenance of County roads (supported by funding from the

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Virginia Department of Transportation), and an array of recreational and cultural services. The County government also provides most of the funding for a nationally recognized public school system, though the schools are operated by a legally distinct entity and a separately elected School Board.

The financial reporting entity includes all the funds of the County, as the Primary Government, as well as two discretely presented component units - the County of Henrico School Board (School Board) and the James River Juvenile Detention Commission (JRJDC), which are both included in the reporting entity because of the County's financial accountability for these organizations. These component units are reported in separate columns in the County's basic financial statements. Additional information concerning these legally separate organizations can be found in the notes to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. The County Manager proposes a budget to the Board every March . That body undertakes an intensive review of the budget through a series of public meetings, referred to as the "Legislative Budget Reviews." The Board then holds a public hearing on the proposed budget in April, prior to adopting the final budget. Budgetary restrictions are established at the governmental function level (e.g., Division of Police), with effective administrative controls maintained through detailed line-item budgets. The County Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total budgeted amounts and/or appropriations of any fund must be approved by the Board. This report provides budget to actual comparisons for governmental funds where an appropriated annual budget has been legally adopted. These comparisons are presented in the Required and Other Supplementary Information Sections of this Report.

### **Economic Overview**

Henrico County offers a business-friendly environment with competitive tax rates and a cost of living below the national average. Henrico is home to over 25,000 businesses and seven Fortune 1000 headquarters including Altria, Arko Corporation, ASGN, Brink's, Genworth Financial, Markel Corporation, and Owens & Minor. The County's resilient local economy hosts nearly 200,000 jobs, the third highest number in Virginia. Henrico County's diverse local economy includes numerous industries such as information technology, retail, manufacturing, financial, insurance, biotechnology, and health and life services. The civilian workforce in the County is highly educated by an award-winning K-12 public school system, J. Sergeant Reynolds Community College, the University of Richmond, and several nearby post-secondary colleges and universities. This highly skilled and diverse workforce represents approximately one-fourth of the employees in the greater Richmond metropolitan statistical area (MSA). The County's strong labor pool, low tax structure, economical operations, and strategic location are just some of the collective reasons that Henrico continues as a desirable community for business location and expansion.

The County's strong financial management and efficient zoning also contribute to the County's

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attractiveness as a business destination. In 2025, Henrico earned the distinction of becoming the third quadruple AAA rated county in the United States. This distinction recognizes Henrico County's continued excellence in local government finance and administration. The Board of Supervisors has established a culture which collaboratively innovates, effectively plans, and prudently allocates public resources. The Board reduces tax burdens when feasible and implements low impact revenue enhancements when necessary. With an emphasis on quality customer service, sound financial practices, and sustainable economic development, Henrico County has been and will continue to be a destination community.

With continuing economic uncertainty at the national level through 2024 and in 2025, Henrico County has implemented measures for maximum resiliency in difficult economic conditions. County leadership expects to sustain an environment conducive to stability and positive economic growth. Henrico County's diverse economy continues to drive employment statistics that compare favorably relative to national and state averages. Unemployment rates for both Virginia and Henrico have remained relatively steady over the past year. The County's unemployment rate stands at 3.7 percent (August 2025, not seasonally adjusted), which is just below the State's rate of 3.9 percent, and notably lower than that of the U.S. (4.5 percent).

Following two years of double digit appreciation in real property values, home prices have somewhat stabilized at the state and national level. Demand for Henrico residential properties remains stable, despite moderation in mortgage rates, keeping home values high. The median sales price for single family residences decreased \$7,375, or (-1.8) percent between August 2024 and August 2025. The median sales price for a single-family home in Henrico in August 2025 was \$392,625 and the average number days on the market for single family homes increased to 18 from the previous August's average of 15.

Commercial values are mostly stable, with some softening in larger office spaces due to lower occupancy rates. The County's real estate tax base continued to appreciate overall as the total taxable assessed value of real property topped \$64.0 billion in January 2025, representing an increase of about \$4.8 billion, or 8.2% in total growth during the calendar year. Of that 8.2% increase, 2.0% was the result of new construction, while existing residential and commercial property values grew by 6.2% percent more than the prior year.

Future growth continues as the total number of building permits for the fiscal year ended June 30, 2025 increased 11 percent and the total value of those permits increased 26% compared with the previous year. Residential building permits issued increased by 10 percent and the total value of residential permits issued increased by 8 percent.

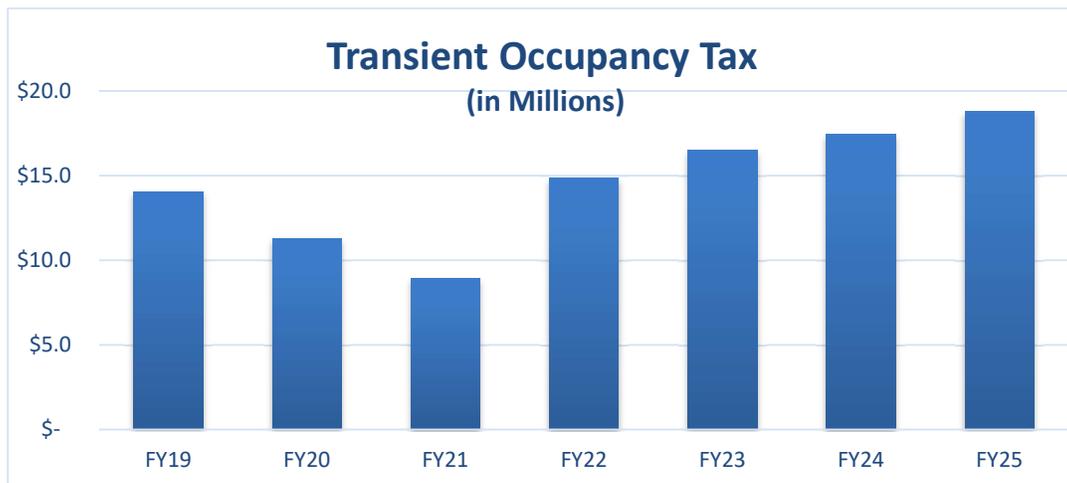
Other revenue sources experienced robust growth in fiscal year 2024-2025. Henrico County remains one of the Commonwealth's leaders in retail sales, ranking fourth in total annual taxable sales, behind only the Counties of Fairfax and Loudoun and City of Virginia Beach. However, Henrico ranks first in total taxable sales per capita when compared to the ten largest comparably rated localities in the Commonwealth. The most recent annual data from the Virginia Department

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of Taxation shows that Henrico County’s annual taxable sales for calendar year 2024 were \$7.6 billion, \$0.3 billion (4.3%) higher than 2023.

The County has made notable investments in the sports tourism industry with the creation of the Henrico Sports and Entertainment Authority (HSEA) in 2022. The first of its kind in the Commonwealth of Virginia, the HSEA opened the Henrico Sports and Entertainment Center in October 2023. HSEA established a public-private partnership that is developing a four-diamond baseball complex at Glover Park. These four diamonds will complement two additional baseball diamonds being built by the county’s Recreation and Parks Department at the facility. The Henrico Economic Development Authority, in conjunction with the HSEA, acquired the Crossings Golf Course in August 2024. Public-private partnerships are underway to transform both facilities into world-class sports venues over the next two years and provide additional sports tourism locations to Henrico County.

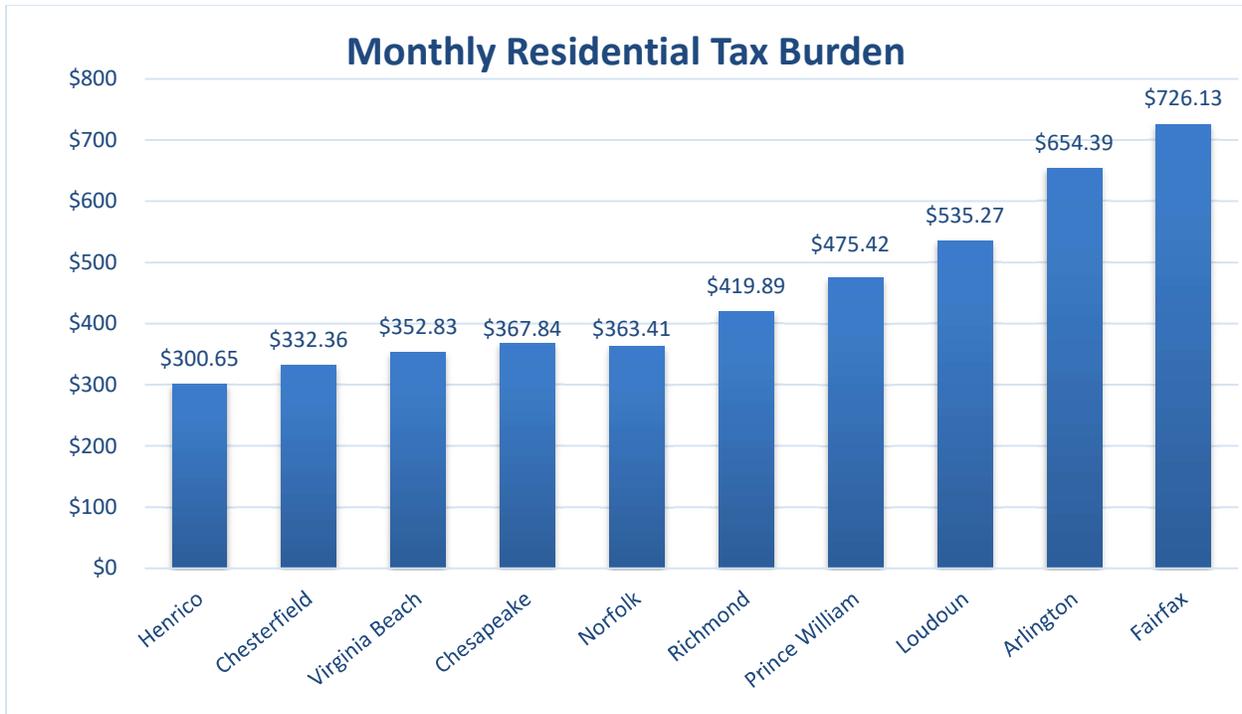
The proximity of hotels, stores, and restaurants in the surrounding area have contributed to recent increases in lodging, sales, and meals tax revenues resulting from sports tourism. Visitor spending exceeded \$1.9 billion in calendar 2024. Year-over-year direct visitor spending increased 2.6 percent, following an increase in the previous year of 9.2 percent. The County remains an attractive visitor destination, and tourism, especially sports tourism, will continue to be an area of economic focus. This impact is reflected in the sales, meals, and transient occupancy tax collections experienced in FY2025.



The County has an eight percent transient occupancy tax (hotel and motel tax) and a 2 percent tourism improvement district fee on overnight lodging. During FY25, the transient occupancy tax brought in \$18.1 million, a 4.0 percent increase from FY24. Revenue generated by the County’s 4% meals tax is dedicated exclusively to the operational and capital project needs of Henrico’s public schools. In FY25, meals taxes generated \$41.8 million, an increase of 4.0%.

Economic growth in Henrico would not be possible were it not for the favorable business

environment that Henrico County has cultivated throughout the years. Since 1978, the Board has decreased the real estate tax rate eight times, including the most recent reduction for tax year 2025, reducing real estate tax rate from \$0.85 to \$0.83 per \$100 of assessed value. As a result of these decreases and low (or no) taxes on other residential assets and commodities, Henrico boasts the lowest residential tax burden among Virginia’s ten largest localities.



For Henrico’s business community, the County has steadily increased the Business Professional Occupancy License tax exemption from \$100,000 in 2018 to \$1,000,000 in 2025. Structured as an exemption, this provides tax relief to all businesses, and results in no tax for Henrico’s small and micro businesses. Specific initiatives have reduced tax rates on aircraft, machinery and tools, and biotechnology and research equipment to attract specific industries. Despite reductions in rates, total revenue from these sources has continued to increase, as low tax rates foster increased economic activity. The low tax burden combined with a record of prudent fiscal management and excellent services creates an enticing, pro-business environment in Henrico County.

### **Financial Guidelines**

The following guidelines represent principles and practices that guide the County and help to strengthen the County’s financial stability. These are not the County’s only financial guidelines, but are the practices that most significantly impact Henrico’s current and future financial position. For a complete listing of the County’s Financial Guidelines, please see the County’s Approved Budget at <https://henrico.gov/finance/public-data/>.

**General Guidelines:**

The County maintains AAA/Aaa/AAA/AAA General Obligation Bond ratings with Standard & Poor's, Moody's Investor Service, Fitch IBCA, and Kroll Bond Rating Agency (KBRA), respectively. These highest possible bond ratings have two impacts on County residents. First, the County's financial management has been examined by four separate agencies that routinely analyze local government finances, and these organizations have determined Henrico worthy of the highest financial recognition available. Secondly, the County's high credit rating affords the ability to obtain the most competitive and lowest available interest rates when financing long-term capital improvement projects.

The County will utilize technological advances as a means of increasing employee productivity and reducing the need for new positions.

The County will allocate new dollars (after meeting fixed commitments such as debt service requirements and benefits changes) to the areas of education and public safety first.

The County will strategically utilize economic development as a means of maintaining the low tax rate environment our residents and businesses enjoy. In addition, the County will balance the need for real estate tax relief for our residents with the long-term operational needs of the County.

**Capital Improvement Program Guidelines:**

Annually, the County will develop a Ten-Year Capital Improvement Program (CIP), inclusive of the capital needs of the Henrico County Public Schools. The Board will approve a CIP after legal advertising and public hearing requirements have been met.

The County's CIP will utilize debt financing as a funding source only after it has been determined that the County can afford to service this debt and associated operating costs in subsequent years and remain within debt guidelines. The County will maximize the use of pay-as-you-go financing for capital projects.

The County will ensure that all operating costs arising from approved capital projects are accounted for in the operating budget, through the compilation of an annual crosswalk analysis that captures all such costs.

The County will maintain its physical assets at a level adequate to protect the County's capital investment and minimize future maintenance and replacement costs. The operating budget will provide for the adequate maintenance of these facilities and infrastructure.

**Debt Guidelines:**

A long-term debt affordability analysis will be completed on an annual basis as a means of ensuring that the County does not exceed its ability to service current and future debt requirements. This analysis will verify that the County is maintaining the following prescribed ratios and will be performed in conjunction with the County’s CIP Process. The maximum guidelines that are utilized are as follows:

- Debt Service as a Percentage of General Fund Expenditures: 7.75%
- Net Bonded Debt as a Percentage of Assessed Value: 1.49%

The County will adopt annual water and sewer rates that will generate sufficient revenues to meet the legal requirements of related bond covenants. These rates will also allow for adequate capital replacement in the water and sewer systems.

**Revenue Guidelines:**

Multi-year revenue and expenditure forecasts for all County funds will be included as a part of the adopted budget.

The County will maintain a stable and diversified revenue base as a means of protecting it from fluctuations in the economy.

The County will continue to maintain a 70% residential – 30% commercial real estate tax base. Maintaining a healthy residential/commercial ratio will help the County maintain current tax rates while continuing to enhance service delivery efforts – particularly in the areas of education and public safety. While revenues are monitored continually, a report is compiled quarterly that depicts current year trends, receipts, and explains any unanticipated revenues variances.

**Fund Balance Guidelines:**

The County has, over time, maintained a healthy unassigned fund balance – as compared to similar sized Virginia localities. The Board established the current 15% baseline of unassigned fund balance to expenditures in 2012. The County continues to evaluate this ratio during the annual budget process and will not use its unassigned fund balance to subsidize current operations.

As a percentage of actual General Fund expenditures, the County’s unassigned fund balance has been:

- FY20: 15.0%
- FY21: 15.0%
- FY22: 15.0%
- FY23: 15.0%

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FY24: 15.0%  
FY25: 15.0%

Unassigned fund balance exceeding the required 15% is assigned for capital and other one-time projects.

### **Major Initiatives and Accomplishments**

Henrico County's commitment to delivering a quality and quantity of services that meet or exceed citizens' expectations was uniquely recognized in 2025. In August 2025 Henrico was the third county in the United States to receive a AAA bond rating from four bond rating agencies, adding KBRA to the agencies giving Henrico the highest ratings for its general obligation bonds. In October 2025, Henrico's Department of Public Utilities became the first public utility to receive four AAA bond ratings, making Henrico the first locality to receive quadruple AAA ratings on both general obligation and enterprise revenue bonds. These outstanding accomplishments and the County's prior triple AAA ratings have saved millions of dollars in debt service costs. County leaders have historically taken advantage of periods of low construction prices and low interest rates, augmented by the County's outstanding bond ratings.

Henrico's ongoing commitment to financial stewardship has resulted in the overwhelming approval of bond referendum questions by Henrico voters. In 2022, Henrico County voters approved four bond referendum questions for a total of \$511.4 million to be issued over the next seven years. The referendum included funding for schools, public safety, recreation and parks, and stormwater drainage. School projects include the construction, rebuilding, and renovation of eight educational buildings across the County and make up two-thirds, or \$340.5 million, of the referendum total. Nine public safety construction, rebuilding, and renovation projects total \$83.85 million. Recreation projects comprise \$37 million for the construction, addition, and improvement of three Henrico parks. Finally, \$50 million is dedicated to drainage improvement projects across all five magisterial districts.

The first bonds under this referendum were issued in April 2024 and partially funded the construction of an Environmental Education Living Building at Wilton Farm, the replacement of Jackson Davis and Longan Elementary Schools, the rebuilding of Quioccasin Middle School, and the Three Chopt Area Park and related road improvements. The relocation and construction of Firehouse #6 and partial funding for Phase II of Tuckahoe Creek Park are also included in this debt issuance. The second bond issuance took place in October 2025 (See Note 25 in Notes to Financial Statements).

Several other County projects have been funded through other financing. These include Henrico County's Virgil R. Hazelett Reservoir at Cobbs Creek and the Public Safety Emergency Communications projects. The reservoir, located in nearby Cumberland County, began filling during the summer of 2024 and is nearing completion. This 1,100-acre reservoir secures the County's water needs for at least the next 50 years and was financed through a series of water and

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sewer revenue bonds.

Private investment in Henrico continued at a rapid pace through fiscal year 2024-25, with multiple economic development announcements in the County. Henrico celebrated the grand opening of its Global Business Gateway program, welcoming multiple international companies to launch their North American expansions in Henrico County. KSB, QTS, DC Blox, Iron Mountain, Rego and Bon Secours announced expansions or locations in Henrico during the fiscal year.

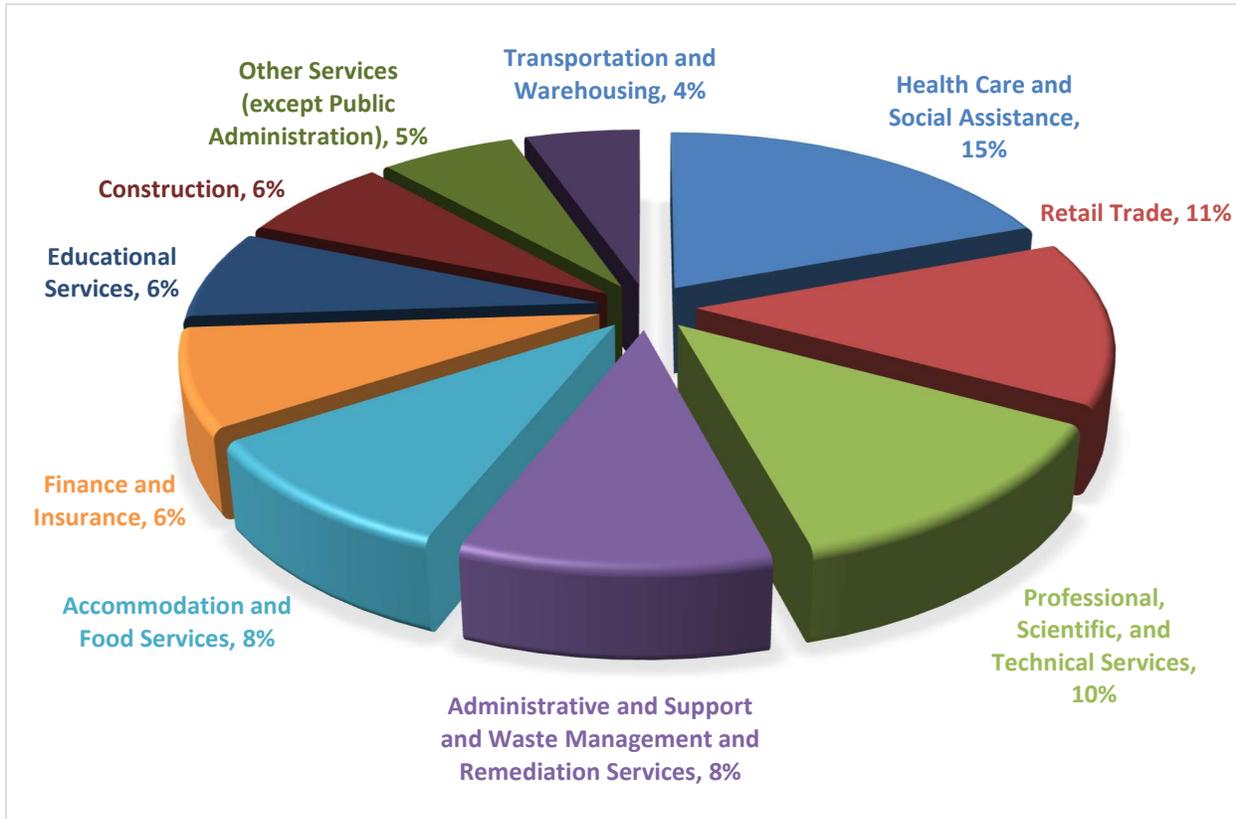
Data center company QTS continued their significant expansion within Henrico, recognizing the County's global communications connectivity which provides some of the world's fastest data speeds available. This connectivity is the result of ready access to four subsea cables, twenty network providers, over forty internet exchanges, approximately 3,000 networks, and over 500 data centers around the world. All in all, Henrico's Economic Development Authority reported over \$8 billion in investment in Henrico during the fiscal year, with over 4.4 million square feet and 1,400 new jobs.

### **Future Challenges**

While Henrico is well-positioned to withstand economic downturns, the national economy remains the main challenge to the County's economic condition. Over the past two calendar years, economic uncertainty, including high interest rates, high inflation, and tariffs, and have kept the threat of a national recession on the horizon. Labor market stability, low unemployment, and wage increases staved off a recession for much of that time frame, but these economic trends have started softening as the Federal Reserve has lowered interest rates.

Henrico's diverse economy, robust workforce, balanced tax base, and ample fund balances are all factors that help insulate the County's financial standing from severe impacts of a national downturn. The County's business-friendly environment supports a well-diversified economy through low taxes, high-quality services, and a well-trained workforce. Management has been intentional with the conservative forecasting of local and state revenue sources, leading to consistent increases in the amount of total fund balance.

**HENRICO’S LABOR FORCE BY TOP 10 INDUSTRIES**  
*(REPRESENTS 79% OF TOTAL JOBS)*



Nationally, home prices have leveled off and home sales volumes began to cool as mortgage rates increased, however, this trend was less evident in Henrico County, as demand continued to outpace supply and home prices remained elevated. Housing affordability in the County has continued to be negatively impacted by national, regional, and local trends, to the point where affordable housing has become one of the County’s top policy priorities. During FY2025, the County implemented the Henrico Home Purchase Assistance Program (HPAP) that provides down payment assistance to employees who are first-time homeowners, meet income criteria, and purchase a house in Henrico. In July 2024, the County announced the creation of an Affordable Housing Trust Fund (AHTF) to help bolster the supply of affordable housing in Henrico County over the next five years. As of the date of this audit, AHTF has approved 146 affordable units at a cost of just over \$11 million. This first of its kind program accepts project proposals through a third party administrator to fund the development of ongoing affordable housing in the County.

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### **Certificate of Achievement**

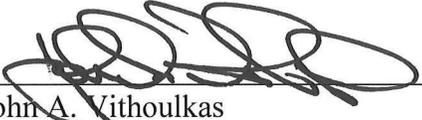
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* (Certificate) to the County for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the forty-fourth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate, a government must publish an easily readable, efficiently organized, and GAAP compliant ACFR, while also satisfying applicable legal requirements.

A Certificate is valid for a period of one year only. We believe the Annual Comprehensive Financial Report contained herein continues to meet the Certificate's requirements for financial reporting excellence.

### **Acknowledgements**

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Henrico County Department of Finance. We would like to express our particular appreciation to all members of the Accounting Division who directly contributed to its preparation. We would also like to thank the Board of Supervisors for their interest, guidance and support in their oversight of the financial operations of the County in a responsible and prudent manner.

Respectfully submitted,

  
\_\_\_\_\_  
John A. Vithoukas  
County Manager

  
\_\_\_\_\_  
Sheila S. Minor, CPA  
Director of Finance





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Henrico  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

**COUNTY OF HENRICO, VIRGINIA**  
**Directory of Officials**  
**June 30, 2025**

**BOARD OF SUPERVISORS**

Daniel J. Schmitt, Chair	.....	Brookland District
Roscoe D. Cooper III, Vice Chair	.....	Fairfield District
Misty D. Roundtree	.....	Three Chopt District
Jody K. Rogish	.....	Tuckahoe District
Tyrone E. Nelson	.....	Varina District

**EXECUTIVE STAFF**

John A. Vithoukaskas	.....	County Manager
Cari Tretina	.....	Chief of Staff
W. Brandon Hinton	.....	Deputy County Manger for Administration
Steven J. Yob	.....	Deputy County Manager for Community Operations
Monica L. Smith-Callahan	.....	Deputy County Manager for Community Affairs
Michael Y. Feinmel	.....	Deputy County Manager for Public Safety
Sheila S. Minor	.....	Director of Finance
Andrew R. Newby	.....	County Attorney
Yvette D. George	.....	Director of Human Resources

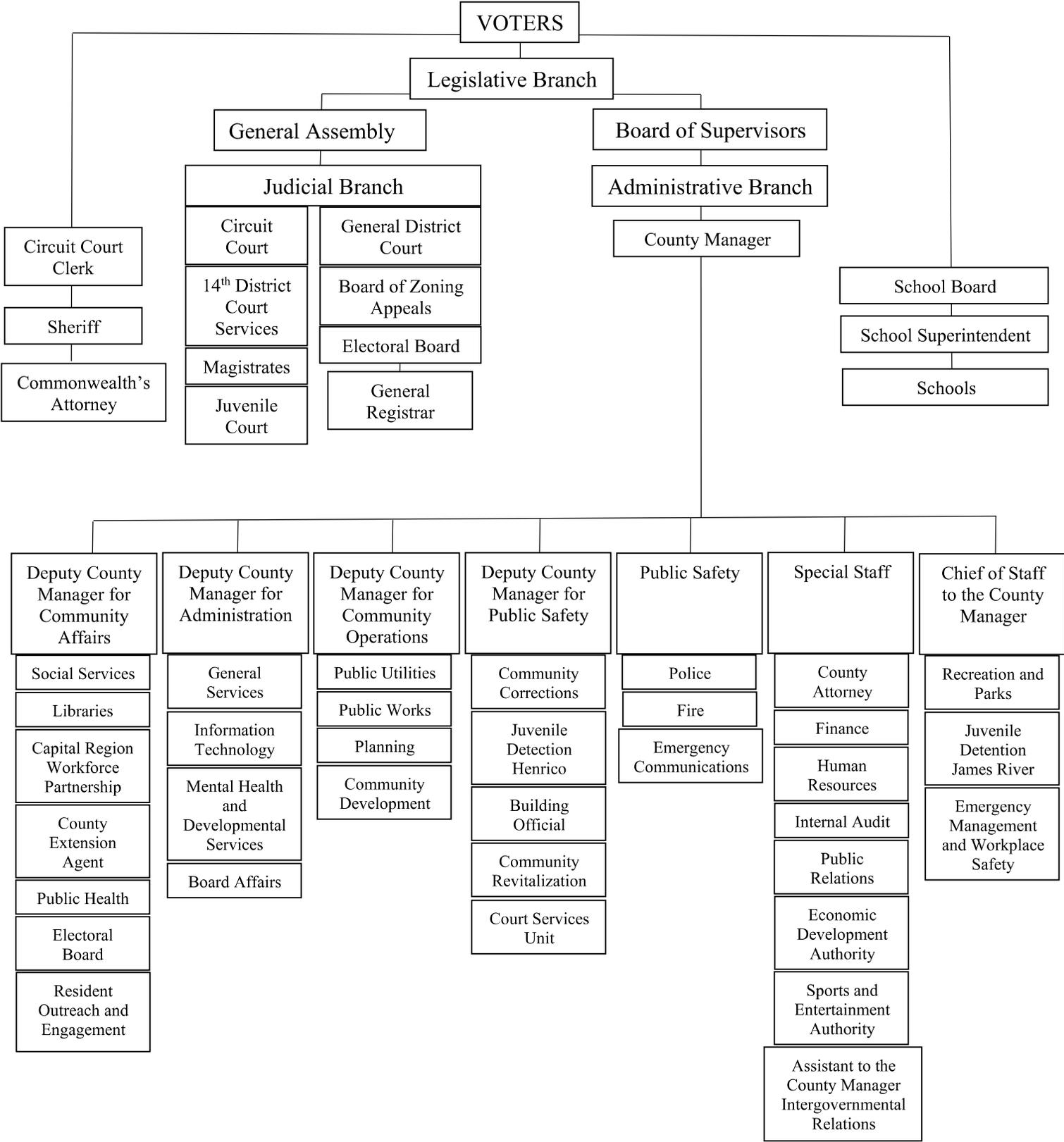
**SCHOOL BOARD**

Marcie F. Shea, Chair	.....	Tuckahoe District
Madison T. Irving, Vice Chair	.....	Three Chopt District
Kristi B. Kinsella	.....	Brookland District
Ryan E. Young	.....	Fairfield District
Alicia S. Atkins	.....	Varina District

**SCHOOLS - DIVISION LEADERSHIP TEAM**

Dr. Amy E. Cashwell	.....	Superintendent of Schools
Holly M. Coy	.....	Chief of Staff
John B. Wack	.....	Chief Financial Officer
Dr. Lesley Hughes	.....	Chief Learning Officer
Lenny G. Pritchard	.....	Chief of Operations
Dr. Ingrid Granberry Grant	.....	Chief of School Leadership
Eileen M. Cox	.....	Chief of Communications
Adrienne Cole Johnson	.....	Chief of Family and Community Engagement
Tiffany Lewis	.....	Chief Empowerment, Development, and Opportunity Officer
Francine G. Bouldin	.....	Chief Human Resources Officer

# Henrico County Profile



## Report of Independent Auditor

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Henrico, Virginia (the "County"), as of and for the year ended June 30, 2025, 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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, 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* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As discussed in Note 1(p) to the financial statements, the County adopted Governmental Accounting Standards Board Statement 101, *Compensated Absences*, effective July 1, 2024, which resulted in a restatement of beginning net position. 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.

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

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

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

In performing an audit in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information other than management's discussion and analysis, 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.

### **Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplemental information statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information statement and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Richmond, Virginia  
December 15, 2025

**HENRICO COUNTY, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(unaudited)**

The following discussion and analysis of the Henrico County, Virginia's (County) financial performance provides an overview of the County's financial activities, as of and for fiscal year ended June 30, 2025 (FY 2025). Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements and related notes thereto, which follow this section.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025**

**GOVERNMENT-WIDE STATEMENTS**

On a government-wide basis (full accrual) for all activities, excluding component units, the County received total revenue of \$1,602.2 million, in comparison to revenue of \$1,484.4 in FY2024 for an increase of 7.9% (Exhibit 2). This was largely attributable to appreciation in property tax assessments and increases in other revenue, particularly building permit activity and state highway maintenance and construction revenue. Sports tourism generated steady growth in other local taxes, which will be discussed in the Revenue section under Detailed Analyses.

Government-wide expenses for the year ending June 30, 2025 were \$1,417.4 million (Exhibit 2). This represents an increase of 9.7% from FY2024 and is due to operational costs of new facilities, interest expense on new obligations, depreciation expenses on new facilities and increases in personnel costs, as described in the Expenses section under Detailed Analyses.

As a result of total revenue and total expense activity during the fiscal year, the net position change for all government-wide activities (excluding component units) was \$184.8 million (Exhibit 2). This increase was attributable to the change in net position from governmental activities, which increased by \$110.8 million and business-type activities, which increased by \$74.0 million. Business-type activities have historically resulted in contributions to their net position as the County's water and sewer rates are adjusted to cover expenses, including depreciation. Primary government activities benefitted from increased property tax assessments, increases in state revenue, and other revenue sources, such as interest earnings.

The ending net position of governmental activities on the government-wide basis was \$2,103.5 million and the ending net position of business-type activities was \$1,519.5 million (Exhibit 1).

**FUND FINANCIAL STATEMENTS**

Government entities also present financial statements on a current financial resources basis (modified-accrual basis of accounting), which focuses on short-term financial obligations and current fiscal health. A detailed description of the bases of accounting can be found in the next section.

The General Fund, on a current financial resource basis, reported revenues of \$1,173.5 million and other financing sources of \$30.3 million for a total revenue and other financing sources (income) of \$1,203.8 million (Exhibit 4). Expenditures in the general fund totaled \$999.5 million and other financing uses were \$192.3 million in FY2025, for a total of expenditures and other financing uses of \$1,191.8 million. As a result of FY2025 operations, the fund balance of the General Fund increased \$12.1 million.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The County's Annual Comprehensive Financial Report (ACFR) is comprised of three sections: Introductory, Financial, and Statistical. The Financial Section is comprised of four components: 1) the report of the independent auditor, 2) this unaudited management's discussion and analysis (MD&A), 3) the financial statements, and 4) notes to the financial statements. This ACFR also contains required supplementary information, other than MD&A, and other supplementary information in addition to the basic financial statements themselves. This information is reviewed by the external auditors in relation to the basic financial statements.

The primary focus of the basic governmental financial statements is on both the County as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the County's overall financial position. The fund financial statements focus on the individual components of the County government, reporting the County's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund statements) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the County's financial accountability.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the County as a whole, using accounting methods like those used by the private-sector. One of the most important questions asked about the County's finances is, "Is the County as a whole in better or worse financial condition as a result of the year's activities?" The Statement of Net Position (Exhibit 1) and the Statement of Activities (Exhibit 2) are government-wide financial statements and report information about its activities in a way that helps answer this question. These financial statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two financial statements report the County's net position and the changes in net position. One can think of the County's net position – the difference between the total of assets and deferred outflows of resources, less the total of liabilities and deferred inflows of resources – as one way to measure the County's financial position. Over time, increases or decreases in the County's net position is one indicator of whether its financial position is improving or deteriorating. Other nonfinancial factors should also be considered, such as changes in the County's property tax base and the physical condition of the County's infrastructure, to assess the overall financial position of the County.

In the Statement of Net Position and the Statement of Activities, we divide the County into three types of activities:

**Governmental Activities** – Most of the County's basic services are reported here: Police, Fire, Public Works, Recreation and Parks, and general administration. Property taxes, other local taxes, and state and federal grants finance most of these activities.

**Business-type Activities** – The County's operation, maintenance and construction of the County-owned water and wastewater (sewer) utility is reported here as the County charges a fee to customers to cover all or most of the cost of the services these operations provide.

**Discretely Presented Component Units** – The County includes two separate legal entities in its report – Henrico County Public Schools (Schools) and the James River Juvenile Detention Commission (JRJDC). Although legally separate, these “component units” are important because the County is financially accountable for them and provides operating and capital funding.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the County’s most significant funds. It is important to note that the fund financials report on the same activities as the government-wide funds, but they report those balances on a different basis of accounting and in a different format.

The County has three types of funds:

**Governmental Funds** – The County’s basic services are included in four major governmental funds. The General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund financial information is presented separately in the governmental funds’ Balance Sheet and within the governmental funds’ Statement of Revenues, Expenditures, and Changes in Fund Balance.

The governmental funds’ financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year and provide a detailed short-term view that helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance the County’s programs. Since this information does not encompass the additional long-term focus of the government-wide financial statements, additional information is provided at the bottom of the governmental funds financial statements that explains the relationship (or reconciles the differences) between the two types of statements (Exhibits 3 and 4).

**Proprietary Funds** – Services for which the County charges customers a fee are generally reported in proprietary funds, which like the government-wide financial statements, provide both long-term and short-term financial information.

In fact, the County’s Enterprise Fund (one type of proprietary fund) is the same as the business-type activities included in the government-wide financial statements, but the fund financial statements provide more detail and additional information, such as cash flows. The County’s Enterprise Fund accounts for the operation of the County’s water and sewer utility.

The County uses Internal Service Funds (the other kind of proprietary fund) to report activities that provide supplies and services for the County’s other programs and activities. The Internal Service Funds account for the County’s Central Automotive Maintenance operations, the Technology Replacement Fund and the self-insured Healthcare Fund. Resources for these Funds come from interdepartmental charges.

**Fiduciary Funds** – The County is the trustee, or fiduciary, for Custodial Funds. The County is responsible for ensuring that the assets reported in these Funds are used for their intended purposes. All the County’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The County excludes these activities from the County’s government-wide financial statements because the County cannot use the assets of these Funds to finance its own operations.

## **FINANCIAL SUMMARY**

The fiscal year ended June 30, 2025 continued Henrico’s commitment to strong financial management while maintaining exemplary service levels, taking care of employees, and responding to an ever-changing national and state economic environment. Conservative revenue estimates during the budgeting process enforce an expenditure budget that keeps operating expenses low and provides flexibility to respond to unexpected needs or revenue changes. Ongoing growth in real estate taxes, the County’s largest revenue source, supported the County’s ability to reduce the real estate tax rate from \$0.85 per \$100 assessed value in calendar year 2024 to \$0.83 per \$100 of assessed value in calendar year 2025. Both rates are reflected in the revenue received in FY 2025 as the County collects real and personal property taxes in two installments on June 5 and December 5 of the calendar year. Likewise, County leaders reduced the general personal property tax rate from \$3.50 per \$100 to \$3.35 per \$100 for calendar year 2025 as well. Personal property is collected on the same dates as real estate taxes.

Even with these conservative budgeting practices and revenue rate reductions, Henrico’s leadership prioritizes the employees who provide services to residents. Payroll expenses comprise a significant portion of the County’s budget, and overall, expenses of the primary government (government-wide basis) increased 10.4% year over year. Expenses increased in every function of the primary government, save health and social services and miscellaneous, due to increases in personnel expenditures associated with a 4.8 percent across the board salary increase for full-time employees. Health and social services personnel expenditures are reflected in the special revenue fund. Henrico’s unified pay plan applies to the Primary Government and Component Units, therefore Schools and JRJDC experienced expense increases as well, increasing 6.6%. Inflationary increases on goods and programming expansions in some areas also impacted expenditure patterns on a year-over-year basis. Please see the Detailed Analyses section for more information.

While national financial news, such as higher interest rates, inflation, and tariffs, created economic uncertainty during the fiscal year, Henrico’s local economy continued to show steady growth. The County remained largely unscathed by the federal job losses impacting other parts of Virginia, due to the very low percentage of federal employees comprising Henrico’s workforce. These impacts to the state economy are anticipated to have an impact on state revenues to the County in future fiscal years, but the County maintains a significant fund balance to help offset potential short- and mid-term impacts from possible revenue interruptions. Conservative revenue estimates also help the County operate at a level where temporary revenue decreases do not impact core service delivery.

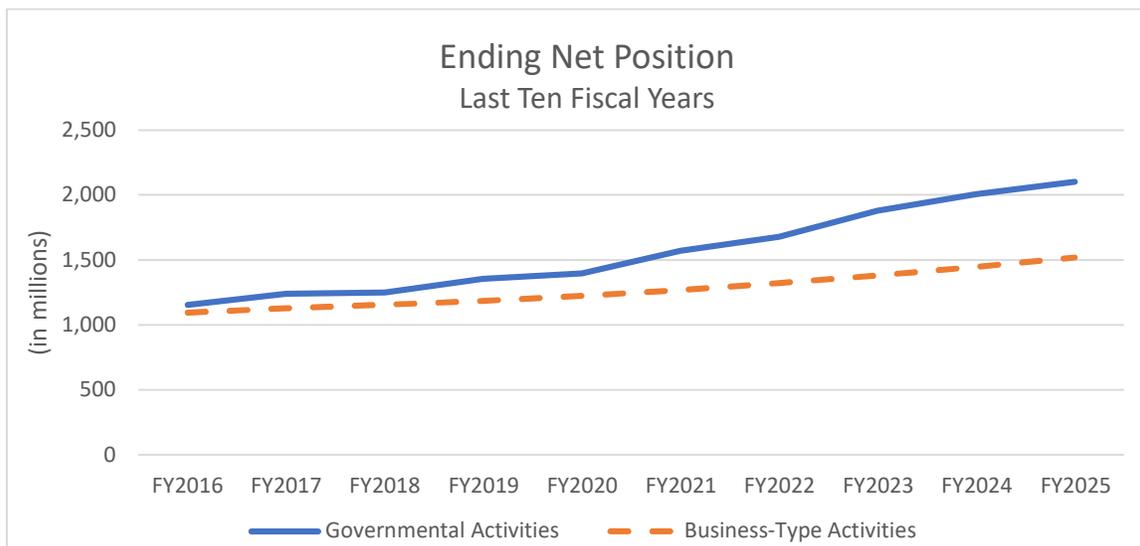
### **Statement of Net Position**

At the end of every fiscal year, the County’s net position increases (or decreases) by the amount that revenue exceeds (or falls short of) expenses. The following table reflects a summary of the County’s net position (in millions) at June 30, 2024, and 2025:

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2024	2025	2024	2025	2024	2025	2024	2025
Current Assets	\$1,407.6	\$1,374.6	\$293.7	\$276.0	\$1,701.3	\$1,650.6	\$239.0	\$208.5
Other Noncurrent Assets	18.8	16.6	3.5	3.2	22.3	19.8	-	-
Capital and Intangible Assets	2,083.6	2,208.7	1,605.3	1,680.7	3,688.9	3,889.4	386.1	449.9
<b>Total Assets</b>	<b>3,510.0</b>	<b>3,599.9</b>	<b>1,902.5</b>	<b>1,960.0</b>	<b>5,412.5</b>	<b>5,559.8</b>	<b>625.1</b>	<b>659.8</b>
<b>Deferred Outflows of Resources</b>	98.9	115.6	32.6	31.4	131.5	147.0	148.6	169.3
Total Current Liabilities	302.9	303.6	58.3	64.2	361.2	367.8	137.8	102.7
Net Pension Liability	211.3	215.8	14.4	14.6	225.7	230.4	366.5	352.9
Net OPEB Liability	35.1	38.4	0.9	0.9	36.0	39.3	56.8	57.5
Liabilities due in more than 1 year	737.3	687.8	411.7	387.4	1,149.0	1,075.2	23.6	40.1
<b>Total Liabilities</b>	<b>1,286.6</b>	<b>1,245.6</b>	<b>485.3</b>	<b>467.1</b>	<b>1,771.9</b>	<b>1,712.7</b>	<b>584.7</b>	<b>553.2</b>
<b>Deferred Inflows of Resources</b>	329.5	366.4	4.2	4.7	333.7	371.1	73.8	85.2
Net Position:								
Net Investment in Capital Assets	1,545.9	1,644.7	1,196.9	1,288.0	2,742.8	2,932.7	343.8	419.2
Restricted	47.4	42.2	29.7	29.7	77.1	71.9	8.8	15.0
Unrestricted (deficit)	411.5	416.6	220.1	201.8	631.6	618.4	(237.5)	(243.5)
<b>Total Net Position (deficit)</b>	<b>\$2,004.8</b>	<b>\$2,103.5</b>	<b>\$1,446.7</b>	<b>\$1,519.5</b>	<b>\$3,451.5</b>	<b>\$3,623.0</b>	<b>\$115.1</b>	<b>\$190.7</b>

The total Primary Government's net position increased by 5.0%, or \$171.5 million to \$3,623.0 million from \$3,451.5 million. Both Governmental Activities and Business-type Activities contributed to the increase in net position (Exhibit 1). The net position of the County's governmental activities increased by 4.9%, or \$98.7 million to \$2,103.5 million (Exhibit 2). The net position of business-type activities increased by 5.0%, or \$72.8 million from \$1,446.7 million to \$1,519.5 million (Exhibit 2).

An illustration of the County's total net position, over the past 10 years, for the County's Governmental Activities and the County's Business-Type Activities is shown below:



Net position is divided into three categories: Net Investment in Capital Assets, Restricted, and Unrestricted. Net Investment in Capital Assets reports long term assets financed by general obligation bonds net of the outstanding debt on those assets. The governmental activities' Net Investment in Capital Assets decreased

by \$5.8 million, largely because of the principal payments on outstanding debt net of new bond-funded assets constructed throughout the fiscal year.

The governmental activities restricted net position decreased by \$5.2 million to \$42.2 million. These funds represent the balances in special revenue funds. Special revenue funds account for Social Services, Mental Health and Developmental Services, and state and federal grants. Restricted net position in the business-type activities of \$29.7 million represents balances in debt service reserve funds associated with bond indentures of the water and sewer utility. This balance did not change as the bond indenture requirements remained in effect.

Unrestricted net position represents balances of the County's activities that are more flexible and generally available to meet the County's financial needs, as they do not have external restrictions for other uses. Unrestricted net position for the governmental activities of Henrico County increased \$121.8 million in FY2025. Overall increases in net position coupled with the reduction in outstanding debt resulted in an increase of governmental activities' unrestricted net position. Unrestricted net position available for the continuing operation of the water and sewer activities was \$201.8 million as of June 30, 2025 (Exhibit 1), a decrease of \$17.2 million. An increase in the net investment in capital assets, due to infrastructure investments, resulted in the reduction in unrestricted net position.

The net position (deficit) of the aggregate discretely presented component units improved by 94.4%, or \$89.9 million from \$95.2 million (as restated) to \$185.1 million. The County assigns meals tax (general fund) revenue for Schools' capital investments, resulting in the recognition of additional funds for the school system from the primary government when those assets are assigned to the component unit. Net Investment in Capital Assets increased by \$75.5 million due to capital asset construction and acquisition from meals tax and other current resources. The unrestricted net deficit of component units improved by \$8.2 million to (\$249.2) million at June 30, 2025, compared to the prior year (Exhibit 1). Historically, school systems across the Commonwealth report net deficits due to the high pension liabilities incurred by Henrico Schools through participation in the Virginia Retirement System at contribution rates mandated by the state budget.

### **Schedule of Activities**

The following chart summarizes the revenues and expenses (in millions) of the County's activities for the fiscal years ended June 30, 2024, and 2025. Revenues generated and expenses incurred during the fiscal year ultimately result in a change in net position for these respective entities:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>		<b>Component Units</b>	
	2024	2025	2024	2025	2024	2025	2024	2025
<b>Revenues:</b>								
<b>Program Revenues:</b>								
Charges for Services	\$71.0	\$76.8	\$152.1	\$161.8	\$223.1	\$238.6	\$5.7	\$5.3
Operating Grants and Contributions	170.3	197.4	-	-	170.3	197.4	525.2	540.7
Capital Grants and Contributions	-	-	14.6	21.5	14.6	21.5	-	-
<b>General Revenues:</b>								
Property Taxes	646.5	690.9	-	-	646.5	690.9	-	-
Other Taxes	237.8	243.4	-	-	237.8	243.4	-	-
Other	156.6	173.5	35.5	36.9	192.1	210.4	16.0	15.9
Payment from Primary Government	-	-	-	-	-	-	313.8	351.0
<b>Total Revenues</b>	<b>\$1,282.2</b>	<b>\$1,382.0</b>	<b>\$202.2</b>	<b>\$220.2</b>	<b>\$1,484.4</b>	<b>\$1,602.2</b>	<b>\$860.7</b>	<b>\$912.9</b>
<b>Expenses:</b>								
General Government	\$183.7	\$205.4	-	-	\$183.7	\$205.4	-	-
Judicial Administration	17.6	19.2	-	-	17.6	19.2	-	-
Public Safety	284.5	303.9	-	-	284.5	303.9	7.5	7.3
Public Works	126.9	127.3	-	-	126.9	127.3	-	-
Health and Welfare	92.4	101.7	-	-	92.4	101.7	-	-
Education	329.5	373.9	-	-	329.5	373.9	764.9	810.1
Parks, Recreation and Cultural	63.4	62.6	-	-	63.4	62.6	-	-
Community Development	44.0	58.9	-	-	44.0	58.9	-	-
Interest on Long-term Debt	13.9	18.3	-	-	13.9	18.3	-	-
Water and Sewer	-	-	135.6	146.2	135.6	146.2	-	-
<b>Total Expenses</b>	<b>\$1,155.9</b>	<b>\$1,271.2</b>	<b>\$135.6</b>	<b>\$146.2</b>	<b>\$1,291.5</b>	<b>\$1,417.4</b>	<b>\$772.4</b>	<b>\$817.4</b>
<b>Change in Net Position</b>	<b>126.3</b>	<b>110.8</b>	<b>66.6</b>	<b>74.0</b>	<b>192.9</b>	<b>184.8</b>	<b>88.3</b>	<b>95.5</b>
<b>Net Position (deficit), beginning of year</b>	<b>1,878.5</b>	<b>1,992.7</b>	<b>1,380.1</b>	<b>1,445.6</b>	<b>3,258.6</b>	<b>3,438.3</b>	<b>26.8</b>	<b>95.2</b>
<b>Net Position (deficit), end of year</b>	<b>\$2,004.8</b>	<b>\$2,103.5</b>	<b>\$1,446.7</b>	<b>\$1,519.5</b>	<b>\$3,451.5</b>	<b>\$3,623.0</b>	<b>\$115.1</b>	<b>\$190.7</b>

A detailed analysis of the revenues, expenses, and resulting change in net position as presented in this comparative table, is discussed in the next section.

## DETAILED ANALYSES

### ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

#### REVENUE

For the fiscal year ended June 30, 2025, revenues from governmental activities totaled \$1,382.0 million, an increase of \$99.8 million from fiscal year 2024. Real estate and personal property taxes are the County's largest revenue source and include collections of the second half of calendar year 2024 and the first half of calendar year 2025. Year over year real property values increased approximately 6.32% in the County between January 2024 and January 2025, despite higher interest rates and a general slowing in the national real estate market. Henrico decreased its real estate tax rate to \$0.83 per \$100 of assessed value in 2025 from \$0.85 per \$100 in 2024 to partially offset increases in assessed value in recent years.

The Henrico Board of Supervisors also reduced the general personal property tax rate in calendar 2025. For 2024, vehicles had a tax rate of \$3.40 per \$100 of assessed value, and all other general classes of personal property were taxed at \$3.50 per \$100 of assessed value. The 2025 personal property rate was established at \$3.35 for vehicles and other general classes of personal property. Personal property assessments increased 3.5%, from calendar 2024 to calendar 2025.

Personal property collections have been and will continue to be impacted by the construction of data centers in Henrico's White Oak Technology Park. The tax rate for data center personal property was changed in calendar 2025 from \$0.40 per \$100 of assessed value to \$2.60 per \$100 of assessed value. This rate is still below the general personal property rate of \$3.35 per \$100, but resulted in an increase in property tax collections from data center equipment. As of June 30, 2025, five data centers were under construction in White Oak and will likely come online for real estate and possibly personal property assessments in calendar 2026.

Most other local taxes collected in the County have steadily grown on a year over year basis. Local sales and use taxes, the benchmark for retail activity within the County, increased from \$93.0 to \$96.4 million. Business license revenue declined by only 1.4% between FY2024 and FY2025 despite the doubling of the County's exemption on the first \$500,000 of a business' taxes to \$1 million for FY2025 collections. Transient occupancy taxes experienced a 4.0% increase. Sports tourism is a primary driver for the ongoing growth in these and other elastic revenue streams. In October 2023, the Henrico Sports and Entertainment Authority opened the Henrico Sports and Event Center (HSEC), a 185,000 square foot indoor facility that accommodates up to twelve basketball courts, twenty-four volleyball courts, or a 3,500 seat arena. The HSEC has hosted multiple sports tournaments, bringing visitors to the area with an estimated economic impact to the County of \$1.9 billion in calendar 2024.

Business-type activities produced total revenues of \$220.2 million, an increase of \$18.0 million from fiscal year 2024. The County's Water and Sewer activity produced \$161.8 million in charges for services and \$21.5 million in capital grants and contributions (Exhibit 2). The charges for services were increased 5% for all bimonthly bills effective July 1, 2024.

#### EXPENSES

For the fiscal year ended June 30, 2025, expenses for governmental activities totaled \$1,271.2 million, an increase of \$115.3 million or 10.0% from fiscal year 2024 (Exhibit 2). Included in this activity are employee compensation and benefits, support to the Schools, and the cost of general governmental activities

such as public safety, recreation, and libraries. Increases in personnel costs contributed to the year over year increase, as the County implemented GASB 101, which recognized additional expenses during the year from compensated absences. A 4.8% across-the-board salary increase for full-time employees on the unified pay plan also increased personnel costs. The unified pay plan includes County employees and the employees of the component units.

Education continues to be one of the County's highest priorities and its highest financial commitment. Government-wide expenses for education increased \$44.4 million, or 13.5%, due to recruitment and retention efforts, salary increases, and new security and counseling positions. The counseling positions and some operating costs were associated with the implementation of Henrico CARES, an innovative new program supporting mental health and wellness for Henrico County Public School (HCPS) students and their families.

Public Safety expenses increased by \$19.4 million or 6.8%. New firefighter positions were added between FY2024 and FY2025 to help address the need for overtime in the department. Other expense increases in public safety included increased professional development and small equipment replacements.

The expenses of business-type activities, the result of County Water and Sewer activity totaled \$146.2 million, an increase of \$10.6 million or 7.8% over fiscal year 2024 business-type activities (Exhibit 2). The County's business-type activities are made up of the County's water and sewer fund. One major project completed in FY2025 included the substantial completion in November 2024 of the Virgil R. Hazelett Reservoir at Cobbs Creek, a 1,117 acre reservoir that will serve Henrico's raw water needs for the next 50 years. Operating and increased depreciation expenses from the reservoir, additional personnel expenses from the implementation of GASB 101 (compensated absences), and temporary labor due to position vacancies, contributed to this increase on a year-over-year basis.

## **FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

### **REVENUE**

For the fiscal year ended June 30, 2025, the governmental funds reflect a combined fund balance of \$866.5 million, a decrease of \$59.9 million from fiscal year 2024 (Exhibit 4), driven by a \$71.4 million net decrease in the Capital Projects fund balance. This capital projects fund balance decrease is an expected outcome due to the County's issuance of general obligation bonds in late FY2024 to fund capital projects planned for FY2025. As cash outflows for capital assets, such as buildings, are recorded as an expenditure in the current financial resources basis of accounting used in fund statements, the cash used for capital projects during the fiscal year reduces the fund balance.

The General Fund accounts for \$462.4 million (Exhibit 4) of the total combined balance. This is an increase of \$12.1 million or 2.6% from the General Fund balance of \$450.3 million recorded at June 30, 2024. General fund revenue increased by \$53.4 million or 4.8% from fiscal year 2024. Revenue increases were driven by a \$45.1 million year-over-year increase in real and personal property taxes, the County's largest revenue sources. This 7.0% increase resulted from several factors, including increases in assessments, tax rate changes, and commercial activity as described in the analysis of government-wide revenue in the previous subsection. On a fund financial basis, the real estate tax revenue collected during fiscal year 2025 was \$523.1 million, an increase of \$28.9 million or 5.85% from fiscal year 2024 (Exhibit 12).

During fiscal year 2025, the County collected \$140.2 million in personal property tax revenue, up \$18.3 million, or 15%. Henrico County received Personal Property Tax Relief from the Commonwealth of Virginia (the Commonwealth) of \$37.0 million for total personal property tax related receipts of \$177.2 million. The Commonwealth's allocation to Henrico County for Personal Property Tax Relief has remained

unchanged since 2006, despite 80% growth in PPTRA-qualified personal property vehicle assessments since that time. Accordingly, the relief provided to taxpayers from PPTRA has declined from 65% to 42% in 2025. Due to strong collection efforts in previous years, the amount of delinquent tax revenue decreased between FY2024 and FY2025.

Other local taxes increased a total of \$5.5 million, or 2.4%, largely due to local sales and use tax increases of \$3.4 million described in the government-wide analysis. Meals taxes increased \$1.6 million, bolstered by the same sports tourism impacts as sales and transient occupancy taxes. Of the local taxes, business license revenue declined due to the exemption increase.

Other notable changes in revenue between FY2024 and FY2025 included a \$2.9 million (19.6%) increase in building permit revenue due in part to data center construction, a \$5.1 million decrease in revenue from the use of money and property due to declining interest rates, and a \$1.5 million decrease in recovered costs for the Sheriff's office as localities formerly sending prisoners to Henrico began sending their inmates to other facilities. Overall, local source revenue increased by \$48.0, or 5.0% between FY2024 and FY2025. Intergovernmental revenue increased 3.5% by \$5.4 million, mostly due to an increase of \$3.9 million in state highway maintenance funds, the County's largest source of intergovernmental revenue. Henrico is one of two counties in the Commonwealth of Virginia that maintain their own roads.

## **EXPENDITURES**

General fund expenditures grew 12.1% with an increase of \$108.6 million from fiscal year 2024 (Exhibit 4). General government activities (Exhibit 13) increased 4.5% overall with the creation of the Outreach and Engagement Agency reported in the County Manager's function. Outreach and Engagement staff positions were previously employed in other departments of the County.

The police department experienced growth of 7.0%, or \$6.9 million between FY2024 and FY2025 due largely to personnel expenditures associated with across the board salary increases. The fire department added 12 positions with the opening of the new Bungalow City Fire Station #23 in Highland Springs, and 15 other positions in FY2025 for overtime mitigation and specialized staffing needs, contributing to the 13.4% expenditure increase in that agency.

Emergency Management, which includes the Emergency Communications Center (ECC) and the Emergency Management/ Workforce Safety departments, experienced a 24.2% increase in expenditures due to recruitment and retention efforts in the ECC to fill many vacant positions. In January 2025, the County experienced a four-day water crisis when a winter storm knocked the Richmond water treatment plant offline and flooded the facility. Portions of the County are served by water from the City of Richmond through a long-standing contract between the two localities, and the water service interruption impacted much of the eastern area of Henrico County and required a county-wide boil water advisory. This emergency response resulted in \$2.9 million in expenditures from this experience and another minor water event, where water storage management efforts successfully mitigated and prevented service interruptions, in May of the same year.

Education is the largest expenditure of the general fund, with a FY2025 general fund contribution of \$347.0 representing an 11.9% increase from FY2024 contributions of \$310.0 million. The total expenditures of the Schools' general fund on education were \$741.1 million, an increase of 10.8%. Transportation expenditures increased 22.8% while administrative expenditures declined 2.5% on a year-over-year basis. Of the \$71.9 million increase, \$53.2 million was in instructional expenditures. As mentioned in the discussion on government-wide expenses, the CARES initiative, personnel increases, and general inflationary pressures contributed to increases in the cost of education on a year-over-year basis.

Highway construction and maintenance activities increased 16.3%, or \$6.3 million. State highway maintenance and construction funds carried forward from prior years were appropriated (\$4.4 million) and utilized to complete significant repaving and maintenance projects, and \$1.5 million was appropriated in the fiscal year for the Watch Out Ahead Henrico (WOAH) pedestrian safety initiative to purchase reflective vests and establish new street lights in an effort to curb an increasing number of pedestrian injuries and deaths.

Recreation expenditures increased \$3.1 million (12.2%) with the opening of the County's largest park, Taylor Farm Park, in July 2024. This 99 acre park includes an all wheel park, nature play area, spray park, event lawn and memorial area. Other new park facilities and acreage were under development during the year, including new athletic fields at Glover Park, and will incur additional maintenance and personnel expenditures in future fiscal years.

Actual expenditures for tax relief programs decreased (\$9.0 million) from FY2024. In FY2024, the County carried out its second tax relief credit program, refunding amounts equivalent to two cents on the real estate tax rate to real property owners. As previously mentioned, in FY2025, the Board of Supervisors cut the real estate tax rate by two cents, providing similar relief but in the form of forgone revenue rather than an expenditure.

#### **OTHER FINANCING (USES) SOURCES**

General fund transfers to other funds totaled \$192.3 million in FY2025 (Exhibit 4). The County typically funds a significant portion of capital projects through current revenue and general fund balance, therefore transferring \$49.5 million to the Capital Projects Fund to finance various capital projects. This amount was less than the \$100.7 million transferred in FY2024 due to the availability of general obligation bond proceeds. Transfers of \$55.7 million to the special revenue fund represented a \$23.0 million increase, funding an \$18.0 million expenditure increase in this special revenue fund due to economic development transfers for business retention grants and the County's affordable housing trust. This expenditure also reflected increasing caseload and service level demands in social and mental health services due to changes at the state and federal levels. Finally, the general fund transfer to debt service of \$87.0 million (up from \$77.6 million) was due to the increased debt service costs resulting from the 2024 bond issuances.

#### **OTHER GOVERNMENTAL FUNDS**

The Special Revenue Fund Balance of \$69.4 million (Exhibit 4) remained relatively unchanged from fiscal year 2024. This is despite a \$1.8 million transfer of prior year wireless 911 fund balances back to the general fund. The major function of the Special Revenue Fund is to account for State and Federal grants received by the County, Social Services and Mental Health/ Developmental Services, and solid waste operations. As mentioned earlier, FY2025 saw a focus on supporting staffing levels in Social Services and Mental Health/ Developmental Services, in recognition of increased workloads and staff shortages. New positions were added in both agencies, and expenditures are expected to increase as those positions are filled for the full fiscal year in FY2026 and beyond.

State and Federal grants are received on a reimbursement basis and contributed \$64.2 million in revenues. The County's Social Services operations accounted for \$28.0 million (up from \$25.8 million) in State and Federal grant revenues (Exhibit 12) relative to \$39.3 million in expenditures during fiscal year 2025 (Exhibit 13).

The Capital Projects Fund Balance of \$332.6 million (Exhibit 4) is a decrease of \$71.4 million due to the planned expenditure of bond proceeds. For the year ended June 30, 2024, this fund had an increase of

\$114.3 million thanks to the issuance of debt. During the fiscal year, expenditures for capital projects were \$202.9 million, and revenues were \$81.9 million. Major sources of intergovernmental revenue to the capital project fund were the Central Virginia Transportation Authority (CVTA, \$35.8 million) and American Rescue Plan Act (ARPA) funds being utilized for utility infrastructure projects (\$26.6 million).

### GENERAL FUND BUDGETARY HIGHLIGHTS

The County’s general fund budget is amended throughout the year to adjust for previously unknown needs, expenditures that exceed expected amounts, or revenues above anticipated levels that must be allocated for specific expenditures. The table below illustrates changes to the general fund budget in aggregate for the fiscal year and the actual amounts received or spent during that same time period.

#### General Fund Budget (in millions)

	<u>Original</u>	<u>Revised</u>	<u>Actual</u>
<b>Revenues:</b>			
Taxes	\$870.9	\$873.8	\$928.1
Intergovernmental	141.9	151.7	158.5
Other	24.5	33.7	87.0
Total Revenues	<u>\$1,046.6</u>	<u>\$1,059.2</u>	<u>\$1,173.5</u>
<b>Expenditures and Other Uses:</b>			
Expenditures	\$936.6	\$997.9	\$999.5
Other Financing Uses	168.5	168.5	\$161.9
Total Expenditures and Other Financing Uses	<u>1,105.1</u>	<u>1,166.4</u>	<u>1,161.4</u>
<b>Change in Fund Balance</b>	<u><u>(\$58.5)</u></u>	<u><u>(\$107.2)</u></u>	<u><u>\$12.1</u></u>

The originally adopted budget assumes the use of \$58.5 million in fund balance related to one time capital projects. As referenced in the earlier narrative, the County historically funds a significant amount of capital projects with current revenue or fund balances. Larger amendments to the general fund budget included \$17.5 million for highway construction and maintenance related to state highway maintenance funded projects, \$8.0 million for the County’s self-insured risk management function for claims incurred, \$3.6 million for response to the water emergencies, and \$14.5 million for the fire department for additional positions, a pharmacy initiative, grant programs, and overtime incurred during the fiscal year. Revenues exceeded expenditures and other financing uses by \$12.1 million in the General Fund for fiscal year 2025.

Actual General Fund revenues were more than the original budgeted revenues by \$126.9 million during fiscal year 2025. Actual collections exceeded the revised budget by \$114.4 million. The County’s ongoing practice of conservative revenue forecasting renders a portion of this overage intentional, as the practice protects programs and services from mid-year reductions if revenues decline. Property tax revenues exceeded the budget because of the impact of new commercial activity in the County as well, specifically the construction of data centers in White Oak Technology Park. Actual expenditures and other financing uses of the general fund came in \$5.0 million under the revised budget, but \$56.3 million over the original budget.

## SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The three tables below provide a summary of the County’s capital and intangible assets for fiscal year 2025. The County began reporting the right-to-use assets in fiscal year 2022. GASB Statement No. 87 is the lease accounting standard issued by the Governmental Accounting Standards Board, which requires all lease agreements to be classified as right-to-use finance leases. The accounting treatment for a finance lease is similar to a capital lease. The County implemented GASB statement No. 96 in fiscal year 2023 for *Subscription-Based Information Technology Arrangements*. The right-to-use a vendor’s software is an intangible asset.

### Capital And Intangible Assets (in millions)

	Governmental Activities		Business-type Activities		Total		Component Units	
	2024	2025	2024	2025	2024	2025	2024	2025
<b>Non-Depreciable Assets:</b>								
Land	\$437.5	\$446.1	\$22.5	\$30.7	\$460.0	\$476.8	\$52.2	\$52.2
Construction in Progress	230.5	291.7	390.8	156.9	621.3	448.6	50.6	116.4
<b>Other Capital Assets:</b>								
Building	1,339.1	1,377.0	405.8	510.7	1,744.9	1,887.7	416.1	421.5
Infrastructure	842.7	886.9	1,392.7	1,623.5	2,235.4	2,510.4	-	-
Equipment	322.6	340.6	185.8	188.0	508.4	528.6	183.5	215.7
Improvements other than Buildings	147.6	150.4	1.4	1.4	149.0	151.8	62.9	40.9
Accumulated Depreciation								
On Other Capital Assets	(1,265.0)	(1,333.1)	(793.9)	(830.5)	(2,058.9)	(2,163.6)	(409.6)	(426.3)
<b>Total</b>	<b>\$2,055.0</b>	<b>\$2,159.6</b>	<b>\$1,605.3</b>	<b>\$1,680.7</b>	<b>\$3,660.3</b>	<b>\$3,840.3</b>	<b>\$355.8</b>	<b>\$420.4</b>

Right to use buildings increased by \$2.4 million in governmental activities for a renegotiated lease of space for Hermitage Enterprises, a day support and workshop program of Henrico Area Mental Health and Developmental Services. The value of equipment right to use assets was impacted by the amortization of older copier equipment above the County’s capitalization threshold being amortized off from the County’s net position.

	Governmental Activities		Business-type Activities		Total		Component Units	
	2024	2025	2024	2025	2024	2025	2024	2025
<b>Right to Use Lease Assets:</b>								
Equipment	\$0.6	\$0.3	\$ -	\$ -	\$0.6	\$0.3	\$ -	\$ -
Building	13.0	15.4	-	-	13.0	15.4	10.4	10.1
Other	1.9	2.6	-	-	1.9	2.6	19.0	19.0
Accumulated Amortization	(6.7)	(7.2)	-	-	(6.7)	(7.2)	(15.1)	(21.1)
<b>Total Net of Amortization</b>	<b>\$8.8</b>	<b>\$11.1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$8.8</b>	<b>\$11.1</b>	<b>\$14.3</b>	<b>\$8.0</b>

	Governmental Activities		Business-type Activities		Total		Component Units	
	2024	2025	2024	2025	2024	2025	2024	2025
<b>Right to Use Subscription Assets:</b>								
Subscription Assets	\$27.4	\$51.6	\$ -	\$ -	\$27.4	\$51.6	\$23.6	\$33.7
Accumulated Amortization	(7.6)	(13.7)	-	-	(7.6)	(13.7)	(7.6)	(12.2)
<b>Total Net of Amortization</b>	<b>\$19.8</b>	<b>\$38.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$19.8</b>	<b>\$38.0</b>	<b>\$16.0</b>	<b>\$21.4</b>

At the end of fiscal year 2025, the County's governmental activities (including Internal Service Funds) had net capital assets totaling \$2,159.6 million, which represents a net increase of \$104.6 million or 5.1% over the previous fiscal year-end balance. Infrastructure assets include roads, bridges, and water and wastewater systems. Significant projects under construction in FY2025 included numerous utility infill and infrastructure funded through the American Rescue Plan Act. These projects, accounted for in governmental activities until completion, were required to be obligated by the end of calendar 2024 and finished by the end of calendar 2026. Capital projects for pedestrian safety, including intersection improvements, signalization, and sidewalks were a priority during the fiscal year. Finally, bond funds supported the first of a five year plan to address stormwater drainage issues county-wide.

The business-type net activities capital assets grew by \$75.4 million to \$1,680.7 million, an increase of 4.7% over the previous fiscal year. The County's business-type activities are made up of the County's water and sewer fund. In addition to the finalization of the Virgil R. Hazelett Reservoir mentioned previously, construction in progress included a SCADA project at the Water Treatment Facility, a clarifier rehabilitation and nutrient upgrade at the Water Reclamation Facility, and area-wide sewer rehabilitations at Strawberry Hill and Lakeside, among other smaller capital projects.

The Component Units' capital assets increased by \$64.2 million to \$415.7 million, an increase of 18.2% from the previous fiscal year. Schools accounted for the major portion of the net increase, with multiple HVAC and smaller renovation projects underway and completed in FY2025. More detailed information about the County's capital and intangible assets is presented in Note 6 of the notes to financial statements.

## **LONG-TERM DEBT**

At the end of fiscal year 2024, the County had \$548.6 million in outstanding General Obligation Bonds, an decrease of \$54.6 million from the previous fiscal year. More detailed information about the County's long-term liabilities is presented in Note 7 of the notes to financial statements.

Henrico County did not issue bonds during FY2025, having just issued two series at the end of FY2024. On March 26, 2024, the County issued General Obligation Public Improvement Bonds, Series 2024A, in the aggregate principal amount of \$121.4 million. The proceeds of the Bonds will be used to finance capital school improvement projects, fire stations and facilities, and recreation and parks facilities in the County pursuant to a successful referendum on November 8, 2022. The Bonds mature on August 1<sup>st</sup> in each of the years 2024 through 2043. The interest rates range from 4 percent to 5 percent.

On April 23, 2024, the Economic Development Authority issued Lease Revenue Bonds, Series, 2024B, in the aggregate principal amount of \$41.2 million. The proceeds of the bonds were used to acquire land and construct public safety facilities. The bonds mature on August 1<sup>st</sup> in each of the years 2024 through 2043. The interest rates range from 4 percent to 5 percent.

The County issued general obligation and lease revenue bonds in the aggregate principal amount of \$88 million and \$45 million, respectively, during the first quarter of FY2026. Full details on these obligations can be found in note 25 of the notes to financial statements.

General obligation bonds are backed by the full faith and credit of the County and are issued primarily for construction in progress for various purposes. The County has no sinking fund or legal debt margin requirements. All general obligation bonds were authorized by voter referendum.

## **OTHER INFORMATION**

The County participates in two defined benefit pension and four OPEB plans, including the following:

Single-employer plans:

- Healthcare (see Note 11 to the financial statements)
- Line of Duty (see Note 12 to the financial statements)

Multiple-employer plans through the Virginia Retirement System (VRS):

- VRS Retirement Plan (see Note 9 to the financial statements)
- Teacher Retirement Plan (see Note 10 to the financial statements)
- Group Life Insurance (see Note 13 to the financial statements)
- Teacher Health Insurance Credit Plan (see Note 14 to the financial statements)

The County participates in the Virginia Pooled OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund the healthcare single-employer plan. The County presents a Statement of Fiduciary Net Position (Exhibit 8) and Statement of Changes in Fiduciary Net Position (Exhibit 9) for its proportionate share of the Virginia Pooled OPEB Trust Fund. The Line of Duty plan is funded on a pay-as-you-go basis and therefore the plan has no fiduciary net position.

Funds of the Primary Government are invested in accordance with the County's Investment Guidelines which were created by the Director of Finance to ensure the effective management of the day-to-day investment activity of the County. The objective of these guidelines is to obtain the highest possible yield on available financial resources, within the constraints imposed by safety objectives, cash flow considerations, and the Virginia Investment of Public Funds Act that establishes allowable investments of public funds.

At June 30, 2025, the County's investment portfolio totaled \$1,242.3 million, an increase of \$25.6 million, or 2.1%. Henrico's investments were impacted by the easing of interest rates by the federal reserve during calendar 2024 and 2025. In the primary investment portfolio, Henrico maintains a short weighted average days to maturity of approximately 320 to 350 days. The County portfolio contains United States Treasury and Agency obligations, high quality municipal bonds, prime commercial paper and Commonwealth of Virginia Local Government Investment Pool shares. This strategy enables the County to avoid credit risk while maximizing returns. More detailed information about the County's investments is presented in Note 2 of the notes to the financial statements.

## **CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS**

### **COUNTY INITIATIVES**

Henrico County remains a high performing organization that capitalizes on opportunities while leveraging existing assets to mitigate potential threats. The County's investments in sports tourism over the past four years have boosted the local economy by hosting numerous sports tournaments and events. The Henrico Sports and Event Center, the recently expanded NOVA Aquatics Center at Regency, the acquisition and planned renovation of The Crossings Golf Club, and the upcoming baseball complex at Glover Park are the primary examples of the recent and ongoing investments in sports facilities that will welcome visitors from across the country, if not the world.

Henrico's tourism industry depends on a reliable workforce that ideally live and work in Henrico County. Like other desirable locations across the country, County leaders recognized that the lack of affordable housing impacted Henrico workers. In 2024, Henrico announced the creation of the Henrico Affordable Housing Trust Fund, a \$60 million commitment over five years to work with the development community to subsidize the supply of affordable single family homes. In this program, administered by local non-profit Partnership for Housing Affordability, new single family developments apply to the program for grants to support perpetually affordable housing units within the new community. The Affordable Housing Trust is committed to integrating high-quality affordable homes for moderate income families throughout Henrico County.

A water crisis in January 2025 brought the County's lack of water redundancy to light. For several decades, Henrico has purchased treated water under a contract with the City of Richmond for direct distribution to portions of the County. A winter storm caused electrical outages at the water treatment plant serving parts of the City and Henrico County, and resulting equipment failures led to a water stoppage impacting thousands of County residents for four days. As a result, Henrico has developed plans for a 13-mile transmission pipeline to provide a redundant water source to the central and eastern parts of Henrico County. This \$300 million project will be designed and constructed in the next five years to eliminate this vulnerability for Henrico residents.

### **ECONOMIC FACTORS**

Henrico's strong financial management, healthy employment diversity, location in central Virginia, and experienced leadership have all contributed to the recent AAA general obligation bond ratings from four bond rating agencies, making Henrico County the third county in the nation to receive a quadruple AAA in the third quarter of calendar 2025. In addition to supporting exemplary bond ratings, these factors also help insulate Henrico from the negative impacts of economic downturns in the state and national economy.

In October 2025, Henrico again received national recognition by receiving AAA ratings from all four bond rating agencies on its water and sewer utility bonds. Henrico was the first public utility in the country to receive AAA ratings from all four bond rating agencies, therefore Henrico was the first county in the nation to have quadruple AAA ratings on general obligation and public utilities debt.

With much economic uncertainty at the national level, and the resultant federal job and investment impacts on the Commonwealth of Virginia, County leaders continually monitor and plan for upcoming economic impacts. This state of preparedness includes the maintenance of a robust fund balance, the commitment to funding a significant amount of capital projects out of current resources, and the conservative estimates of

budgeted revenue. As part of the FY2026 budget process, the County Manager appointed a Fiscal Wellness Committee, tasked with a grass-roots effort to find and capitalize on opportunities for efficiency and cost savings county-wide. The Fiscal Wellness Committee started work in September 2025 and their efforts are ongoing.

As of the date of this report, state and federal economic indicators remain relatively steady, although they are showing signs of weakness on a year-over-year comparison. According to the Virginia Department of Workforce Development and Advancement, Henrico had a net decrease of 3,317 jobs during the fiscal year, resulting in total employment of 180,833. The County's unemployment rate, which was reported at 3.7 percent as of June 30, 2025, was slightly lower than the State's unemployment rate of 3.8 percent, and was below the federal rate of 4.1 percent. As of 2023 (the latest data available from the U.S. Bureau of Economic Analysis), the County's per capita income of \$77,783 registered higher than both the national average of \$69,810, and the Commonwealth of Virginia average of \$73,841.

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

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. Any individual with comments or questions concerning this report is encouraged to contact the County's Department of Finance at (804) 501-5200 or [finance.info@henrico.gov](mailto:finance.info@henrico.gov). This report may also be found online at the County's official website [www.henrico.gov/finance/Public-data/](http://www.henrico.gov/finance/Public-data/).

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

**Exhibit 1**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Current assets:				
Cash, cash equivalents, and temporary investments	\$ 1,026,701,440	\$ 178,127,546	\$ 1,204,828,986	\$ 175,234,483
Receivables, net	284,059,474	34,104,886	318,164,360	632,912
Due from other governments	56,876,667	-	56,876,667	32,589,165
Internal balances	(505,350)	505,350	-	-
Due from component unit	6,604,029	-	6,604,029	-
Inventories	834,269	2,551,056	3,385,325	38,167
Restricted cash and cash equivalents	-	60,719,722	60,719,722	31,713
<b>Total current assets</b>	<u>1,374,570,529</u>	<u>276,008,560</u>	<u>1,650,579,089</u>	<u>208,526,440</u>
Noncurrent assets:				
Other assets	16,313,803	3,249,891	19,563,694	1,173,551
Net OPEB asset	240,983	8,396	249,379	298,598
Capital and intangible assets:				
Right to use assets, net	49,136,078	-	49,136,078	29,475,827
Land and construction in progress	737,819,455	187,537,635	925,357,090	168,572,230
Other capital assets, net	1,421,781,758	1,493,149,627	2,914,931,385	251,803,253
Capital and intangible assets, net	<u>2,208,737,291</u>	<u>1,680,687,262</u>	<u>3,889,424,553</u>	<u>449,851,310</u>
<b>Total non-current assets</b>	<u>2,225,292,077</u>	<u>1,683,945,549</u>	<u>3,909,237,626</u>	<u>451,323,459</u>
<b>Total Assets</b>	<u>3,599,862,606</u>	<u>1,959,954,109</u>	<u>5,559,816,715</u>	<u>659,849,899</u>
<b>Deferred Outflows of Resources:</b>				
Contributions after measurement date	55,315,302	3,476,856	58,792,158	72,872,480
Change in proportionate share allocation	1,351,601	23,303	1,374,904	12,409,254
Change of assumptions	686,597	4,520	691,117	6,422,734
Difference between actual and expected experience	58,257,034	3,014,362	61,271,396	77,561,525
Deferred loss on debt refunding, net	-	24,902,201	24,902,201	-
<b>Total Deferred Outflows of Resources</b>	<u>115,610,534</u>	<u>31,421,242</u>	<u>147,031,776</u>	<u>169,265,993</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>3,715,473,140</u>	<u>1,991,375,351</u>	<u>5,706,848,491</u>	<u>829,115,892</u>
Current liabilities:				
Accounts payable	45,678,973	28,922,846	74,601,819	6,217,384
Deposits payable	-	1,013,720	1,013,720	-
Accrued liabilities	79,428,363	3,000,611	82,428,974	37,006,509
Amounts held for others	17,552,822	-	17,552,822	83,866
Unearned revenues	35,062,914	9,079,201	44,142,115	27,504,786
Due to Primary Government	-	-	-	6,604,029
Long-term liabilities due within one year	125,888,499	22,205,011	148,093,510	25,235,399
<b>Total current liabilities</b>	<u>303,611,571</u>	<u>64,221,389</u>	<u>367,832,960</u>	<u>102,651,973</u>
Noncurrent liabilities:				
Net pension liability	215,835,388	14,620,822	230,456,210	352,915,325
Net OPEB liability	38,417,444	906,394	39,323,838	57,481,389
Long-term liabilities due in more than one year	687,707,473	387,347,652	1,075,055,125	40,121,638
<b>Total non-current liabilities</b>	<u>941,960,305</u>	<u>402,874,868</u>	<u>1,344,835,173</u>	<u>450,518,352</u>
<b>Total Liabilities</b>	<u>1,245,571,876</u>	<u>467,096,257</u>	<u>1,712,668,133</u>	<u>553,170,325</u>
<b>Deferred Inflows of Resources:</b>				
Change in proportionate share allocation	449,422	1,024,007	1,473,429	5,421,435
Difference between actual and expected experience	10,088,330	1,097,276	11,185,606	17,092,977
Difference between projected and actual earnings	40,044,633	2,203,981	42,248,614	50,120,533
Change of assumptions	15,700,645	408,607	16,109,252	12,275,966
Other - leases	10,769,626	8,564	10,778,190	333,892
Deferred tax revenues	289,389,727	-	289,389,727	-
<b>Total Deferred Inflows of Resources</b>	<u>366,442,383</u>	<u>4,742,435</u>	<u>371,184,818</u>	<u>85,244,803</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>1,612,014,259</u>	<u>471,838,692</u>	<u>2,083,852,951</u>	<u>638,415,128</u>
<b>Net Position:</b>				
Net investment in capital assets	1,644,670,042	1,288,098,787	2,932,768,829	419,287,800
Restricted for:				
Debt service	-	29,663,629	29,663,629	-
Grants	42,174,416	-	42,174,416	14,952,357
Unrestricted net position (deficit)	416,614,423	201,774,243	618,388,666	(243,539,393)
<b>Total Net Position</b>	<u>\$ 2,103,458,881</u>	<u>\$ 1,519,536,659</u>	<u>\$ 3,622,995,540</u>	<u>\$ 190,700,764</u>

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

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
Governmental Activities:			
General government	\$ 205,445,139	\$ 26,928,027	\$ 1,190,651
Judicial administration	19,234,725	459,885	6,706,323
Public safety	303,878,804	3,048,053	38,049,829
Public works	127,329,578	16,336,114	89,348,001
Health and welfare	101,662,193	15,603,625	52,766,222
Education	373,877,509	-	-
Parks, recreation and culture	62,637,678	865,101	333,410
Community development	58,854,175	13,591,802	9,003,242
Interest on long-term debt	18,267,241	-	-
Total Governmental Activities	<u>1,271,187,042</u>	<u>76,832,607</u>	<u>197,397,678</u>
<b>Business-type activities:</b>			
Water and Sewer	146,232,331	161,827,321	-
Total Business-type Activities	<u>146,232,331</u>	<u>161,827,321</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 1,417,419,373</u>	<u>\$ 238,659,928</u>	<u>\$ 197,397,678</u>
<b>Component Units:</b>			
School Board	\$ 810,089,743	\$ 3,771,685	\$ 538,597,312
James River Juvenile Detention Commission	7,264,182	1,544,318	2,147,353
<b>Total Component Units</b>	<u>\$ 817,353,925</u>	<u>\$ 5,316,003</u>	<u>\$ 540,744,665</u>

**General Revenues:**

Taxes:

Property

Local sales and use

Business licenses

Transient occupancy

Bank franchise

Other

Interest and investment earnings

Grants and contributions not restricted to specific programs

Recovered costs

Miscellaneous

Payment from Primary Government

Total general revenues

Change in net position

**Total Net Position at July 1, 2024, as previously reported**

Change in accounting principle, GASB 101 restatement

**Total Net Position at July 1, 2024, as restated**

**Total Net Position at June 30, 2025**

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

Exhibit 2

Net (Expenses) Revenues and Changes in Net Position				
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
\$ -	\$ (177,326,461)	\$ -	\$ (177,326,461)	\$ -
-	(12,068,517)	-	(12,068,517)	-
-	(262,780,922)	-	(262,780,922)	-
-	(21,645,463)	-	(21,645,463)	-
-	(33,292,346)	-	(33,292,346)	-
-	(373,877,509)	-	(373,877,509)	-
-	(61,439,167)	-	(61,439,167)	-
-	(36,259,131)	-	(36,259,131)	-
-	(18,267,241)	-	(18,267,241)	-
-	(996,956,757)	-	(996,956,757)	-
21,460,885	-	37,055,875	37,055,875	-
21,460,885	-	37,055,875	37,055,875	-
\$ 21,460,885	\$ (996,956,757)	\$ 37,055,875	\$ (959,900,882)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ (267,720,746)
-	-	-	-	(3,572,511)
\$ -	\$ -	\$ -	\$ -	\$ (271,293,257)
	\$ 690,891,445	\$ -	\$ 690,891,445	\$ -
	96,437,981	-	96,437,981	-
	50,649,015	-	50,649,015	-
	18,110,959	-	18,110,959	-
	6,238,425	-	6,238,425	-
	71,949,075	-	71,949,075	-
	43,801,542	5,428,261	49,229,803	339,767
	127,150,457	30,765,261	157,915,718	-
	2,163,444	-	2,163,444	248,571
	352,106	732,763	1,084,869	15,195,477
	-	-	-	351,022,153
	1,107,744,449	36,926,285	1,144,670,734	366,805,968
	110,787,692	73,982,160	184,769,852	95,512,711
	2,004,809,465	1,446,655,437	3,451,464,902	115,125,568
	(12,138,276)	(1,100,938)	(13,239,214)	(19,937,515)
	1,992,671,189	1,445,554,499	3,438,225,688	95,188,053
\$ 2,103,458,881	\$ 1,519,536,659	\$ 3,622,995,540	\$ 190,700,764	

**HENRICO COUNTY, VIRGINIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

**Exhibit 3**

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>Assets:</b>					
Cash and temporary investments	\$ 516,740,780	\$ 79,992,614	\$ 2,146,244	\$ 383,887,646	\$ 982,767,284
Receivables, net	278,332,690	5,188,638	-	-	283,521,328
Due from other governmental units	35,291,548	4,670,890	-	16,914,229	56,876,667
Due from component unit	822,912	-	-	-	822,912
Other assets	9,011,258	2,381,501	-	-	11,392,759
<b>Total assets</b>	<u>\$ 840,199,188</u>	<u>\$ 92,233,643</u>	<u>\$ 2,146,244</u>	<u>\$ 400,801,875</u>	<u>\$ 1,335,380,950</u>
<b>Liabilities:</b>					
Accounts payable	\$ 27,624,505	\$ 1,218,189	\$ -	\$ 15,978,822	\$ 44,821,516
Accrued liabilities	26,006,806	13,736,086	-	20,044,868	59,787,760
Amounts held for others	17,552,822	-	-	-	17,552,822
Unearned revenues	32,256	3,501,143	-	31,529,515	35,062,914
Due to other funds	1,701,031	392,643	-	641,266	2,734,940
<b>Total liabilities</b>	<u>\$ 72,917,420</u>	<u>\$ 18,848,061</u>	<u>\$ -</u>	<u>\$ 68,194,471</u>	<u>\$ 159,959,952</u>
<b>Deferred Inflows of Resources:</b>					
Other - leases	8,429,099	2,340,527	-	-	10,769,626
Unavailable revenues	296,487,845	1,631,644	-	-	298,119,489
<b>Total deferred inflows of resources</b>	<u>304,916,944</u>	<u>3,972,171</u>	<u>-</u>	<u>-</u>	<u>308,889,115</u>
<b>Fund Balances:</b>					
Restricted	9,914,660	42,174,416	-	-	52,089,076
Committed	63,148,000	-	-	332,607,404	395,755,404
Assigned	191,396,668	27,238,995	2,146,244	-	220,781,907
Unassigned	197,905,496	-	-	-	197,905,496
<b>Total fund balances</b>	<u>462,364,824</u>	<u>69,413,411</u>	<u>2,146,244</u>	<u>332,607,404</u>	<u>866,531,883</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 840,199,188</u>	<u>\$ 92,233,643</u>	<u>\$ 2,146,244</u>	<u>\$ 400,801,875</u>	
<b>Adjustments for the Statement of Net Position:</b>					
Capital assets used in government activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. (Note 6)					\$ 2,145,263,257
Right to use assets used in government activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. (Note 6)					49,133,320
OPEB asset is not recognized in the current period and is not reported as an asset in the governmental funds.					239,076
Unearned revenues that have not been recognized as revenue in the current period and, therefore, are reported as liabilities in the governmental funds. (Note 3)					8,729,762
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. (Note 7)					(802,037,328)
Net pension liability is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.					(212,659,037)
Accrued interest on bonds payable, is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds.					(10,354,463)
Deferred outflows and inflows of resources are not recorded as deferred outflows and inflows of resources in the governmental funds.					48,868,573
Net OPEB liability is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.					(39,504,479)
Internal service funds are used to charge the costs of equipment maintenance and, therefore, the assets and liabilities are included in the government activities in the Statement of Net Position.					44,327,272
Internal service funds, net profit allocation to business-type activities and component units is included in the Statement of Net Position as accounts receivable, but is not included in the governmental funds.					4,921,045
<b>Total Net Position of Governmental Activities</b>					<u>\$ 2,103,458,881</u>

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

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Exhibit 4**

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>Revenues:</b>					
General property taxes	\$ 690,783,680	\$ -	\$ -	\$ -	\$ 690,783,680
Other local taxes	237,303,319	-	-	-	237,303,319
Licenses and permits	19,000,734	-	-	-	19,000,734
Fines and forfeitures	1,612,368	-	-	-	1,612,368
Revenue from use of money and property	43,193,102	146,294	-	-	43,339,396
Charges for services	3,155,911	37,523,136	-	-	40,679,047
Miscellaneous	12,058,541	3,457,973	-	352,106	15,868,620
Recovered costs	7,927,989	1,217,392	-	-	9,145,381
Intergovernmental	158,506,090	64,250,421	-	81,616,781	304,373,292
<b>Total Revenues</b>	<u>1,173,541,734</u>	<u>106,595,216</u>	<u>-</u>	<u>81,968,887</u>	<u>1,362,105,837</u>
<b>Expenditures:</b>					
Current operating:					
General government	93,511,677	4,882,702	-	-	98,394,379
Judicial administration	17,097,639	1,915,882	-	-	19,013,521
Public safety	295,877,498	7,249,852	-	-	303,127,350
Public works	74,021,141	25,542,211	-	-	99,563,352
Health and social services	3,096,073	97,670,491	-	-	100,766,564
Parks, recreation, and culture	51,624,442	3,351,351	-	-	54,975,793
Community development	37,908,522	18,196,025	-	-	56,104,547
Education	346,988,418	-	-	-	346,988,418
Miscellaneous	39,264,072	109,413	18,619	502,396	39,894,500
Debt service:					
Principal	11,118,834	1,442,563	62,385,000	-	74,946,397
Interest and other charges	482,540	22,213	25,316,305	-	25,821,058
Capital outlay	28,503,871	2,862,255	-	202,410,113	233,776,239
<b>Total Expenditures</b>	<u>999,494,727</u>	<u>163,244,958</u>	<u>87,719,924</u>	<u>202,912,509</u>	<u>1,453,372,118</u>
Excess (deficiency) of revenues over (under) expenditures	<u>174,047,007</u>	<u>(56,649,742)</u>	<u>(87,719,924)</u>	<u>(120,943,622)</u>	<u>(91,266,281)</u>
<b>OTHER FINANCING (USES) SOURCES:</b>					
Transfers in	1,817,834	55,728,931	86,988,636	49,542,051	194,077,452
Transfers out	(192,259,618)	(1,817,834)	-	-	(194,077,452)
Leases issued	28,503,871	2,862,255	-	-	31,366,126
Total other financing (uses) sources, net	<u>(161,937,913)</u>	<u>56,773,352</u>	<u>86,988,636</u>	<u>49,542,051</u>	<u>31,366,126</u>
Net change in fund balance	12,109,094	123,610	(731,288)	(71,401,571)	(59,900,155)
<b>Total Fund Balances - July 1, 2024</b>	<u>450,255,730</u>	<u>69,289,801</u>	<u>2,877,532</u>	<u>404,008,975</u>	<u>926,432,038</u>
<b>Total Fund Balances - June 30, 2025</b>	<u>\$ 462,364,824</u>	<u>\$ 69,413,411</u>	<u>\$ 2,146,244</u>	<u>332,607,404</u>	<u>\$ 866,531,883</u>

**Adjustments for the Statement of Activities:**

Net change in fund balances - total governmental funds	\$ (59,900,155)
Repayment of bond principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	74,946,397
Revenues not in governmental funds that do provide current financial resources are reported as revenues in the Statement of Activities. (Note 3)	107,765
Governmental funds report capital outlays as expenditures while governmental activities capitalize those outlays to allocate those expenditures over the asset life.	209,017,069
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.	(2,918,706)
Depreciation expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds. (Note 6)	(73,590,791)
Amortization expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(10,551,349)
Interest expense on bonds payable, is not due and payable in the current period and, therefore, is not reported as expenditures in the governmental funds. (Note 7)	7,553,817
Debt proceeds are recorded as a source in governmental funds, but are not reported as revenue in the Statement of Activities.	(31,366,126)
Pension/OPEB activity is recorded as a expense in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	515,070
Internal service funds charge the costs of maintenance and healthcare services to governmental funds and are a reduction of expenses in the Statement of Activities.	(5,222,681)
Internal service funds' revenues and expenses not recorded in the governmental funds.	<u>2,197,382</u>
Change in Net Position of Governmental Activities	<u>\$ 110,787,692</u>

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

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2025**

Exhibit 5

	<b>Enterprise Fund Water and Sewer Revenue</b>	<b>Internal Service Funds</b>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 178,127,546	\$ 43,934,156
Receivables, net	34,104,886	538,146
Due from other funds	641,266	2,262,736
Due from component unit	-	5,781,117
Inventories	2,551,056	834,269
Restricted cash and cash equivalents	60,719,722	-
Total current assets	276,144,476	53,350,424
Noncurrent assets:		
Other assets	3,249,891	-
Net OPEB asset	8,396	-
Capital and intangible assets:		
Right to use assets, net	-	2,758
Land and construction in progress	187,537,635	-
Other capital assets, net	1,493,149,627	14,337,956
Capital assets, net	1,680,687,262	14,340,714
Total non-current assets	1,683,945,549	14,340,714
<b>Total assets</b>	1,960,090,025	67,691,138
<b>Deferred Outflows of Resources:</b>		
Contributions after measurement date	3,476,856	653,557
Change in proportionate share allocation	23,303	16,245
Change of assumptions	4,520	955
Difference between actual and expected experience	3,014,362	670,913
Deferred loss on debt refunding, net	24,902,201	-
Total deferred outflows of resources	31,421,242	1,341,670
<b>Total assets and deferred outflows of resources</b>	1,991,511,267	69,032,808
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	28,922,846	857,457
Deposits payable	1,013,720	-
Due to other funds	135,916	33,146
Accrued liabilities	3,000,611	19,048,140
Unearned revenues	9,079,201	-
Long-term liabilities due within one year	22,205,011	42,762
Total current liabilities	64,357,305	19,981,505
Noncurrent liabilities:		
Net pension liability	14,620,822	3,176,351
Net OPEB liability	906,394	180,766
Long-term liabilities due in more than one year	387,347,652	484,174
Total non-current liabilities	402,874,868	3,841,291
<b>Total liabilities</b>	467,232,173	23,822,796
<b>Deferred Inflows of Resources:</b>		
Change in proportionate share allocation	1,024,007	157,371
Difference between actual and expected experience	1,097,276	150,160
Difference between projected and actual earnings	2,203,981	488,715
Change of assumptions	408,607	86,494
Other - leases	8,564	-
Total deferred inflows of resources	4,742,435	882,740
<b>Total liabilities and deferred inflows of resources</b>	471,974,608	24,705,536
<b>Net Position:</b>		
Net investment in capital assets	1,288,098,787	14,340,714
Restricted for debt service	29,663,629	-
Unrestricted net position	201,774,243	29,986,558
<b>Total net position</b>	\$ 1,519,536,659	\$ 44,327,272

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

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Exhibit 6**

	<b>Business-type Activities Enterprise Fund Water and Sewer Revenue</b>	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>		
Charges for services:		
Water system	\$ 81,528,701	\$ -
Sewer system	80,298,620	-
Interdepartmental charges	-	24,855,465
Contributions	-	165,933,487
Other	732,763	5,891,127
<b>Total operating revenues</b>	<b>162,560,084</b>	<b>196,680,079</b>
<b>Operating Expenses:</b>		
Purchased services	15,880,800	-
Utility charges	7,450,202	190,620
Personnel services and benefits	26,941,427	176,275,477
Professional services	18,007,885	162,881
Materials and supplies	13,066,336	15,600,291
Maintenance and repairs	6,320,251	4,622,201
Other expenses	8,517,040	2,402,501
Depreciation and amortization	39,530,636	2,648,789
<b>Total operating expenses</b>	<b>135,714,577</b>	<b>201,902,760</b>
Operating income (loss)	26,845,507	(5,222,681)
<b>Nonoperating Revenues (Expenses):</b>		
Investment income	5,428,261	2,097,584
Connection fees	22,941,089	-
Contributions	7,824,172	-
Interest expense	(10,927,471)	-
Gain on sale of equipment	-	99,798
Other	409,717	-
<b>Total nonoperating revenues, net</b>	<b>25,675,768</b>	<b>2,197,382</b>
Income before capital contributions	52,521,275	(3,025,299)
Capital contributions - donated assets	21,460,885	-
Change in net position	73,982,160	(3,025,299)
<b>Total net position - July 1, 2024, as previously reported</b>	<b>1,446,655,437</b>	<b>47,352,571</b>
Change in accounting principle, GASB 101 restatement	(1,100,938)	
<b>Total Net Position at July 1, 2024, as restated</b>	<b>1,445,554,499</b>	<b>47,352,571</b>
<b>Total net position - June 30, 2025</b>	<b>\$ 1,519,536,659</b>	<b>\$ 44,327,272</b>

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

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Exhibit 7

	<b>Business-type Activities Enterprise Fund Water and Sewer Revenue</b>	<b>Internal Service Funds</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers	\$ 161,565,268	\$ 192,524,561
Payments to suppliers	(72,143,399)	(193,826,859)
Payments to employees	(22,402,903)	(4,681,487)
Net cash provided by (used in) operating activities	<u>67,018,966</u>	<u>(5,983,785)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchase of capital assets	(92,305,626)	(2,405,764)
Proceeds from sale of capital assets	142,264	99,798
Connection fees paid by contractors	20,631,431	-
Contributions	8,144,805	-
Grants	1,088,881	-
Virginia Nutrient Removal Credits	550,970	-
Interest paid on bonds	(11,055,259)	-
Principal paid on debt	(18,610,000)	-
Net cash (used in) provided by capital and related financing activities	<u>(91,412,534)</u>	<u>(2,305,966)</u>
<b>Cash Flows From Investing Activities:</b>		
Investment income received	<u>5,428,261</u>	<u>2,097,584</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(18,965,307)</u>	<u>(6,192,167)</u>
<b>Total Cash and Cash Equivalents - July 1, 2024</b>	<u>257,812,575</u>	<u>50,126,323</u>
<b>Total Cash and Cash Equivalents - June 30, 2025</b>	<u>\$ 238,847,268</u>	<u>\$ 43,934,156</u>
<b>Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:</b>		
Operating income (loss)	\$ 26,845,507	\$ (5,222,681)
net cash provided by operating activities:		
Depreciation	39,530,636	2,648,789
(Decrease) increase in accounts and notes receivable	(340,325)	2,002,469
(Decrease) increase in inventories	(1,117,677)	22,261
Increase in due from other funds	-	(400,188)
Decrease in due from component unit	-	(5,757,799)
Increase in deferred outflows of resources	(859,911)	(135,079)
Increase in accounts payable	2,288,386	219,495
Increase in accrued liabilities	258,717	154,342
Increase in accrued compensated absences	273,821	218,380
Increase in due to other fund	-	4,045
Increase in net pension liability	242,215	54,200
Increase in net OPEB liability	21,030	5,101
Increase in deferred inflows of resources	531,458	202,880
Decrease in unearned revenues	(654,891)	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 67,018,966</u>	<u>\$ (5,983,785)</u>
<b>Reconciliation to Cash and Cash Equivalents on the Statement of Net Position:</b>		
Cash and cash equivalents	\$ 178,127,546	\$ 43,934,156
Restricted cash and cash equivalents	<u>60,719,722</u>	<u>-</u>
<b>Total Cash and Cash Equivalents - June 30, 2025</b>	<u>\$ 238,847,268</u>	<u>\$ 43,934,156</u>

**Supplemental disclosure of noncash investing and financing activities:**

The Water and Sewer Fund received donated assets in the form of infrastructure provided by developers of new subdivision throughout the County. The value of the assets received during the year was \$21,460,885.

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

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF FIDUCIARY  
NET POSITION  
JUNE 30, 2025**

Exhibit 8

	<b>Healthcare OPEB Trust</b>	<b>Custodial Funds</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ -	\$ 2,096,900
Investments:		
Pooled funds	114,839,632	-
Total investments	114,839,632	-
Accounts receivable	-	84
Prepaid	-	459
Right to use asset, net	-	16,769
<b>Total Assets</b>	114,839,632	2,114,212
<b>Current liabilities:</b>		
Accounts payable	-	372,421
Unearned revenues	-	751,406
<b>Total Current liabilities</b>	-	1,123,827
<b>Noncurrent liabilities:</b>		
Long-term liabilities	-	16,769
<b>Total Liabilities</b>	-	1,140,596
<b>Fiduciary Net Position:</b>		
Funds restricted for postemployment benefits other than pensions	114,839,632	-
Funds restricted for others	-	973,616
	\$ 114,839,632	\$ 973,616

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

**HENRICO COUNTY, VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Exhibit 9

	<b>Healthcare OPEB Trust</b>	<b>Custodial Funds</b>
<b>Additions:</b>		
Contributions		
Employer	\$ -	\$ -
Members	-	1,944,502
Total contributions	-	1,944,502
Tuition income	-	3,880,313
State and federal grants	-	814,219
Pass-through funds	-	349,216
Investment income	9,316,153	19
Less investment expenses	(48,905)	-
Net, investment income	9,267,248	19
Total additions, net	9,267,248	6,988,269
<b>Deductions:</b>		
Benefit payments/refunds	-	2,086,300
Operations expenses	-	7,112,341
Total deductions	-	9,198,641
Net increase in fiduciary net position	9,267,248	(2,210,372)
<b>Fiduciary net position restricted for postemployment benefits other than pensions and other beneficiaries:</b>		
Total Fiduciary Net Position at July 1, 2024	105,572,384	3,183,988
Total Fiduciary Net Position at June 30, 2025	\$ 114,839,632	\$ 973,616

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

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2025**

**Exhibit 10**

	<b>School Board</b>	<b>James River Juvenile Detention Commission</b>	<b>Total</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 169,799,243	\$ 5,435,240	\$ 175,234,483
Restricted cash	-	31,713	31,713
Due from other governmental units	32,553,389	35,776	32,589,165
Inventories	35,865	2,302	38,167
Receivables net	305,204	327,708	632,912
Other assets	1,173,551	-	1,173,551
Total current assets	203,867,252	5,832,739	209,699,991
<b>Noncurrent assets:</b>			
Net OPEB asset	297,124	1,474	298,598
<b>Capital and intangible assets:</b>			
Right to use assets, net	29,475,276	551	29,475,827
Land and construction in progress	168,542,230	30,000	168,572,230
Other capital assets, net	247,115,016	4,688,237	251,803,253
Capital and intangible assets, net	445,132,522	4,718,788	449,851,310
Total non-current assets	445,429,646	4,720,262	450,149,908
<b>Total assets</b>	649,296,898	10,553,001	659,849,899
<b>Deferred Outflows of Resources:</b>			
Change in proportionate share allocation	12,404,050	5,204	12,409,254
Contributions after measurement date	72,184,920	687,560	72,872,480
Change in assumptions	6,421,722	1,012	6,422,734
Difference between expected and actual experience	76,887,488	674,037	77,561,525
<b>Total deferred outflows of resources</b>	167,898,180	1,367,813	169,265,993
<b>Total Assets and Deferred Outflows of Resources</b>	817,195,078	11,920,814	829,115,892
<b>Liabilities:</b>			
Accounts payable	6,151,843	65,541	6,217,384
Accrued liabilities	36,733,360	273,149	37,006,509
Amount held for others	83,866	-	83,866
Unearned revenues	27,502,484	2,302	27,504,786
Due to other funds	-	29,522	29,522
Due to Primary Government	5,751,595	822,912	6,574,507
Long-term liabilities due within one year	24,817,563	417,836	25,235,399
Total current liabilities	101,040,711	1,611,262	102,651,973
<b>Noncurrent liabilities:</b>			
Net pension liability	349,808,383	3,106,942	352,915,325
Net OPEB liability	57,292,983	188,406	57,481,389
Long-term liabilities due in more than one year	40,118,359	3,279	40,121,638
Total non-current liabilities	447,219,725	3,298,627	450,518,352
<b>Total liabilities</b>	548,260,436	4,909,889	553,170,325
<b>Deferred Inflows of Resources:</b>			
Change in proportionate share allocation	5,190,300	231,135	5,421,435
Difference between expected and actual experience	16,813,317	279,660	17,092,977
Difference between projected and actual pension earnings	49,600,338	520,195	50,120,533
Change in assumptions	12,187,952	88,014	12,275,966
Other - leases	333,892	-	333,892
<b>Total deferred inflows of resources</b>	84,125,799	1,119,004	85,244,803
<b>Total Liabilities and Deferred Inflows of Resources</b>	632,386,235	6,028,893	638,415,128
<b>Net Position (deficit):</b>			
Net investment in capital assets	414,569,012	4,718,788	419,287,800
Restricted grants	14,869,280	83,077	14,952,357
Unrestricted (deficit)	(244,629,449)	1,090,056	(243,539,393)
<b>Total Net Position (Deficit)</b>	\$ 184,808,843	\$ 5,891,921	\$ 190,700,764

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

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Exhibit 11**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	School Board	JRJDC	Total
<b>Governmental Activities:</b>							
School Board:							
Instructional	\$ 810,089,743	\$ 3,771,685	\$ 538,597,312	\$ -	\$ (267,720,746)	\$ -	\$ (267,720,746)
Total School Board	810,089,743	3,771,685	538,597,312	-	(267,720,746)	-	(267,720,746)
<b>Business-type Activities:</b>							
James River Juvenile Detention Commission	7,264,182	1,544,318	2,147,353	-	-	(3,572,511)	(3,572,511)
<b>Total Component Units</b>	<u>\$ 817,353,925</u>	<u>\$ 5,316,003</u>	<u>\$ 540,744,665</u>	<u>\$ -</u>	<u>\$ (267,720,746)</u>	<u>\$ (3,572,511)</u>	<u>\$ (271,293,257)</u>
<b>General revenues:</b>							
Interest and investment earnings				\$ -	\$ 339,767		\$ 339,767
Recovered costs				248,571	-		248,571
Miscellaneous				15,195,457	20		15,195,477
Payment from Primary Government				346,988,418	4,033,735		351,022,153
Total general revenues				<u>362,432,446</u>	<u>4,373,522</u>		<u>366,805,968</u>
Change in net position				94,711,700	801,011		95,512,711
<b>Total Net Position at July 1, 2024, as previously reported</b>				109,943,903	5,181,665		115,125,568
Change in accounting principle, GASB 101 restatement				(19,846,760)	(90,755)		(19,937,515)
<b>Total Net Position at July 1, 2024, as restated</b>				<u>90,097,143</u>	<u>5,090,910</u>		<u>95,188,053</u>
<b>Total Net Position at June 30, 2025</b>				<u>\$ 184,808,843</u>	<u>\$ 5,891,921</u>		<u>\$ 190,700,764</u>

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

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the County of Henrico, Virginia ("County") conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the County's more significant accounting policies:

A. Reporting Entity

The County's financial statements present the primary government and its component units, entities for which the government is considered financially accountable and have a financial benefit or burden relationship with the primary government. Blended component units, although legally separate entities, are, in substance, part of a government's operations and so data from these units are combined with data of the primary government. The County has no component units that meet the requirements for blending. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the primary government. Each of the County's discretely presented component units has a June 30 fiscal year-end.

The County has presented those entities which comprise the reporting entity (the primary government and discretely presented component units) in the government-wide statements.

Discretely Presented Component Units:

School Board

The County of Henrico School Board ("School Board" or "School") is a legally separate organization providing elementary and secondary public education to residents within the County's jurisdiction and is fiscally dependent on the County, receiving nearly half of its funding from the County. The School Board is financially dependent on the County for a significant portion of its budget. The School Board has not prepared a separate financial report.

James River Juvenile Detention Commission

The James River Juvenile Detention Commission ("JRJDC" or "Commission") is a separate organization established to provide a juvenile detention facility for the Counties of Goochland, Henrico and Powhatan. There are five voting members of the Commission, of which three members represent the County and one each represents the Counties of Goochland and Powhatan. Their respective county boards appoint the five Commission members. The Commission is financially dependent on the County and the member jurisdictions. The County provides a significant portion of the Commission's operating budget. The operating costs are allocated among the member jurisdictions based on proportionate usage. The Commission does not prepare a separate financial report.

Joint Ventures:

Capital Region Airport Commission

The Capital Region Airport Commission is an intergovernmental joint venture and issues separate financial statements. The required information for the joint venture is presented in Note 21.

Greater Richmond Convention Center Authority

The Greater Richmond Convention Center Authority is an intergovernmental joint venture and issues separate financial statements. The required information for the joint venture is presented in Note 21.

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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B. Government-wide and Fund Financial Statements

The County's financial statements are comprised of the following components:

Government-wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all the County's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the primary government (government and Business-type activities) and its discretely presented component units. The *Statement of Net Position* presents information on all the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the resulting difference reported as *net position*. The County reports all capital assets, including infrastructure, net of accumulated depreciation, in the government-wide Statement of Net Position and reports depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The net position of the County is broken down into three categories: 1) net investment in capital assets; 2) restricted net position; and 3) unrestricted net position.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of the County'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).

Fund Financial Statements - The Fund financial statements organize and report the financial transactions and balances of the County based on fund categories. Separate financial statements for each of the County's three fund categories – Governmental (General, Special Revenue, Debt Service and Capital Projects), Proprietary (Water and Sewer Revenue) and Fiduciary are presented. Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. For the governmental funds, the financial statements consist of a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances, which are presented on current financial resources and modified accrual basis of accounting. This is how these funds are normally budgeted.

For the proprietary funds, the financial statements consist of a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. For the fiduciary funds, the financial statements consist of a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

Reconciliation of Government-wide and Fund Financial Statements - Since the Governmental funds' financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a summary reconciliation of the difference between total fund balances as reflected on the governmental funds' Balance Sheet and total governmental activities Statement of Net Position as shown on the Government-wide Statement of Net Position is presented in Exhibit 3. In addition, a summary reconciliation of the difference between the total net change in fund balances as reflected on the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances and the change in net position of Governmental activities as shown on the Government-wide Statement of Activities is presented in Exhibit 4.

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or Business-type. In the government-wide Statement of Net Position, both the governmental and Business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

The Statement of Net Position presents the County's net investment in capital assets, restricted net position and unrestricted net position. Net investment in capital assets consists of net capital assets less related long-term liabilities, plus unspent bond proceeds, plus deferred loss on debt refunding, net. Restricted net position consists of amounts restricted by external sources related to capital projects, debt service and amounts received in the Special Revenue Fund. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

The Government-wide Statement of Activities reflects both the gross and net cost per functional category (e.g., public safety, public works, health and welfare, etc.), which are otherwise supported by general government revenues (e.g., property taxes, 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 to determine net costs by function. The program revenues must be directly associated with the function (e.g., public safety, public works, health and welfare, etc.) or the Business-type activity.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. The County does not allocate indirect expenses. The operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants.

The governmental funds' financial statements are presented on a current financial resource measurement focus and the modified accrual basis of accounting, which is how these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented, which briefly explains the adjustments necessary to reconcile the fund financial statements with the government-wide financial statements.

The County's fiduciary funds, which consist of custodial funds, are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (e.g., private parties, long-term disability participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The focus of the government-wide model is on the County as a whole, while the fund financial statements, including the major individual funds of the governmental and Business-type categories, fiduciary funds, and the component units provide focus on the distinctive units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

In the fund financial statements, financial transactions and accounts of the County are organized based on funds which are considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The funds are grouped in the fund financial statements into fund types as follows:

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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Governmental Funds:

General Fund

The General Fund accounts for all revenues and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the Commonwealth of Virginia (“Commonwealth” or “State”).

A significant part of the General Fund's revenues is used to maintain and operate the general government or is transferred to other funds principally to fund debt service requirements and capital projects. General Fund revenues are used to reduce long-term liabilities including claims payable, accrued compensated absences and pension liabilities. Expenditures include, among other things, those for public safety, highways and streets, welfare, culture and recreation. The General Fund is considered a major fund for reporting purposes.

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Special Revenue Fund consists mainly of state and federal grants that have specific grant restrictions imposed. A portion of the revenues received in this fund are used to reduce the landfill liability each year. The Special Revenue Fund is considered a major fund for reporting purposes.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on all governmental funds' long-term debt except for accrued compensated absences and lease obligations for equipment, which are paid by the fund incurring such expenditures. Debt Service Fund resources are derived from transfers from the General Fund. The Debt Service Fund is considered a major fund for reporting purposes.

Capital Projects Fund

The Capital Projects Fund includes activity for all general government and school related capital projects which are financed through a combination of proceeds from general obligation bonds and transfers from the General Fund. The Capital Projects Fund is considered a major fund for reporting purposes.

Proprietary Funds:

Enterprise Fund

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. All assets and deferred outflows, liabilities and deferred inflows, net position, revenues, expenses, and payments relating to the government's business activities are accounted for through these funds. The measurement focus is on determination of change in net position, financial position, and cash flows. Operating revenues include charges for services and are used to pay for compensated absences, pension costs and other operating expenses. Operating expenses include costs of services, as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

This major fund includes the operation, maintenance and construction of the County-owned water and wastewater (“sewer”) utility (considered a single segment for financial reporting purposes) and is presented as a Business-type activity in the government-wide financial statements.

The County's Belmont Park Golf Course reported operations as an enterprise fund as of June 30, 2020, and prior years. On December 10, 2019, the County signed an agreement with First Tee - Greater Richmond ("First Tee") to take over the operation and management of Belmont Golf Course. The agreement is for 20

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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years, and First Tee retains the right to establish all fees and has rights to all the revenues received during the management agreement. Henrico County continues to retain the ownership of all the property at Belmont Golf Course during the term of the agreement with First Tee. On January 1, 2020, Belmont Golf Course was closed to the public to undergo extensive renovations. Belmont Golf Course reopened for the public on May 29, 2021. As of June 30, 2021, the County has discontinued reporting the operations of Belmont Golf Course as an enterprise fund.

Internal Service Funds

The Internal Service Funds account for the County's Central Automotive Maintenance operations, Technology Replacement operations and self-funded health insurance fund. Resources for these funds come from interdepartmental charges. The effect of the interdepartmental activity has been eliminated from the government-wide financial statements using a net profit (loss) allocation method. The excess revenue for the fund is allocated to the appropriate functional activity within governmental, Business-type and component unit activities. The Internal Service Funds are included in governmental activities for government-wide reporting purposes. Inter-fund services that are provided and used are not eliminated in the process of consolidation. External revenues received are reported within governmental activities for government-wide reporting purposes.

Fiduciary Funds:

Custodial Funds account for fiduciary funds administered by the County and are custodial in nature (assets equal liabilities and fiduciary net position) and have full accrual measurement focus. The County Custodial Funds consist of the Jail Inmate Fund, Special Welfare, Mental Health and Developmental Services (MHDS) Clients, Non-Judicial Tax Sales and Code RVA. The Jail Inmate Fund accounts for receipts and disbursement of monies for jail inmates for use in the jail commissary. The Special Welfare Fund accounts for the receipts and disbursements of monies maintained in individual accounts for certain County welfare recipients. The MHDS Fund accounts for receipts and disbursements of monies maintained for individual clients. The Non-Judicial Tax Sales Fund accounts for receipts and disbursements of monies received from delinquent tax sales. Code RVA accounts for the receipts and disbursement of monies received from School Boards and State Agencies to operate the Code RVA Regional High School. The Healthcare OPEB Plan Trust Fund accumulates assets to pay future healthcare postretirement benefits other than pensions.

Measurement Focus of the Basic Financial Statements:

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their Balance Sheet. Their reported fund balance ("net current assets") is considered a measure of "available resources to be spent". Governmental Funds' operating statements present increases (e.g., revenues and other financing sources) and decreases (e.g., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available expendable resources" during a period. Capital assets and long-term liabilities are not recorded in the fund financial statements; however, a reconciliation of the fund balance to the Statement of Net Position for the governmental activities in the government-wide financial statements is provided to account for the differences between the two statements and measurement focuses (e.g., capital assets and long-term liabilities, etc.).

All Proprietary Funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or non-current) associated with their activity are included on their statement of net position. Each of their reported net position is segregated into net investment in capital assets, restricted and unrestricted net position. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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C. Capital and Right to Use Assets

Capital outlays are recorded as expenditures of the General, Special Revenue and Capital Projects Funds. Capital assets are recorded in the government-wide financial statements to the extent the County’s capitalization threshold of \$10,000 for equipment and \$25,000 for buildings, improvements, infrastructure, and software are met. All land is capitalized. Depreciation is recorded on general capital assets on a governmental-wide basis using the straight-line method. The estimated useful lives are as follows:

Buildings	25 - 50 years
Improvements	20 - 50 years
Equipment	4 - 30 years
Infrastructure	10 - 65 years

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Estimated historical cost was primarily used for land costs (for which the historical assessment records of the County were used). Donated capital assets are valued at their acquisition value on the date donated. When capital assets are sold or retired, their costs are removed from the accounts and the gain or loss for the disposal is reflected in the statement of activities.

The initial measurement of right to use lease assets includes the initial lease liability and initial direct costs. The initial lease liability consists of the present value of future lease payments and the present value of any purchase options. Initial direct costs are incremental costs that would not have been incurred if the lease had not been executed. Right to use assets are amortized over the shorter of the life of the asset or the lease term. Right to use assets useful life are the same as capital assets noted above.

The County adopted Senate Bill 276 that was added to the Code of Virginia in 2002, which revised the reporting of local school capital assets and related debt for financial statement purposes. Under the law, local governments have a “tenancy in common” with the School Board whenever the locality incurs any financial obligation for any school property, which is payable over more than one fiscal year. This legislation permits the County to report the portion of the school property related to general obligation bonds outstanding, eliminating any potential deficit from capitalizing school capital assets financed with debt.

Proprietary Funds

Capital assets for the Proprietary Funds are stated at cost, net of accumulated depreciation. Right to use assets are stated at cost, net of accumulated amortization and are amortized over the shorter of the life of the asset or the lease term. Right to use assets useful life are the same as capital assets noted below. Gifts, donations, or contributions of capital assets are recorded at their acquisition value at date of receipt and are recorded as contribution revenues. Depreciation of all exhaustible capital assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported as a contra-asset account on the Proprietary Funds' Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Buildings	25 - 50 years
Improvements	20 - 50 years
Equipment	4 - 30 years
Infrastructure	10 - 65 years

When Proprietary Funds’ assets are sold or retired, their costs and related accumulated depreciation are removed from the accounts and the gains or losses are reflected in the statement of revenues, expenses and changes in net position.

**HENRICO COUNTY, VIRGINIA**  
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D. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and reported amounts of revenues and expenditures/expenses during the reporting period. Management may also make estimates of commitments and contingencies at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements consist of separate statements of net position and of activities. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met and amounts are measurable. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of these activities are included on the Statement of Net Position.

Governmental Funds' Financial Statements

Governmental funds' financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and related assets are recorded when susceptible to accrual, (i.e., both measurable and available to finance operations during the year.) Accordingly, real and personal property taxes are recorded as receivables when billed and recognized as revenues when available and collected, net of allowances for uncollectible amounts. As required by Virginia statute, 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 and public utilities and subsequently remitted to the County, are recognized as revenues and receivables when collected by the State and the utility (generally in the month preceding receipt by the County). Licenses, permits, and fines are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, state and other grants used for the purpose of funding specific expenditures, are recognized when earned (i.e., fiscal year in which all eligibility requirements, including time requirements, if any, have been satisfied) or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt, which are recorded when paid.

Proprietary Funds

The accrual basis of accounting is used for the Enterprise and Internal Service Funds. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which they are incurred.

Custodial Funds

Custodial Funds use the economic resources measurement focus.

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F. Budgets and Budgetary Accounting

Required Supplementary Information - Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of the County'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. In accordance with GAAP reporting requirements, governments provide budgetary comparison information in their annual reports by disclosing the government's original budget to the current comparison of final budget and actual results (see Exhibits 12 and 13).

The County adheres to the following procedures in establishing the budgetary data reflected in the supplementary financial information and schedules:

In January, the Superintendent of Schools submits a proposed budget to the School Board, which conducts public hearings to obtain taxpayer comments. The School Board will then adopt a School Budget and submit it to the County Board of Supervisors before March 1<sup>st</sup>.

Prior to April 1<sup>st</sup>, the County Manager submits to the County Board of Supervisors (the "Board") a proposed operating budget for the fiscal year commencing July 1<sup>st</sup>, which includes the proposed school budget. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. The Board will hold a public hearing on the total County budget (including Schools) and then adopt the County budget before the end of April. Prior to May 1<sup>st</sup>, the budget is legally enacted through passage of a resolution. Prior to July 1<sup>st</sup>, the Board approves the Appropriations Resolution (the "Resolution"). The Resolution places legal restrictions on expenditures at the function level.

The County Manager is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total budgeted amounts and/or appropriations of any fund. Although legal restrictions on expenditures are established at the function level, effective administrative control over expenditures is maintained through the establishment of more detailed line-item budgets.

Budgets are adopted on a basis consistent with GAAP. Annual operating budgets are adopted for all Governmental Funds (including Schools). The County's budgetary policies are based upon guidelines and restrictions established by State and County Code. The County develops a five-year capital improvement program annually. The first year of this plan is approved as part of the annual operating budget for the Capital Projects Fund. Budgeted amounts shown are amended by the Board during the course of the fiscal year.

All appropriations lapse at year-end, except those for the Capital Projects Fund. It is the intention of the Board that appropriations for Capital Projects continue until completion of the project. The Board, in an appropriation Board paper, reaffirms this each year.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Fund and Capital Projects Fund. While appropriations lapse at the end of the fiscal year for the General Fund and Special Revenue Fund, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances.

H. Inventories and Prepaid Expenses

Proprietary Funds

Inventories consist mainly of supplies and spare parts held for consumption, which are valued by methods which approximate average cost. Prepaid expenses represent a deposit made to an outside company for postage for the weekly mailing of utility bills. Amounts are expensed under the consumption method as the bills are mailed.

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I. Interest Costs

The Water and Sewer Revenue Fund does not include net interest costs incurred during the construction period on funds borrowed to finance the acquisition or construction of major facilities. For the year ended June 30, 2025, the Water and Sewer Revenue Fund expensed interest costs of \$10,927,471.

J. Accrued Compensated Absences

Annual leave is granted to all permanent County employees and certain permanent County School System ("School") employees. County and School employees can earn annual leave at the rate of 4 hours for every 80 standard hours worked up to a maximum of 9 hours for every 80 standard hours after 25 years of service. While there is no requirement that annual leave be taken, the maximum permissible accumulation is 468 hours for County employees and 52 days for School employees. Accumulated annual leave vests and the County is obligated to make payment even if the employee terminates. The current and non-current liability for unused and unpaid annual leave attributable to the County's Governmental Funds is recorded in the government-wide financial statements. The amounts attributable to the Proprietary Funds (Enterprise and Internal Service Funds) are charged to expense and corresponding liabilities established in the applicable Proprietary Funds.

County and School Board employees in the Virginia Retirement System (VRS) Plan 1 or 2, can earn sick leave at the rate of 4 hours for every 80 standard hours worked and 13 days per year, respectively, without limitation on accumulation. Sick leave is non-vesting except for employees retiring from service. Retiring employees are vested at a rate of \$4.00 for every hour of sick leave earned with a maximum payment of \$15,000. County and School Board employees in the VRS Hybrid Plan can earn sick leave at the rate of 3 hours for every 80 hours, not to exceed 78 hours at any time. The sick leave liability has been recorded in accordance with the requirements of GASB 101 to include sick leave payout and sick leave usage.

Compensated absences are charged to the General Fund and Internal Service Funds for Governmental Activities, the Water and Sewer Fund for Business-type Activities and the Schools and JRJDC Funds for Component Unit Activities.

K. Deferred Outflows/Inflows of Resources

The County reports deferred outflows of resources and deferred inflows of resources on its statement of Net Position. Deferred outflows of resources represent a consumption of net assets that applies to future periods and is not recognized as an outflow of resources (expense) until the applicable period. Deferred inflows of resources represent an acquisition of net assets that apply to future periods and so will not be recognized as an inflow of resources (revenue) until a future period.

Employer contributions made after the measurement date of the net pension liability and net OPEB liability of June 30, 2024, for the VRS pension and OPEB plans and prior to the reporting date of June 30, 2025, have been reported as deferred outflows of resources in the Statement of Net Position as of June 30, 2025. Deferred outflows of resources of \$55,315,302, \$3,476,856, and \$72,872,480 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2025, respectively, for such contributions made after the measurement date. Employer contributions made to the VRS are charged to the General Fund and Internal Service Funds for Governmental Activities, the Water and Sewer Fund for Business-type Activities and the Schools and JRJDC Funds for Component Unit Activities.

Changes in the proportionate share allocation between the beginning of the year measurement date of the net pension liability and net OPEB liability and the end of the year measurement date have been reported as either a deferred outflows of resources or deferred inflows of resources in the Statement of Net Position as of June 30, 2025. The County has reported deferred outflows of resources of \$1,351,601, \$23,303, and \$12,409,254 and deferred inflows of resources of \$449,422, \$1,024,007, and \$5,421,435 in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2025, respectively for such changes in proportionate share allocation.

Changes of assumptions as of the measurement dates have been reported as deferred outflows and inflows of resources. Deferred outflows of resources of \$686,597, \$4,520, and \$6,422,734 and deferred inflows of resources

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of \$15,700,645, \$408,607, and \$12,275,966 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2025, respectively, for such changes in assumptions.

Differences between actual and expected experience as of the measurement date have been reported as either a deferred outflows of resources or deferred inflows of resources. The County has reported deferred outflows of \$58,257,034, \$3,014,362, and \$77,561,525 and deferred inflows of resources of \$10,088,330, \$1,097,276, and \$17,092,977 in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2025, respectively, for such differences between actual and projected experience.

Differences between the projected and actual earnings on pension and OPEB plan investments during the measurement years have been reported as a deferred inflow of resources in the Statement of Net Position as of June 30, 2025. Deferred inflows of resources of \$40,044,633, \$2,203,981 and \$50,120,533 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2025, respectively, for such differences between projected and actual earnings.

Deferred inflows of resources of \$10,769,626, \$8,564 and \$333,892 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2025, respectively, for lease receivables deferred inflows of resources.

The Water and Sewer Revenue Fund report a deferred loss on debt refunding, net as a deferred outflow of resources presented on the Business-type Activities and Proprietary Funds' Statements of Net Position. The deferred loss on refunding results from the net difference in the carrying value of refunded debt and its reacquisition price of the refunding debt. This net difference amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The County has reported a deferred loss on the refunding of debt of \$24,902,201 as a deferred outflow of resources on both the Business-type Activities and Proprietary Funds' Statements of Net Position as of June 30, 2025.

The County has reported deferred inflows of resources of \$308,889,115 as a deferred inflows of resources on the Governmental Funds' Balance Sheet as of June 30, 2025 and includes \$10,769,626 in deferred lease revenue, unavailable revenues consist of \$45,324,703 in tax collections received in advance (due December 5, 2025), \$251,163,142 in unearned tax revenues representing uncollected tax billings not available for funding of current expenditures and \$1,631,644 in advanced grant funding received as of June 30, 2025.

L. Nonspendable, Restricted, Committed, Assigned and Unassigned Fund Balance

The County's governmental funds' balance classifications are categorized as nonspendable, restricted, committed assigned and unassigned based on the constraints placed on those resources by various levels of authority both within and external to the County. The County spends restricted fund balance amounts first, then committed fund balance amounts, then assigned fund balance amounts and then unassigned fund balance amounts.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories, long-term loans and notes receivable. The County does not have nonspendable fund balance at June 30, 2025.

Restricted fund balances are amounts that are restricted for specific purposes by external parties such as creditors, grantors, constitutional provisions or through enabling legislation. Enabling legislation authorizes the government to levy, assess, or charge external resource providers and includes a legally enforceable requirement that the resources be used for a particular purpose specified in the legislation.

Committed fund balances are amounts that can only be used for specific purposes pursuant to formal action of the government's highest level of decision-making authority (i.e., the County's Board of Supervisors). Committed amounts cannot be used for any other purpose unless the commitment is changed by similar action of the Board of Supervisors and the committing action must be taken prior to year-end although the exact dollar amount may be determined in a subsequent period. The highest level of formal action approved by the County's Board of Supervisors to establish, modify, or rescind a fund balance commitment can be either a resolution or ordinance.

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Both an ordinance and resolution are equally binding, and a majority vote is required by the County's Board of Supervisors to change an ordinance or amend a resolution.

Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by the governing body itself, or subordinate high-level body, or official possessing such authority in accordance with government's policy. The expression of intent does not have to be made prior to year-end. Intent is stipulated by actions taken by a majority vote of the County's Board of Supervisors where those actions provide the County Manager and the Director of Finance the authority to assign fund balances.

Unassigned fund balance is the residual fund balance amount for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. Unassigned fund balance is only shown in the County's and School's General Fund balances. Unassigned fund balance is maintained at a level of 15.0 percent of General Fund expenditures. The policy of maintaining this reserve is examined annually during the budget process.

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The County's fund balance consists of the following balances:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
<b>Fund balances:</b>				
<b>Restricted for:</b>				
Road Construction	\$ 9,689,848	\$ -	\$ -	\$ -
Imaging System Upgrades	224,812	-	-	-
Drug Enforcement	-	1,253,113	-	-
Public Safety	-	541,773	-	-
Mental Health Programs	-	23,432,086	-	-
Social Service Programs	-	<u>16,947,444</u>	-	-
Total Restricted	<u>9,914,660</u>	<u>42,174,416</u>	-	-
<b>Committed</b>				
Public Works	7,750,000	-	-	79,479,283
Technology Improvements	2,750,000	-	-	2,697,080
Building and Grounds	-	-	-	15,282,330
Road Maintenance	-	-	-	129,127,938
Community Development	-	-	-	803,394
Community Revitalization	1,500,000	-	-	-
Landfill and Utilities	-	-	-	1,158,856
Public Safety Projects	8,800,000	-	-	8,037,006
Parks and Recreation	3,000,000	-	-	25,471,889
Environmental Projects	5,348,000	-	-	-
Education Projects	<u>34,000,000</u>	-	-	<u>70,549,628</u>
Total Committed	<u>63,148,000</u>	-	-	<u>332,607,404</u>
<b>Assigned to:</b>				
Public Works	-	18,572,023	-	-
General Government	67,554,549	6,985,545	-	-
Capital projects	123,842,119	1,681,427	-	-
Debt Service	-	-	<u>2,146,244</u>	-
Total Assigned	<u>191,396,668</u>	<u>27,238,995</u>	<u>2,146,244</u>	-
<b>Unassigned</b>	<u>197,905,496</u>	-	-	-

In the General Fund, the County has \$9,914,660 restricted for various projects to include \$9,689,848 restricted for public works projects and \$224,812 restricted for circuit court enhancements to imaging systems for land records. In the Special Revenue Fund, the County has \$42,174,416 restricted for various programs to include \$1,253,113 for drug enforcement, \$541,773 for commissary operations, \$23,432,086 for mental health programs and \$16,947,444 for social services programs. The County also has \$63,148,000 committed for various capital projects in the County's General Fund which include \$7,750,000 for countywide pedestrian improvements, \$2,750,000 for information technology projects, \$1,500,000 for neighborhood revitalization projects and investment programs, \$8,800,000 for public safety vehicle replacement, \$3,000,000 for recreation facility, trail and sign rehabilitation, \$5,348,000 for environmental projects and \$34,000,000 for various high school, middle school, and elementary projects for use in future fiscal years.

In the Capital Projects Fund, the County has \$332,607,404 committed for various projects to include \$79,479,283 for public works, \$2,697,080 for computer and technology improvements, \$15,282,330 for rehabilitation and

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renovations to various buildings and grounds, \$129,127,938 for road maintenance and drainage, \$803,394 for community development projects, \$1,158,856 for landfill expansion and development, \$8,037,006 for public safety projects, \$25,471,889 for parks and recreation additions and improvements and \$70,549,628 for various high school, middle school and elementary projects.

In the General Fund, the County has a \$67,554,549 assigned for general government operations, which include a \$7,500,000 self-insurance reserve, a \$2,750,000 affordable housing reserve, a \$4,967,249 sports tourism reserve, a \$20,000,000 reserve for future operating costs of new facilities and \$32,337,300 reserved for various operational costs in future years. The County also has \$123,842,119 assigned for capital projects, which includes \$27,000,000 for vehicle replacement, \$5,000,000 for a radio communication system, \$19,750,000 for financial system upgrades, \$9,011,318 for transportation and mobility projects, and \$63,080,801 for future capital projects. In the Special Revenue Fund, the County has \$27,238,995 assigned for various operations to include \$18,572,023 for public works for the County's solid waste operations, \$1,681,427 for street lighting, and \$6,985,545 for economic and workforce development within the County. In the Debt Service Fund, the County has \$2,146,244 assigned for future debt service payments. The County has \$197,905,496 in unassigned fund balance in the County's General Fund.

School has \$29,978,341 in assigned fund balance in the Schools' General Fund. Schools also have restricted fund balance for various education program grants of \$14,869,280 in the Schools' Special Revenue Fund. Schools also have committed fund balance in the Schools' Capital Projects Fund of \$86,158,016 for various high school, middle school and elementary school construction and renovation projects.

M. Statement of Cash Flows

The County has presented a statement of cash flows for the Proprietary Funds. For purposes of this statement, cash and cash equivalents are defined as short-term highly liquid investments that are readily convertible to known amounts of cash and investments with original maturities of 90 days or less.

N. Pension Plans

The County recognizes a net pension liability (asset) on the Statement of Net Position for the net funded status of pension plans as employees earn their pension benefits and recognizes annual pension cost under an "earnings" approach rather than a "funding" approach. Accordingly, the County's Governmental Activities, Business-type Activities, and Component Units have recorded the impact of the related net pension liability (asset), deferred outflows of resources, deferred inflows of resources, and pension expense in the accompanying financial statements in accordance with GAAP. For further information regarding the reporting entity's defined benefit pension plans, refer to notes 9 and 10 of the accompanying notes to the financial statements.

O. Other Postemployment Benefit Plans

The County participates in four other postemployment benefit (OPEB) plans.

Single – employer defined benefit OPEB plans:

- Healthcare (see Note 11 to the financial statements)
- Line of Duty (see Note 12 to the financial statements)

Multiple-employer defined benefit cost-sharing plans through the VRS:

- Group Life Insurance ("GLI") (see Note 13 to the financial statements)
- Teacher Health Insurance Credit Plan ("HIC") (see Note 14 to the financial statements)

The County participates in the Virginia Pooled OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund the Healthcare single-employer plan. The County presents a Statement of Fiduciary Net Position (Exhibit 8) and Statement of Changes in Fiduciary Net Position (Exhibit 9) for its proportionate share of the Virginia Pooled OPEB Trust Fund. The Line of Duty plan is not administered through a trust or equivalent

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arrangement and is funded on a pay-as-you-go basis and, therefore, the plan has no fiduciary net position, and the County reports the total OPEB liability on its Statement of Net Position as of the measurement date.

P. New Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The County has adopted the requirements of this statement for the fiscal year ending June 30, 2025. Net assets for the fiscal year ending June 30, 2024 have been restated on Exhibit 2 as follows:

**Governmental Activities**

June 30, 2024 net position	\$2,004,809,465
GASB 101 restatement	<u>(12,138,276)</u>
June 30, 2024 net position, restated	\$1,992,671,189

**Business-Type Activities**

June 30, 2024 net position	\$1,446,655,437
GASB 101 restatement	<u>(1,100,938)</u>
June 30, 2024 net position, restated	\$1,445,554,499

**Component Units**

June 30, 2024 net position	\$115,125,568
GASB 101 restatement	<u>(19,937,515)</u>
June 30, 2024 net position, restated	\$95,188,053

Net assets for the fiscal year ending June 30, 2024 have been restated on Exhibit 11 as follows:

**School Board**

June 30, 2024 net position	\$109,943,903
GASB 101 restatement	<u>(19,846,760)</u>
June 30, 2024 net position, restated	\$90,097,143

**JRJDC**

June 30, 2024 net position	\$5,181,665
GASB 101 restatement	<u>(90,755)</u>
June 30, 2024 net position, restated	\$5,090,910

The County has adopted the requirements of this statement for the fiscal year ending June 30, 2025. The County did not have any risks due to certain concentrations or constraints.

Q. Future Accounting Pronouncements

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

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This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position continue to distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund’s current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund’s current or future pricing policies, and (3) all other transfers.

This Statement requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements is reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The County will adopt the requirements of this statement for the fiscal year ending June 30, 2026.

In October 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to improve the disclosure for certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets and other intangible assets. This Statement requires separate disclosure for these four types of capital assets by major class of underlying assets. This improved disclosure will allow users to make informed decisions about these asset types and to evaluate accountability.

This Statement establishes requirements for capital assets that are held for sale. Under the guidance, a capital asset is a capital asset held for sale if the government has decided to pursue the sale of the asset, and it is probable the sale will be finalized within a year of the financial statement date. A government should disclose the historical cost and accumulated depreciation of capital assets held for sale by major asset class. The County will adopt the requirements of this statement for the fiscal year ending June 30, 2026.

**HENRICO COUNTY, VIRGINIA**  
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**NOTE 2. DEPOSITS AND INVESTMENTS**

The County utilizes a pooled cash and investments approach where each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed based on average monthly balances. Use of current banking processes provides for daily sweeps of deposits made to County accounts, resulting in an instantaneous transfer to the investment account. Thus, the majority of funds in the County's general account are invested at all times. Exceptions to this are funds in the JRJDC checking account and the Schools' Student Activity Fund, which are not under County control. The County's pooled portfolio also excludes pension and OPEB plans, maintained by the VRS, and unspent bond proceeds maintained in the State Non-Arbitrage Pool for Virginia (SNAP), the Virginia Local Government Investment Pool (LGIP) and participating localities investments in LGIP.

The County maintains a cash and temporary investment pool that is available for use by all funds, except Schools' Student Activity Funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and temporary investments". In addition, cash and investments are separately held for several of the County's funds. Highly liquid investments with maturities of 90 days or less from date of purchase are considered cash equivalents. In accordance with GAAP, investments in LGIP are shown at amortized cost, while other investments are shown at fair value. As of June 30, 2025, the difference between amortized cost and the fair value is immaterial to the basic financial statements. Fair value is based on quoted market prices, which are provided by the County's Investment Advisor and SNAP as of June 30, 2025. The net increase in fair value of investments during the year ended June 30, 2025, was \$28,218,307. This amount considers all changes in fair value that occurred during the fiscal year.

Deposits - Bank

At June 30, 2025, the carrying value of the County's deposits with banks was \$146,293,819 and the bank balance was \$143,004,682. All the bank balance was covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"). Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks.

The carrying amount of deposits for the School Board, a discretely presented component unit, was \$19,689,090 and the bank balance was \$23,741,881. All the bank balance was covered by Federal Depository Insurance or collateralized in accordance with the Act. The carrying amount of deposits for the James River Juvenile Detention Commission, a discretely presented component unit, was \$1,109,469 and the bank balance was \$1,135,974. All the bank balance was covered by Federal Depository Insurance or collateralized in accordance with the Act.

Deposits – Fiscal Agent

At June 30, 2025, the County had deposits of \$33,019,364 with fiscal agents representing funds to meet debt service requirements in accordance with various bond resolutions and trust indentures. These deposits were collateralized in accordance with the provision of the Act.

Investments

State statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of any city, county, or town situated in any one of the states of the United States, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's, corporate notes, negotiable certificates of deposit, bankers' acceptances, repurchase agreements, money market mutual funds that invest exclusively in securities specifically permitted under the Virginia Code, and the LGIP. The County's current investment guidelines do not permit the investment of funds in repurchase agreements. During the fiscal year, the County had investments in obligations of the United States and agencies thereof, municipal bonds, commercial paper, corporate notes, negotiable certificates of deposit, money market mutual funds, and LGIP.

The County's investment guidelines establish limitations on holdings, in order to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury Securities). The maximum percentage of the portfolio permitted in each security is as follows:

**HENRICO COUNTY, VIRGINIA**  
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U.S. Treasury Obligations (bills, notes and bonds)	100%
U.S. Government Agency Securities and Instrumentalities	70%
Bankers' Acceptances (BA's)	40%
Money Market	40%
Certificates of Deposit (CD's) Commercial Banks	90%
Certificates of Deposit (CD's) Savings & Loan Associations	10%
Commercial Paper	35%
Local Government Investment Pool	75%
Municipal Bonds	70%
Corporate Notes	20%

The County further limits a maximum of 5 percent of the portfolio for any single bankers' acceptance or commercial paper issuer. The County maintains bond proceeds in the SNAP, a local government investment pool that is not affiliated with the Virginia Local Government Investment Pool. The County's total investment percentages in comparison to the investment guidelines are as follows:

**HENRICO COUNTY, VIRGINIA**  
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**Primary Government**

	<u>Fair Value</u>	<u>Policy</u>	<u>Percent of Portfolio</u>
Municipal Bonds	\$ 15,198,177	70%	1.41%
U.S. Government Agencies	-	70%	0.00%
Commercial Paper	68,448,622	35%	6.29%
Treasury Bills	294,517,701	100%	27.07%
Treasury Notes	-	100%	0.00%
Corporate Notes	35,029,201	20%	3.22%
Certificates of Deposit	58,262,690	90%	5.36%
U.S. Government Money Market Funds	202,131,856	40%	18.58%
Local Government Investment Pool	414,264,408	75%	38.07%
Total Investments	<u>\$ 1,087,852,655</u>		<u>100.00%</u>

**School Board**

	<u>Fair Value</u>	<u>Policy</u>	<u>Percent of Portfolio</u>
Municipal Bonds	\$ 2,523,227	70%	1.67%
U.S. Government Agencies	-	70%	0.00%
Commercial Paper	11,363,957	35%	7.57%
Treasury Bills	48,896,331	100%	32.57%
Treasury Notes	-	100%	0.00%
Corporate Notes	5,815,608	20%	3.87%
Certificates of Deposit	9,672,871	90%	6.44%
U.S. Government Money Market Funds	3,060,276	40%	2.04%
Local Government Investment Pool	68,776,883	75%	45.82%
Total Investments	<u>\$ 150,109,153</u>		<u>100.00%</u>

**James River Juvenile Detention Center**

	<u>Fair Value</u>	<u>Policy</u>	<u>Percent of Portfolio</u>
Treasury Bills	\$ 2,348,692	100%	53.91%
U.S. Government Money Market Funds	599	75%	0.01%
Local Government Investment Pool	2,007,693	100%	46.08%
Total Investments	<u>\$ 4,356,984</u>		<u>100.00%</u>

**Fair Value Hierarchy Disclosures**

The County categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets. Level 2 inputs are inputs (other than quoted market prices included within Level 1) that are observable for the asset either directly or indirectly. Level 2 observable inputs can be either prices for similar assets in active markets or prices for identical assets in non-active markets. Level 3 inputs are significant unobservable inputs (the County does not value any of its investments using level 3 inputs).

The following is a summary of the fair value hierarchy of the fair value of investments of the County reporting entity as of June 30, 2025:

**HENRICO COUNTY, VIRGINIA**  
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**Primary Government**

	<b>Total June 30, 2025</b>	<b>Fair Value Measurement Using</b>		
		<b>Quoted Prices Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Municipal Bonds	\$ 15,198,177	\$ -	\$ 15,198,177	\$ -
Commercial Paper	68,448,622	-	68,448,622	-
Treasury Bills	294,517,701	294,517,701	-	-
Corporate Notes	35,029,201	-	35,029,201	-
Certificates of Deposit	58,262,690	-	58,262,690	-
U.S. Government Money Market Funds	202,131,856	202,131,856	-	-
<b>Total Investments</b>	<b>\$ 673,588,247</b>	<b>\$ 496,649,557</b>	<b>\$ 176,938,690</b>	<b>\$ -</b>

**School Board**

	<b>Total June 30, 2025</b>	<b>Fair Value Measurement Using</b>		
		<b>Quoted Prices Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Municipal Bonds	\$ 2,523,227	\$ -	\$ 2,523,227	\$ -
Commercial Paper	11,363,957	-	11,363,957	-
Treasury Bills	48,896,331	48,896,331	-	-
Corporate Notes	5,815,608	-	5,815,608	-
Certificates of Deposit	9,672,871	-	9,672,871	-
U.S. Government Money Market Funds	3,060,276	3,060,276	-	-
<b>Total Investments</b>	<b>\$ 81,332,270</b>	<b>\$ 51,956,607</b>	<b>\$ 29,375,663</b>	<b>\$ -</b>

**James River Juvenile Detention Center**

	<b>Total June 30, 2025</b>	<b>Fair Value Measurement Using</b>		
		<b>Quoted Prices Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
U.S. Treasury Bills	\$ 2,348,692	\$ 2,348,692	\$ -	\$ -
U.S. Government Money Market Funds	599	599	-	-
<b>Total Investments</b>	<b>\$ 2,349,291</b>	<b>\$ 2,349,291</b>	<b>\$ -</b>	<b>\$ -</b>

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
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Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Fair value in an active market 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.

Investments classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our investment custodian. Fair value is described as the exit price that assumes a transaction takes place in the County's most advantageous market in the absence of a principle market.

Investments classified in Level 3 of the fair value hierarchy are valued using significant unobservable inputs to the extent that observable inputs are not available. The County does not have any investments classified as Level 3.

**Investment Risk Disclosures**

The County's portfolio manager provided the day-to-day management of investments during the fiscal year. The County and its discretely presented component units' investments are subject to interest rate, credit and custodial risk as described below:

*Interest Rate Risk* – As a means of limiting exposure to fair value losses arising from rising interest rates, the County's investment guidelines establish limits on the County's investment portfolio for maturities of less than one year and limit investments longer than one year. Per the investment guidelines, the maximum permissible maturity for any individual security is five years.

*Credit Risk* – State statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivision thereof, obligations of any city, county, or town situated in one of the states of the United States, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's, corporate notes, negotiable certificates of deposit, bankers acceptances, repurchase agreements, money market mutual funds and LGIP. During the fiscal year, the County had investments in obligations of the United States and agencies thereof, municipal bonds, commercial paper, corporate notes, negotiable certificates of deposit, money market mutual funds, and LGIP. All investments are in compliance with the State statutes governing investments of public funds. The credit quality of obligations of U.S. government agencies held in the portfolio for the Federal National Mortgage Association (FNMA), the Federal Home Loan Banks (FHLB), and the Federal Home Loan Mortgage Corporation (FHLMC), received AAA ratings from Moody's and AA+ ratings from Standard & Poor's. The credit quality of the municipal bonds held in the portfolio received ratings from Moody's and Standard & Poor's which ranged from Aa2 to AAA. The commercial paper held in the portfolio received ratings from Moody's and Standard & Poor's of P-1 and A-1.

*Custodial Risk* – For an investment, custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment guidelines require that at the time funds are invested, collateral will be received and held in the County's name in the Trust Department of the County's independent third-party custodian, thereby minimizing custodial risk.

**Investment Maturities**

As of June 30, 2025, the County reporting entity had the following investments and maturities:

**HENRICO COUNTY, VIRGINIA**  
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**Primary Government**

	<b>Investment Maturities (in years)</b>		
	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1-5 years</b>
Municipal Bonds	\$ 15,198,177	\$ 13,632,410	\$ 1,565,767
Commercial Paper	68,448,622	39,098,707	29,349,915
Treasury Bills	294,517,701	131,613,997	162,903,704
Corporate Notes	35,029,201	16,533,658	18,495,543
Certificates of Deposit	58,262,690	58,262,690	-
U.S. Government Money Market Funds	202,131,856	202,131,856	-
Local Government Investment Pool	365,956,571	365,956,571	-
LGIP Extended Maturity	48,307,837	-	48,307,837
Total Investments	<u>\$ 1,087,852,655</u>	<u>\$ 827,229,889</u>	<u>\$ 260,622,766</u>
Total Deposits - Bank	\$ 146,293,819		
Total Deposits - Fiscal Agent	33,019,364		
Total Cash on Hand	97,401		
Total Deposits and Investments	<u>\$ 1,267,263,239</u>		

**Component Units:**

**School Board**

	<b>Investment Maturities (in years)</b>		
	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1-5 years</b>
Municipal Bonds	\$ 2,523,227	\$ 2,263,276	\$ 259,951
Commercial Paper	11,363,957	6,491,234	4,872,723
Treasury Bills	48,896,331	21,850,780	27,045,551
Corporate Notes	5,815,608	2,744,946	3,070,662
Certificates of Deposit	9,672,871	9,672,871	-
U.S. Government Money Market Funds	3,060,276	3,060,276	-
Local Government Investment Pool	60,756,734	60,756,734	-
LGIP Extended Maturity	8,020,149	-	8,020,149
Total Investments	<u>\$ 150,109,153</u>	<u>\$ 106,840,117</u>	<u>\$ 43,269,036</u>
Total Deposits - Bank	\$ 19,689,090		
Total Cash on Hand	1,000		
Total Deposits and Investments	<u>\$ 169,799,243</u>		

**James River Juvenile Detention Commission**

	<b>Investment Maturities (in years)</b>		
	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1-5 years</b>
U.S. Treasury Bills	\$ 2,348,692	\$ 2,348,692	\$ -
U.S. Government Money Market Funds	599	599	-
Local Government Investment Pool	1,726,345	1,726,345	-
LGIP Extended Maturity	281,348	-	281,348
	<u>\$ 4,356,984</u>	<u>\$ 4,075,636</u>	<u>\$ 281,348</u>
Total Deposits	\$ 1,109,469		
Total Cash on Hand	500		
Total Deposits and Investments	<u>\$ 5,466,953</u>		
Total Deposit and Investments-Reporting Entity	<u>\$ 1,442,529,435</u>		

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The Mental Health and Developmental Services Fund cash of \$134,902 and Jail Inmate Fund cash of \$247,468 are not under the control of the Director of Finance, are not pooled with the Reporting Entity cash and investments and, therefore, are not included in the above presentation. These deposits were covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

**Healthcare OPEB Plan Investments**

In an effort to assist local governments in funding their OPEB liabilities, the Virginia Association of Counties and the Virginia Municipal League established the Virginia Pooled OPEB Trust Fund (Trust Fund). The Trust Fund is an irrevocable trust offered to local governments. The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, VML/VACO Finance at 8 East Canal St., Richmond, Virginia, 23219. The County has included its proportionate share of the Trust Fund in its Fiduciary Funds financial statements (exhibits 9 and 10).

The Trust Fund is governed by a Board of Trustees composed of nine members. Trustees are elected by participants of the Trust Fund, whose votes are weighed according to each participating employer’s share of the total Trust Fund assets. The Board of Trustees has adopted an investment policy to target a compound annualized rate of return over a market cycle, including current income and capital appreciation, of 7.5 percent, in a manner consistent with prudent risk-taking. The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor and evaluate the performance of the investments and the Trust Fund’s investment advisors in light of available investment opportunities, market conditions, and publicly available benchmarks for the generally accepted evaluation and measurement of such performance.

As of June 30, 2025, the fair value of the Healthcare OPEB Plan’s interest in the Trust Fund was \$114,839,632. There were no other deposits or investments. Accordingly, there is no credit risk, concentration of credit risk or interest rate risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire balance of the Healthcare OPEB investments is unsecured and uncollateralized.

A government is permitted in certain circumstances to establish the fair value of investment that does not have a readily determinable fair value by using the NAV per share (or its equivalent) of the investments. Investments in the Trust Fund are valued using NAV per share, which is determined by dividing the total value of the Trust Fund by the number of outstanding shares. Generally, participants may redeem their investment at the end of a calendar quarter upon 90 days’ written notice.

**NOTE 3. RECEIVABLES**

Receivables as of June 30, 2025 consist of the following:

**Primary Government**

	<b><u>Governmental Activities</u></b>		<b><u>Business-type Activities</u></b>	
	<u>General</u>	<u>Special Revenue</u>	<u>Water &amp; Sewer Fund</u>	<u>Total</u>
Receivables:				
Interest	\$ 8,335,012	\$ -	\$ -	\$ 8,335,012
Taxes	279,158,140	-	-	279,158,140
Accounts	<u>2,871,393</u>	<u>11,825,420</u>	<u>38,454,886</u>	<u>53,151,699</u>
Gross Receivables	290,364,545	11,825,420	38,454,886	340,644,851
Less: Allowances for				
Doubtful Accounts	<u>12,031,855</u>	<u>6,636,782</u>	<u>4,350,000</u>	<u>23,018,637</u>
Receivables, net	<u>\$278,332,690</u>	<u>\$ 5,188,638</u>	<u>\$ 34,104,886</u>	<u>\$ 317,626,214</u>

**HENRICO COUNTY, VIRGINIA**  
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Central Automotive Maintenance and the Healthcare Fund have receivables of \$19,841 and \$518,305, respectively, which are included in the governmental activities' receivables. Long-term assets on a government-wide basis also include taxes receivable of \$251,163,142 that are included in unavailable revenues for the governmental funds. Tax revenues reported in the government-wide statements include \$107,765 of revenues that do provide current financial resources and, therefore, are included in the governmental funds.

Component Unit receivables totaling \$632,912 consist of Schools and JRJDC'S miscellaneous receivables of \$305,204 and \$327,708, respectively as of June 30, 2025.

**Component Units**

Receivables:	School Board	JRJDC	Total
Intergovernmental	\$ 32,553,389	\$ 35,776	\$ 32,589,165

Receivables are presented net of appropriate allowances for doubtful accounts. The County calculates its allowances using historical collection data, specific account analysis and management's judgment. All the Component Units' receivables are considered collectible.

**NOTE 4. PROPERTY TAXES**

Real Estate taxes attach as an enforceable lien on property as of January 1<sup>st</sup>. Taxes on real estate are levied in April and are payable in two installments on June 5<sup>th</sup> and December 5<sup>th</sup>. Real estate taxes reported as revenue are the second installment (December 5<sup>th</sup>) of the levy on assessed value at January 1, 2023 and the first installment (June 5<sup>th</sup>) of the levy on assessed value at January 1, 2024. The County bills and collects its own property taxes. Property taxes levied are recorded as receivables, net of allowance for estimated uncollectible accounts, to the extent that they are currently due.

The Virginia General Assembly passed SB 4005, the Personal Property Tax Relief Act ("PPTRA") in April 1998. The bill provides for the State to reimburse a portion of the tangible Personal Property Tax levied on personal use cars, motorcycles, and trucks. In 1998, the reimbursement was 12.5 percent of the tax on the first \$20,000 of the value of the qualifying vehicle. The reimbursement rate was 27.5 percent for tax year 1999 and increased to 47.5 percent for tax year 2000 and 70.0 percent for tax years 2001 through 2005. The reimbursement rate for 2006 and thereafter is determined by each locality based upon their share of the \$950 million allocated by the Commonwealth for personal property tax relief on qualifying vehicles. For tax year 2024, the State reimbursement receivable is reflected as a due from other governments. Revenue for the State reimbursement is recorded as non-categorical aid from the State. Localities will continue to assess and administer the Personal Property Tax Relief program.

**HENRICO COUNTY, VIRGINIA**  
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**NOTE 5. DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units for Governmental Funds at June 30, 2025 include:

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>
<b>Commonwealth of Virginia:</b>			
<b>Non-categorical aid for:</b>			
Local Sales and Use Tax	\$ 9,982,783	\$ -	\$ -
PPTRA	18,460,463	-	-
Richmond Center	4,527,740	-	-
<b>Categorical aid for:</b>			
Public Works	-	-	11,695,950
Public Safety	1,099,444	-	-
Social Services	-	857,123	-
Correction & Detention	669,786	98,866	-
Finance	97,903	-	-
Mental Health & Development Services	-	588,767	-
Circuit Court	-	-	-
Commonwealth's Attorney	282,709	15,211	-
Total due from the Commonwealth of Virginia	35,291,548	1,559,967	11,695,550
<b>Federal Government Categorical Aid:</b>			
Work Training Grants (CRWP)	-	982,124	-
Economic Development	-	-	-
Public Safety	-	259,147	-
Public Works	-	-	5,218,279
Commonwealth's Attorney	-	63,031	-
Social Services	-	1,350,890	-
Correction & Detention	-	6,611	-
Community Development Block Grant	-	449,120	-
Total due from the Federal government	-	3,110,923	5,218,279
Total due from other governmental units	\$ 35,291,548	\$ 4,670,890	\$16,914,229

JRJDC has a grants receivable for \$35,776 in amounts due from other governmental units. Amounts due from other governmental units for the School Board Component Unit at June 30, 2025 include:

	<b>School Board</b>
<b>Commonwealth of Virginia:</b>	
<b>Non-categorical aid for:</b>	
State Sales and Use Tax	\$ 6,115,010
<b>Categorical aid for:</b>	
Education	18,027,657
Total due from the Commonwealth of Virginia	24,142,667
<b>Federal Government Categorical Aid:</b>	
Education	8,410,722
Total due from the Federal government	8,410,722
Total due from other governmental units	\$ 32,553,389

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6. CAPITAL AND INTANGIBLE ASSETS**

**Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2025, follows:

<b>Governmental Activities</b>	<b>Balance July 1, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2025</b>
Capital Assets Not Being Depreciated:				
Land	\$ 437,524,842	\$ 9,018,085	\$ 436,102	\$ 446,106,825
Construction in progress	230,484,373	149,627,953	88,399,696	291,712,630
Total Capital Assets Not Being Depreciated	<u>668,009,215</u>	<u>158,646,038</u>	<u>88,835,798</u>	<u>737,819,455</u>
Other Capital Assets:				
Buildings	1,339,065,502	37,948,698	-	1,377,014,200
Infrastructure	842,690,575	46,559,726	2,384,516	886,865,785
Equipment	322,629,912	24,135,878	6,169,406	340,596,384
Improvements	147,605,525	2,871,642	78,005	150,399,162
Total Other Capital Assets	<u>2,651,991,514</u>	<u>111,515,944</u>	<u>8,631,927</u>	<u>2,754,875,531</u>
Less Accumulated Depreciation for:				
Buildings	(347,673,341)	(26,835,336)	-	(374,508,677)
Infrastructure	(615,644,456)	(21,814,173)	1,980,681	(635,477,948)
Equipment	(230,159,304)	(20,948,910)	6,095,354	(245,012,860)
Improvements	(71,531,132)	(6,641,161)	78,005	(78,094,288)
Total Accumulated Depreciation	<u>(1,265,008,233)</u>	<u>(76,239,580)</u>	<u>8,154,040</u>	<u>(1,333,093,773)</u>
Total Net of Depreciation	<u>\$ 2,054,992,496</u>	<u>\$ 193,922,402</u>	<u>\$ 89,313,685</u>	<u>\$ 2,159,601,213</u>

The adjustment from modified to full accrual for capital assets net of accumulated depreciation at June 30, 2025 are comprised of the following:

General Capital Assets, Net	\$2,159,601,213
Internal Service Fund Capital Assets, Net	<u>(14,337,956)</u>
Combined Adjustment	<u>\$2,145,263,257</u>

The adjustment from modified to full accrual for depreciation for the fiscal year ended June 30, 2025 is comprised of the following:

General Government Administration	\$ 5,210,845
Judicial Administration	140,619
Public Safety	11,155,860
Public Works	28,351,328
Education	19,906,153
Health and Welfare	623,475
Parks and Recreation	10,673,022
Community Development	178,278
Total Depreciation	<u>\$ 76,239,580</u>
Internal Service Fund Depreciation	<u>(2,648,789)</u>
Combined Adjustment	<u>\$ 73,590,791</u>

**HENRICO COUNTY, VIRGINIA**  
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**JUNE 30, 2025**

<b>Business-Type Activities</b>	<b>Balance July 1, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2025</b>
<b>Water and Sewer:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 22,517,196	\$ 8,165,406	\$ -	\$ 30,682,602
Construction in progress	390,848,864	92,997,970	326,991,801	156,855,033
Total Capital Assets Not Being Depreciated	<u>413,366,060</u>	<u>101,163,376</u>	<u>326,991,801</u>	<u>187,537,635</u>
Other Capital Assets:				
Buildings	405,823,572	107,449,245	2,553,004	510,719,813
Infrastructure	1,392,746,666	231,368,644	600,746	1,623,514,564
Equipment	185,781,716	3,650,230	1,448,524	187,983,422
Improvements	1,410,152	-	-	1,410,152
Total Other Capital Assets	<u>1,985,762,106</u>	<u>342,468,119</u>	<u>4,602,274</u>	<u>2,323,627,951</u>
Less Accumulated Depreciation for:				
Buildings	(175,293,418)	(9,427,703)	(1,233,418)	(183,487,703)
Infrastructure	(475,926,361)	(23,215,622)	(363,632)	(498,778,351)
Equipment	(141,238,921)	(6,885,389)	(1,322,192)	(146,802,118)
Improvements	(1,410,152)	-	-	(1,410,152)
Total Accumulated Depreciation	<u>(793,868,852)</u>	<u>(39,528,714)</u>	<u>(2,919,242)</u>	<u>(830,478,324)</u>
Total Net of Depreciation	<u>\$ 1,605,259,314</u>	<u>\$ 404,102,781</u>	<u>\$ 328,674,833</u>	<u>\$ 1,680,687,262</u>

<b>Component Units</b>	<b>Balance July 1, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2025</b>
<b>School Board:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 52,122,002	\$ -	\$ -	\$ 52,122,002
Construction in progress	50,572,582	76,880,262	11,032,616	116,420,228
Total Capital Assets Not Being Depreciated	<u>102,694,584</u>	<u>76,880,262</u>	<u>11,032,616</u>	<u>168,542,230</u>
Other Capital Assets:				
Buildings	406,797,541	4,972,245	-	411,769,786
Improvements	40,437,102	196,631	-	40,633,733
Equipment	204,672,186	11,400,737	1,794,634	214,278,289
Total Other Capital Assets	<u>651,906,829</u>	<u>16,569,613</u>	<u>1,794,634</u>	<u>666,681,808</u>
Less Accumulated Depreciation for:				
Buildings	(241,820,397)	(6,549,547)	-	(248,369,944)
Improvements	(23,171,990)	(1,418,536)	-	(24,590,526)
Equipment	(138,121,175)	(10,176,655)	(1,691,508)	(146,606,322)
Total Accumulated Depreciation	<u>(403,113,562)</u>	<u>(18,144,738)</u>	<u>(1,691,508)</u>	<u>(419,566,792)</u>
Total Net of Depreciation	<u>\$ 351,487,851</u>	<u>\$ 75,305,137</u>	<u>\$ 11,135,742</u>	<u>\$ 415,657,246</u>

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

<b>Component Units</b>	<b>Balance July 1, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2025</b>
<b>James River Juvenile Detention Center:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Construction in progress	54,885	570,062	624,947	-
Total Capital Assets Not Being Depreciated	<u>84,885</u>	<u>570,062</u>	<u>624,947</u>	<u>30,000</u>
<b>Other Capital Assets:</b>				
Buildings	9,320,450	415,542	-	9,735,992
Improvements	269,547	-	-	269,547
Equipment	1,084,628	327,755	-	1,412,383
Total Other Capital Assets	<u>10,674,625</u>	<u>743,297</u>	<u>-</u>	<u>11,417,922</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(5,357,660)	(234,704)	-	(5,592,364)
Improvements	(245,793)	(1,584)	-	(247,377)
Equipment	(833,192)	(56,752)	-	(889,944)
Total Accumulated Depreciation	<u>(6,436,645)</u>	<u>(293,040)</u>	<u>-</u>	<u>(6,729,685)</u>
Total Net of Depreciation	<u>\$ 4,322,865</u>	<u>\$ 1,020,319</u>	<u>\$ 624,947</u>	<u>\$ 4,718,237</u>
<b>Combined Component Units:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 52,152,002	\$ -	\$ -	\$ 52,152,002
Construction in progress	50,627,467	77,450,324	11,657,563	116,420,228
Total Capital Assets Not Being Depreciated	<u>102,779,469</u>	<u>77,450,324</u>	<u>11,657,563</u>	<u>168,572,230</u>
<b>Other Capital Assets:</b>				
Buildings	416,117,991	5,387,787	-	421,505,778
Improvements	40,706,649	196,631	-	40,903,280
Equipment	205,756,814	11,728,492	1,794,634	215,690,672
Total Other Capital Assets	<u>662,581,454</u>	<u>17,312,910</u>	<u>1,794,634</u>	<u>678,099,730</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(247,178,057)	(6,784,251)	-	(253,962,308)
Improvements	(23,417,783)	(1,420,119)	-	(24,837,902)
Equipment	(138,954,367)	(10,233,407)	(1,691,508)	(147,496,266)
Accumulated Depreciation	<u>(409,550,207)</u>	<u>(18,437,777)</u>	<u>(1,691,508)</u>	<u>(426,296,476)</u>
Total Net of Depreciation	<u>\$ 355,810,716</u>	<u>\$ 76,325,457</u>	<u>\$ 11,760,689</u>	<u>\$ 420,375,484</u>

**HENRICO COUNTY, VIRGINIA**  
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The County's governmental activities right to use assets of \$49,136,078 (Exhibit 1) consist of right to use lease assets of \$11,146,018 and subscription right to use assets of \$37,990,060. The County's school board component unit right to use assets of \$29,475,276 (Exhibit 10) consists of right to use lease assets of \$8,047,054 and subscription right to use assets of \$21,428,222.

The County is a lessee in various lease contracts and has the following classes of lease right to use assets for the fiscal year ending June 30, 2025:

**Amount of Lease Assets by Major Classes of Underlying Asset**

<u>Asset Class</u>	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Equipment	\$ 25,416,112	\$ 9,866,180
Building	413,193	61,783
Other	2,646,973	729,496
Computer Equipment	19,028,128	17,653,875
Total Leases	<u>\$ 47,504,406</u>	<u>\$ 28,311,334</u>

**Governmental Activities**

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Right to Use Assets:				
Equipment	\$ 591,365	\$ 303,769	\$ 552,828	\$ 342,306
Building	13,031,003	4,565,472	2,235,779	15,360,696
Other	1,857,755	789,218	-	2,646,973
Total Right to Use Assets	<u>\$ 15,480,123</u>	<u>\$ 5,658,459</u>	<u>\$ 2,788,607</u>	<u>\$ 18,349,975</u>
Less Accumulated Amortization for:				
Equipment	\$ (458,233)	\$ (125,080)	\$ (540,007)	\$ (43,306)
Building	(5,887,599)	(2,494,907)	(1,951,351)	(6,431,155)
Other	(349,817)	(379,679)	-	(729,496)
Total Net of Accumulated Amortization	<u>(6,695,649)</u>	<u>(2,999,666)</u>	<u>(2,491,358)</u>	<u>(7,203,957)</u>
Total Net of Amortization	<u>\$ 8,784,474</u>	<u>\$ 2,658,793</u>	<u>\$ 297,249</u>	<u>\$ 11,146,018</u>

**Business-type Activities**

<u>Water and Sewer:</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Right to Use Assets:				
Equipment	\$ 9,759	\$ -	\$ 9,759	\$ -
Total Right to Use Assets	9,759	-	9,759	-
Less Accumulated Amortization for:				
Equipment	(7,837)	(1,922)	(9,759)	-
Total Net of Accumulated Amortization	<u>(7,837)</u>	<u>(1,922)</u>	<u>(9,759)</u>	<u>-</u>
Total Net of Amortization	<u>\$ 1,922</u>	<u>\$ (1,922)</u>	<u>\$ -</u>	<u>\$ -</u>

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Component Units**

	<b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b>
<b>Schools</b>	<b>July 1, 2024</b>	<b>June 30, 2024</b>	<b>June 30, 2024</b>	<b>June 30, 2025</b>
Right to Use Assets:				
Equipment	\$ 22,023	\$ 54,430	\$ 5,566	\$ 70,887
Building	10,378,440	-	323,024	10,055,416
Computer Equipment	19,028,128	-	-	19,028,128
Total Right to Use Assets	<u>\$ 29,428,591</u>	<u>\$ 54,430</u>	<u>\$ 328,590</u>	<u>\$ 29,154,431</u>
Less Accumulated Amortization for:				
Equipment	\$ (12,007)	\$ (12,036)	\$ (5,566)	\$ (18,477)
Building	(2,238,466)	(1,519,583)	(323,024)	(3,435,025)
Computer Equipment	(12,896,843)	(4,757,032)	-	(17,653,875)
Total Net of Accumulated Amortization	<u>(15,147,316)</u>	<u>(6,288,651)</u>	<u>(328,590)</u>	<u>(21,107,377)</u>
Total Net of Amortization	<u>\$ 14,281,275</u>	<u>\$ (6,234,221)</u>	<u>\$ -</u>	<u>\$ 8,047,054</u>
<b>James River Juvenile Detention Commission</b>	<b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b>
	<b>July 1, 2024</b>	<b>June 30, 2024</b>	<b>June 30, 2024</b>	<b>June 30, 2025</b>
Right to Use Assets:				
Equipment	\$ 10,456	\$ -	\$ 10,456	\$ -
Total Right to Use Assets	<u>\$ 10,456</u>	<u>\$ -</u>	<u>\$ 10,456</u>	<u>\$ -</u>
Less Accumulated Amortization for:				
Equipment	\$ (9,905)	\$ (551)	\$ (10,456)	\$ -
Total Net of Accumulated Amortization	<u>(9,905)</u>	<u>(551)</u>	<u>(10,456)</u>	<u>-</u>
Total Net of Amortization	<u>\$ 551</u>	<u>\$ (551)</u>	<u>\$ -</u>	<u>\$ -</u>

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The County Reporting Entity is a lessee in various lease software contracts and has the following class of lease subscription assets:

**Amount of Subscription Assets by Major Classes of Underlying Assets as of June 30, 2025**

<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software	\$ 85,315,360	\$ 25,897,078
Total Subscriptions	<u>\$ 85,315,360</u>	<u>\$ 25,897,078</u>

<b>Governmental Activities</b>	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2025</b>
Right to Use Assets				
Subscription Assets	\$ 27,400,400	\$ 25,707,669	\$ 1,459,493	\$ 51,648,576
Less Accumulated Amortization	(7,566,326)	(7,551,683)	(1,459,493)	(13,658,516)
Total Subscription Assets	<u>\$ 19,834,074</u>	<u>\$ 18,155,986</u>	<u>\$ -</u>	<u>\$ 37,990,060</u>

<b>Component Units - School Board</b>	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2025</b>
Right to Use Assets				
Subscription Assets	\$ 23,617,888	\$ 13,088,037	\$ 3,039,141	\$ 33,666,784
Less Accumulated Amortization	(7,630,344)	(7,647,359)	(3,039,141)	(12,238,562)
Total Subscription Assets	<u>\$ 15,987,544</u>	<u>\$ 5,440,678</u>	<u>\$ -</u>	<u>\$ 21,428,222</u>

**HENRICO COUNTY, VIRGINIA**  
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**JUNE 30, 2025**

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**NOTE 7. LONG-TERM DEBT**

**Governmental Activities**

The following is a summary of the changes in the County’s total long-term liabilities, including net pension and OPEB liabilities, for the year ended June 30, 2025:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
General obligation (GO) bonds	\$603,150,000	\$ -	\$ 54,580,000	\$548,570,000
VRA special revenue bond	5,825,000	-	2,840,000	2,985,000
EDA lease revenue bonds	90,040,000	-	4,965,000	85,075,000
Lease liability	9,166,151	5,658,457	3,302,644	11,521,964
SBITA liability	18,684,914	25,707,669	9,258,753	35,133,830
Accrued claims payable	32,930,000	17,450,777	19,337,777	31,043,000
Accrued compensated absences, restated	47,033,624	2,282,970	-	49,316,594
Net pension liability	211,288,219	200,070,765	195,523,596	215,835,388
Line of Duty OPEB liability	26,300,622	2,461,645	1,212,121	27,550,146
Net GLI OPEB liability	12,917,629	5,593,058	6,373,681	12,137,006
Landfill postclosure costs	4,154,094	91,389	-	4,245,483
Total	<u>1,061,490,253</u>	<u>\$259,316,730</u>	<u>\$297,393,572</u>	<u>1,023,413,411</u>
Premium on bonds	53,978,494	\$ -	\$ 9,543,101	44,435,393
Total long-term liabilities	1,115,468,747			1,067,848,804
Current Maturities	<u>(129,654,350)</u>			<u>(125,888,499)</u>
Net long-term liabilities	<u>\$985,814,397</u>			<u>\$ 941,960,305</u>

The current maturity of long-term liabilities at June 30, 2025 consists of the following:

General obligation bonds	\$ 52,740,000
VRA special revenue bonds	2,985,000
EDA lease revenue bonds	5,015,000
Lease obligations	2,386,951
SBITA obligations	6,738,241
Accrued claims payable	19,930,430
Accrued compensated absences	34,823,169
Line of Duty OPEB obligations	1,269,708
Total current maturities	<u>\$ 125,888,499</u>

Long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.

All liabilities, both current and long-term, are reported in the Statement of Net Position. The adjustment from modified accrual to full accrual at June 30, 2025 is as follows:

Long-term liabilities (detail above)	\$1,067,848,804
Net pension liability (detail above)	(215,835,388)
Net OPEB liabilities (detail above)	(39,687,152)
Internal Service Fund liabilities	<u>(10,288,936)</u>
Combined adjustment	<u>\$ 802,037,328</u>

**HENRICO COUNTY, VIRGINIA**  
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In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. The adjustment from modified accrual to full accrual is \$7,553,817, which represents the increase in accrued interest on bonds payable of \$1,989,284 and amortization of bond premium of \$9,543,101 for the year ended June 30, 2025.

In March 2005, November 2016 and November 2022, the County's voters authorized the issuance of general obligation bonds. In 2005, voters authorized \$349,300,000 in bonds, of which \$339,700,000 has been issued as of June 30, 2024. In 2016, voters authorized \$419,800,000, of which \$412,745,000 has been issued as of June 30, 2024. In November 2022, voters authorized \$511,350,000, of which \$121,355,000 has been issued as of June 30, 2025.

On September 19, 2012, the County issued General Obligation Public Improvement Refunding Bonds, Series 2012 in the aggregate principal amount of \$37,500,000. The proceeds of the Bonds will be applied (i) to advance refund and defease \$19,450,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2005, dated August 17, 2005 and maturing on July 15<sup>th</sup> in each of the years 2021 through 2025, which are subject to redemption and are to be redeemed on July 15, 2015, (ii) to advance refund and defease \$17,975,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2006, dated November 15, 2006, and maturing on December 1<sup>st</sup> in each of the years 2022 through 2026, which are subject to redemption and are to be redeemed on December 1, 2016, and (iii) to advance refund and defease \$2,155,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2010A, dated August 10, 2010, and maturing on August 1, 2013, which were paid at their stated maturity on August 1, 2013. The Bonds mature on February 1, 2013, and on August 1<sup>st</sup> in each of the years 2014 through 2026. The County reduced its aggregate debt service payments by approximately \$2.5 million over the next 14 years and obtained an economic gain of (difference between the present value of the old and new debt service payments) of \$2.4 million. For legal and accounting purposes, the refunded debt is considered to have been paid, and neither the debt (which was fully defeased) nor the assets placed in the trust fund are reflected in the County's financial statements.

On March 31, 2015, the County issued General Obligation Public Improvement Refunding Bonds, Series 2015, in the aggregate principal amount of \$50,485,000. The proceeds of the Bonds will be applied (i) to advance refund and defease \$8,950,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2008, dated January 31, 2008, and maturing on December 1<sup>st</sup> in each of the years 2022 through 2027, which are subject to redemption and are to be redeemed on December 1, 2017, (ii) to advance refund and defease \$13,955,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2008A, dated November 14, 2008, and maturing on December 1<sup>st</sup> in each of the years 2026 through 2028, which are subject to redemption and are to be redeemed on December 1, 2018, and (iii) to advance refund and defease \$31,090,000 outstanding principal amount of the County's Virginia Public School Authority (VPSA) Special Obligation School Financing Bonds, Series 2008, dated July 2, 2008, and maturing on July 15<sup>th</sup> in each of the years 2015 through 2028. The County reduced its aggregate debt service payments by approximately \$2.5 million over the next 14 years and obtained an economic gain of (difference between the present value of the old and new debt service payments) of \$3.3 million. For legal and accounting purposes, the refunded debt is considered to have been paid, and neither the debt (which was fully defeased) nor the assets placed in the trust fund are reflected in the County's financial statements.

On May 31, 2017, the County issued General Obligation Public Improvement Bonds, Series 2017A, in the aggregate principal amount of \$102,255,000. The proceeds of the Bonds will be used to finance capital school improvement projects, fire facilities, and recreation and park facilities improvements in the County, pursuant to the voter authorizations at elections held in the County on November 8, 2016. The interest rates on these bonds range from 3 percent to 5 percent. The Bonds mature on August 1<sup>st</sup> in each of the years 2018 through 2037.

On May 31, 2017, the County issued General Obligation Public Improvement Refunding Bonds, Series 2017B, in the aggregate principal amount of \$53,755,000. The proceeds of the Bonds will be applied (i) to advance refund and defease \$36,100,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2010A, dated July 20, 2010, and maturing on August 1<sup>st</sup> in each of the years 2021 through 2030, which are subject to redemption and are to be redeemed on August 1, 2020, and (ii) to advance refund and defease \$19,830,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2011, dated September 1, 2011 and maturing on August 1<sup>st</sup> in each of the years 2022 through 2027, which are subject to redemption and are to be redeemed on August 1, 2021. The County reduced its aggregate debt service payments by approximately \$2.8 million over the next 14 years and obtained an economic gain of (difference between the present value of the old and new debt service payments) of \$3.4 million. For legal and accounting purposes, the refunded debt is considered to have been paid, and neither the debt (of which \$55,930,000 remained outstanding at June 30, 2019) nor the assets placed in the trust fund are reflected in the County's financial statements.

On July 31, 2018, the County issued General Obligation Public Improvement Bonds, Series 2018, in the aggregate principal

**HENRICO COUNTY, VIRGINIA**  
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amount of \$99,395,000. The proceeds of the Bonds will be used to finance capital school improvement projects, fire stations and facilities, and recreation and parks facilities in the County pursuant to the voter authorizations at elections held in the County on November 8, 2016. The Bonds mature on August 1<sup>st</sup> in each of the years 2019 through 2038. The interest rates range from 3 percent to 5 percent.

On October 9, 2019, the County issued General Obligation Public Improvement Bonds, Series 2019 in the aggregate principal amount of \$105,115,000. The proceeds of the Bonds will be used to finance capital school improvement projects, library facilities, recreation and parks facilities and roads in the County pursuant to the voter authorizations at elections held in the County on November 8, 2016. The Bonds mature on August 1<sup>st</sup> in each of the years 2021 through 2039. The interest rates range from 3 percent to 5 percent.

On April 16, 2020, the County sold General Obligation Public Improvement Refunding Bonds, Series 2020 in the aggregate principal amount of \$24,930,000. The proceeds of the Bonds will be used to refund in advance of their stated maturities certain outstanding bonds of the General Obligation Public Improvement Bonds Series 2010. The Bonds mature on July 15<sup>th</sup> in each of the years 2022 through 2025. The interest rate is 5 percent.

On July 2, 2020, the County sold General Obligation Public Improvement Bonds, Series 2020A in the aggregate principal amount of \$105,980,000. The proceeds of the Bonds will be used to finance school capital improvement projects, road improvements, fire stations and facilities projects, and recreation and parks facilities in the County pursuant to the voter authorizations at elections held in the County on November 8, 2016. The Bonds mature on August 1<sup>st</sup> in each of the years 2022 through 2040. The interest rates range from 2 percent to 5 percent.

On July 2, 2020, the County issued General Obligation Public Improvement Refunding Bonds, Series 2020B in the aggregate principal amount of \$15,545,000. The bonds were issued to refund and defease \$14,720,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2011. The Bonds mature on August 1<sup>st</sup> in each of the years 2021 through 2031. The interest rates ranges from 0.49 percent to 1.430 percent.

On October 12, 2021, the County sold VPSA Special Obligation School Financing Bonds, Series 2021 in the aggregate principal amount of \$48,115,000. The proceeds of the Bonds will be used to finance various school capital improvement projects. The bonds mature on August 15<sup>th</sup> in each of the years 2022 through 2041. The interest rates range from 1.625 percent to 5 percent.

On March 26, 2024, the County issued General Obligation Public Improvement Bonds, Series 2024A, in the aggregate principal amount of \$121,355,000. The proceeds of the Bonds will be used to finance capital school improvement projects, fire stations and facilities, and recreation and parks facilities in the County pursuant to the voter authorizations at elections held in the County on November 8, 2022. The Bonds mature on August 1<sup>st</sup> in each of the years 2024 through 2044. The interest rates range from 3 percent to 5 percent.

As of June 30, 2024, the County's bonds are subject to the provisions of the Internal Revenue Service Code of 1986 related to arbitrage and interest income tax regulations under those provisions. The County has recorded an estimated arbitrage rebate liability in the Governmental activities of \$709,528 at June 30, 2024.

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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General Obligation Bonds

Details of general obligation bonds for the County at June 30, 2025 are as follows:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance</u>
2012 GO. Bonds	2.00-5.00	10/03/12	08/01/26	\$ 37,500,000	\$ 10,995,000
2015 GO. Bonds	2.00-5.00	03/31/15	08/01/28	50,485,000	26,195,000
2017A GO. Bonds	3.00-5.00	05/31/17	08/01/37	102,255,000	66,450,000
2017B GO. Bonds	2.00-5.00	05/31/17	08/01/30	53,755,000	30,030,000
2018 GO. Bonds	3.00-5.00	07/31/18	08/01/38	99,395,000	69,570,000
2019 GO. Bonds	3.00-5.00	10/09/19	08/01/39	105,115,000	81,755,000
2020R GO. Bonds	5.00	04/16/20	07/15/25	24,930,000	4,650,000
2020A GO. Bonds	2.00-5.00	07/02/20	08/01/40	105,980,000	88,220,000
2020B GO. Bonds	.049-1.43	07/02/20	08/01/31	15,545,000	14,530,000
2021 VPSA Bonds	1.625-5.00	10/12/21	08/15/41	48,115,000	40,885,000
2024A GO. Bonds	3.00-5.00	03/26/24	08/01/43	121,355,000	<u>115,290,000</u>
<b>TOTAL</b>					<u>\$ 548,570,000</u>

Debt service for the County on the foregoing bonds is payable during future fiscal years ending June 30 as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 52,740,000	\$ 20,871,014
2027	48,920,000	18,393,651
2028	45,340,000	16,089,397
2029	43,820,000	13,969,896
2030	37,125,000	12,109,281
2031-2035	156,115,000	39,905,857
2036-2040	130,175,000	15,598,685
2041-2045	<u>34,335,000</u>	<u>2,089,650</u>
<b>TOTAL</b>	<u>\$ 548,570,000</u>	<u>\$ 139,027,431</u>

General obligation bonds are backed by the full faith and credit of the County and are issued primarily for construction in progress for various purposes. The County has no sinking fund or legal debt margin requirements. All general obligation bonds except VPSA (Virginia Public School Authority) bonds, have been authorized by public referendum. The VPSA bonds have been issued by the adoption of a resolution by the County Board of Supervisors. The County is independent of any city, town or other political jurisdiction; therefore, there is no overlapping debt or taxing power.

Virginia Resources Authority (VRA) Special Revenue Bonds

On May 26, 2021, the County issued VRA Special Revenue Bonds in the aggregate principal amount of \$13,560,000. The proceeds of the bonds will be used for general government projects. The Bonds mature on October 1<sup>st</sup> in each of the years 2022 through 2025. The interest rate is 5.125%.

Debt service for the County on the foregoing bonds is payable during future fiscal years ending June 30 as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,985,000	\$ 76,491
<b>TOTAL</b>	<u>\$ 2,985,000</u>	<u>\$ 76,491</u>

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Economic Development Authority (EDA) Lease Revenue Bonds

On November 1, 2019 the EDA issued Lease Revenue Bonds, Series 2019 in the aggregate principal amount of \$10,115,000. The proceeds of the bonds were used to purchase Wilton Farm. The Bonds mature on January 15<sup>th</sup> in each of the years 2020 through 2034. The interest rate is 1.98%.

On April 2, 2020 the EDA issued Lease Revenue Bonds, Series 2020A in the aggregate principal amount of \$50,000,000. The proceeds of the bonds were used to construct an indoor sports facility. The Bonds mature on August 1st in each of the years 2020 through 2039. The interest rate is between 1.352% and 2.749%.

On April 23, 2024 the EDA issued Lease Revenue Bonds, Series 2024B in the aggregate principal amount of \$41,220,000. The proceeds of the bonds were used to acquire land and construct public safety facilities. The Bonds mature on August 1<sup>st</sup> in each of the years 2024 through 2043.

EDA Lease Revenue Bonds

Details of lease revenue bonds for the County at June 30, 2025 are as follows:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance</u>
2019 Lease Revenue Bonds	1.98%	11/01/2019	01/15/2034	\$ 10,115,000	\$ 6,845,000
2020A Lease Revenue Bonds	1.35-2.74%	04/02/2020	08/01/2039	50,000,000	39,070,000
2024B Lease Revenue Bonds	4.00-5.00%	04/23/2024	08/01/2043	41,220,000	<u>39,160,000</u>
<b>TOTAL</b>					<u>\$ 85,075,000</u>

Debt service for the County on the foregoing bonds is payable during future fiscal years ending June 30 as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2026	5,015,000	2,799,832
2027	5,065,000	2,645,802
2028	5,120,000	2,488,018
2029	5,175,000	2,326,588
2030	5,235,000	2,161,591
2031-2035	26,375,000	8,220,535
2036-2040	24,850,000	3,840,756
2041-2045	<u>8,240,000</u>	<u>659,200</u>
<b>TOTAL</b>	<u>\$ 85,075,000</u>	<u>\$ 25,142,322</u>

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**Business-type Activities**

A summary of the changes in the Water and Sewer Fund (“Fund”) long-term liabilities, including net pension liability, for the year ended June 30, 2025 are as follows:

	<b><u>Balance</u></b> <b><u>July 1, 2024</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2025</u></b>
<b>Water and Sewer Revenue Bonds:</b>				
2014 Revenue Bonds - \$74,165,000, 1.00% to 5.00%	\$ 4,040,000	-	\$ 1,980,000	\$ 2,060,000
2016 Revenue and Refunding Bonds - \$123,625,000, 1.50% to 5.00%	14,640,000	-	7,140,000	7,500,000
2018 Revenue Bonds - \$102,410,000, 3.125% to 5.00%	90,395,000	-	2,350,000	88,045,000
2019 Revenue and Refunding Bonds - \$78,085,000, 3.125% to 5.00%	71,145,000	-	1,520,000	69,625,000
2020A Revenue and Refunding Bonds - \$25,705,000, 3.00% to 5.00%	25,705,000	-	-	25,705,000
2020B Revenue and Refunding Bonds - \$118,675,000, 0.227% to 2.417%	109,655,000	-	4,305,000	105,350,000
2021 Revenue and Refunding Bonds - \$85,680,000, 1.00% to 2.70%	<u>81,180,000</u>	<u>-</u>	<u>1,315,000</u>	<u>79,865,000</u>
 Total bonds payable	 <u>\$ 396,760,000</u>	 <u>\$ -</u>	 <u>\$ 18,610,000</u>	 <u>\$ 378,150,000</u>
 <b>Other Liabilities:</b>				
Lease liability	\$ 2,175	\$ -	\$ 2,175	\$ -
Accrued compensated absences, restated	2,964,125	273,821	-	3,237,946
Net GLI OPEB liability	941,315	250,202	285,123	906,394
Net pension liability	<u>14,378,607</u>	<u>10,657,235</u>	<u>10,415,020</u>	<u>14,620,822</u>
Total	<u>415,046,222</u>	<u>11,181,258</u>	<u>29,312,318</u>	<u>396,915,162</u>
Premium on bonds payable	30,644,738	-	<u>2,480,021</u>	28,164,717
Total long-term liabilities	\$ 445,690,960	<u>\$ 11,181,258</u>	<u>\$ 31,792,339</u>	\$ 425,079,879
Current maturities	<u>(18,623,303)</u>			<u>(22,205,011)</u>
Net long-term liabilities	<u>\$ 427,067,657</u>			<u>\$ 402,874,868</u>

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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Current maturities of long-term liabilities at June 30, 2025 consist of the following:

Revenue bonds	\$ 19,280,000
Accrued compensated absences	<u>2,925,011</u>
Total current maturities	<u>\$ 22,205,011</u>

The Water and Sewer Revenue Fund (the “Fund”) may issue additional bonds payable, which may be collateralized equally with the outstanding bonds for any purpose connected with or pertaining to the Fund, upon compliance with the following conditions, among others:

- One-half of the net operating revenues of the Fund, as defined, during any 24 consecutive months out of the 30 months immediately preceding the issuance of the additional bonds, shall have been not less than 1.25 times the maximum annual debt service requirement on all bonds then outstanding and the proposed additional bonds; and the
- Net operating revenues of the Fund, as defined, during the first full fiscal year following the date upon which the project or undertaking for which the proposed additional bonds are being issued is anticipated to be completed, shall be estimated by a nationally recognized consulting engineer to be not less than 1.25 times the annual debt service requirement on account of all bonds then outstanding and the proposed additional bonds.

On March 20, 2014, the County issued \$74,165,000 of Water and Sewer Revenue Bonds to finance improvements, additions and extensions to the water and sewer system in the County. The interest rate on these bonds is between 1% and 5% and the final maturity will occur on May 1, 2044. The principal payments range from \$370,000 to \$2,875,000.

On May 17, 2016, the County issued \$123,625,000 of Water and Sewer Revenue Refunding Bonds to refund outstanding principal amounts of \$35,985,000 of the 2009A and \$15,310,000 of the 2009 Series Water and Sewer System Revenue Bonds, finance improvements, additions and extensions to the County’s water and sewer system and to fund the Cobbs Creek Reservoir project. The interest rate on these bonds is between 1.75% and 5% and the final maturity will occur on May 1, 2046. The principal payments range from \$480,000 to \$7,875,000.

On May 9, 2018, the County issued \$102,410,000 of Water and Sewer Revenue Bonds to finance improvements, additions and extensions to the water and sewer system in the County. The interest rate on these bonds is between 3% and 5% and the final maturity will occur on May 1, 2048. The principal payments range from \$1,840,000 to \$5,515,000.

On June 26, 2019, the County issued \$78,085,000 of Water and Sewer Revenue and Refunding Bonds to refund outstanding principal amount of \$9,800,000 of the 2009B of the 2009 Series Water and Sewer System Revenue Bonds, finance improvements, additions and extensions to the County’s water and sewer system and to fund the Cobbs Creek Reservoir project. The interest rate on these bonds is between 2.75% and 5% and the final maturity will occur on May 1, 2049. The principal payments range from \$1,250,000 to \$3,645,000.

On October 13, 2020 the County sold Water and Sewer System Revenue Bonds, Series 2020A, in the principal amount \$25,705,000, to provide the funds needed to finance improvements, additions and extensions to the County’s Water and Sewer System. The Bonds mature on May 1st in each of the years 2029 through 2050. The interest rate is between 3 and 5 percent.

On October 13, 2020, the County sold Water and Sewer System Refunding Bonds, Series 2020B in the aggregate principal amount of \$118,675,000. The proceeds of the Bonds will be used to refund in advance of their stated maturities certain outstanding bonds of the Water and Sewer System Refunding Bonds, Series 2013 and the Water and Sewer System Refunding Bonds, Series 2014. The Bonds mature on May 1<sup>st</sup> in each of the years 2021 through 2044. The interest rate is between 0.227 and 2.417 percent.

On September 22, 2021, the County sold Water and Sewer System Refunding Revenue Bonds, Series 2021 (Federally Taxable), in the principal amount of \$85,680,000. The proceeds of the Bonds will be used to advance refund \$72,950,000 in outstanding principal from the Water and Sewer System Revenue and Refunding Bonds, Series 2016 and pay certain costs associated with 2021 bonds. The Bonds mature on May 1st in each of the years 2022 through 2046. The interest rate is between 1 and 2.7 percent.

In fiscal year 2022 and prior years, the County defeased certain Water and Sewer Revenue Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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assets and the liability for the defeased bonds are not reflected in the County's financial statements. At June 30, 2025, \$235,106,638 of Water and Sewer System Revenue Bonds are considered fully defeased.

Principal and interest payment on the Bonds for the next five fiscal years, subsequent to June 30, 2025, and thereafter are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 19,280,000	\$ 10,368,982
2027	19,965,000	9,680,046
2028	20,360,000	9,303,629
2029	16,395,000	8,884,332
2030	16,785,000	8,491,181
2031-2035	90,415,000	35,908,254
2036-2040	76,605,000	24,798,446
2041-2045	77,335,000	13,997,500
2046-2050	<u>41,010,000</u>	<u>3,238,920</u>
<b>Total</b>	<b><u>\$ 378,150,000</u></b>	<b><u>\$ 124,671,290</u></b>

**Component Units**

**School Board:**

A summary of the changes in the School Board's long-term liabilities, including net pension liability, for the year ended June 30, 2025 is as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Lease liability	\$ 13,065,672	\$ 54,430	\$ 6,494,371	\$ 6,625,731
SBITA liability	15,093,388	13,088,036	9,856,909	18,324,515
Accrued claims payable	7,069,000	333,199	1,326,199	6,076,000
Net pension liability	363,495,556	237,786,342	251,473,515	349,808,383
Net GLI OPEB liability	18,779,273	7,543,936	8,567,198	17,756,011
Net HIC OPEB liability	40,241,491	5,160,093	5,864,612	39,536,972
Accrued compensated absences, restated	<u>28,937,794</u>	<u>4,971,882</u>	<u>-</u>	<u>33,909,676</u>
Total School Board	\$ 486,682,174	<u>\$268,937,918</u>	<u>\$ 283,582,804</u>	\$ 472,037,288
Current Maturities	<u>(20,702,099)</u>			<u>(24,817,563)</u>
Net long-term liabilities	<u>\$ 465,980,075</u>			<u>\$ 447,219,725</u>

Current maturities of long-term liabilities at June 30, 2025, consist of the following:

Lease obligations	\$ 1,468,533
SBITA obligations	5,955,074
Accrued claims payable	1,139,905
Accrued compensated absences	<u>16,254,051</u>
Total current maturities	<u>\$ 24,817,563</u>

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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James River Juvenile Detention Commission:

A summary of the changes in JRJDC's long-term liabilities, including net pension liability, for the year ended June 30, 2025, is as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Lease obligations	\$ 702	\$ -	\$ -	\$ 702
Net pension liability	3,052,756	2,384,145	2,329,959	3,106,942
Net GLI OPEB liability	196,229	56,059	63,882	188,406
Accrued compensated absences, restated	<u>335,131</u>	<u>85,282</u>	<u>-</u>	<u>420,413</u>
Total JRJDC	\$ 3,584,818	\$ 2,525,486	\$ 2,393,841	\$ 3,716,463
Current Maturities	<u>(245,078)</u>			<u>(417,836)</u>
Net long-term liabilities	<u>\$ 3,339,740</u>			<u>\$ 3,298,627</u>

Current maturities of long-term liabilities at June 30, 2025, consist of the following:

Accrued compensated absences	\$ 417,836
Total current maturities	<u>\$ 417,836</u>

**Leases Liability**

The County leases real estate, certain data processing equipment, computer equipment and other equipment under various long-term lease agreements for periods ranging from one to fifteen years. Interest rates on the agreements range from .17% to 26.65%. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. The County recognizes a lease liability, and the associated right to use lease asset, on the government-wide Statement of Net Position.

The County has a variety of variable payment clauses within its lease arrangements, which include payments dependent on indexes and rates (such as the Consumer Price Index, Incremental Borrowing Rate, and market interest rates), including variable payments based on future performance and usage of the underlying asset. Components of variable payments that are fixed in substance are included in the measurement of the lease liability presented in the table below. The County did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, the County has no agreements that include sale-leaseback and lease-leaseback transactions.

For additional information, refer to the disclosures below.

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**Principal and Interest Requirements to Maturity**

**Governmental Activities**

<b>Years</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
FY2026	\$ 2,386,951	\$ 78,063	\$ 2,465,014
FY2027	2,071,063	56,434	2,127,497
FY2028	1,701,831	37,120	1,738,952
FY2029	1,633,321	26,134	1,659,455
FY2030	1,262,444	18,133	1,280,577
FY2031-2035	2,167,523	43,309	2,210,832
FY2036-2040	298,831	3,760	302,591
Total Governmental Activities	<u>\$ 11,521,964</u>	<u>\$ 262,954</u>	<u>\$ 11,784,918</u>

**Component Units**

**School Board:**

<b>Years</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
FY2026	\$ 1,468,533	\$ 20,129	\$ 1,488,662
FY2027	1,163,484	8,013	1,171,497
FY2028	798,133	959	799,091
FY2029	787,135	239	787,374
FY2030	508,319	-	508,319
FY2031-2035	1,900,128	-	1,900,128
Total School Board	<u>\$ 6,625,731</u>	<u>\$ 29,340</u>	<u>\$ 6,655,071</u>

**Leases Receivable**

For the year ended June 30, 2025, the County is the lessor of real estate and other equipment under various lease agreements for periods ranging from one to fifty years. The cost and accumulated depreciation on leased property at June 30, 2025, was \$47,504,406 and \$28,311,334, respectively.

Future minimum lease receivable payments for fiscal years ending after June 30, 2025, are as follows:

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY2026	\$ 688,387	\$ 85,511	\$ 773,897
FY2027	627,938	80,086	708,024
FY2028	631,200	74,792	705,992
FY2029	640,843	69,269	710,112
FY2030	558,004	63,612	621,616
FY2031-2035	2,655,644	230,989	2,886,633
FY2036-2040	2,108,885	113,532	2,222,417
FY2041-2045	1,677,912	21,743	1,699,655
FY2046-2049	694,843	1,680	696,523
Total Governmental Activities	<u>\$ 10,283,655</u>	<u>\$ 741,215</u>	<u>\$ 11,024,870</u>

**Business-Type Activities**

<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY2026	\$ 27,661	\$ 161	\$ 27,822
FY2027	708	12	720
FY2028	714	6	720
FY2029	0	0	0
Total Business-Type Activities	<u>\$ 29,083</u>	<u>\$ 179</u>	<u>\$ 29,262</u>

**Component Unit - School Board**

<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY2026	\$ 43,856	\$ 39	\$ 43,895
FY2027	\$ 28,284	\$ -	\$ 28,284
FY2028	\$ 28,999	\$ -	\$ 28,999
FY2029	\$ 29,724	\$ -	\$ 29,724
FY2030	\$ 30,467	\$ -	\$ 30,467
FY2031-2035	143,875	0	143,875
Total Component Unit - School Board	<u>\$ 305,204</u>	<u>\$ 39</u>	<u>\$ 305,244</u>
<b>Grand Total</b>	<u>\$ 10,617,943</u>	<u>\$ 741,433</u>	<u>\$ 11,359,376</u>

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Governmental Activities**

The following is a summary of changes in the County's lease receivables for the year ended June 30, 2025:

	<b>Balance June 30, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2025</b>
Building	\$ 2,888,062	\$ 53,978	\$ 348,939	\$ 2,593,101
Land	519,044	1,080,322	664,886	934,480
Other	4,969,926	2,732,910	946,762	6,756,074
Total Lease Receivable	<u>\$ 8,377,032</u>	<u>\$ 3,867,210</u>	<u>\$ 1,960,587</u>	<u>\$ 10,283,655</u>

**Business-type Activities**

The following is a summary of changes in the Water and Sewer lease receivables for the year ended June 30, 2025:

<u>Water and Sewer:</u>	<b>Balance June 30, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2025</b>
Other	\$ 56,598	\$ -	\$ 27,515	\$ 29,083
Total Lease Receivable	<u>\$ 56,598</u>	<u>\$ -</u>	<u>\$ 27,515</u>	<u>\$ 29,083</u>

**Component Units**

The following is a summary of changes in the School Board lease receivables for the year ended June 30, 2025:

<u>School Board:</u>	<b>Balance June 30, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2025</b>
Land	\$ 87,001	\$ 304,771	\$ 86,568	\$ 305,204
Total Lease Receivable	<u>\$ 87,001</u>	<u>\$ 304,771</u>	<u>\$ 86,568</u>	<u>\$ 305,204</u>

**Governmental Activities**

The following is a summary of changes in the County's deferred inflows for lease receivables for the year ended June 30, 2025:

	<b>Balance June 30, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2025</b>
Building	\$ 2,777,838	\$ 53,978	\$ 369,216	\$ 2,462,600
Land	486,301	1,080,322	596,819	969,804
Other	4,673,242	2,732,910	1,066,211	6,339,941
Total Deferred Inflows of Resources	<u>\$ 7,937,381</u>	<u>\$ 3,867,210</u>	<u>\$ 2,032,246</u>	<u>\$ 9,772,345</u>

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Business-type activities**

The following is a summary of changes in the Water and Sewer Fund's deferred inflows for lease receivables for the year ended June 30, 2025:

<u>Water and Sewer:</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Building	\$ 42,034	\$ -	\$ 33,470	\$ 8,564
Total Deferred Inflows of Resources	<u>\$ 42,034</u>	<u>\$ -</u>	<u>\$ 33,470</u>	<u>\$ 8,564</u>

**Component Units**

The following is a summary of changes in the School Board's deferred inflows for lease receivables for the year ended June 30, 2025:

<u>School Board:</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Land	\$ 108,218	\$ 304,771	\$ 79,096	\$ 333,893
Total Deferred Inflows of Resources	<u>\$ 108,218</u>	<u>\$ 304,771</u>	<u>\$ 79,096</u>	<u>\$ 333,893</u>

**Subscriptions Liability**

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. The subscription term includes the period during which a government has a non-cancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option). Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability.

County of Henrico should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the county, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. County of Henrico should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. County of Henrico should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

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For additional information, refer to the disclosures below.

**Principal and Interest Requirements to Maturity**

**Governmental Activities**

<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY2026	\$ 6,738,241	\$ 940,561	\$ 7,678,802
FY2027	6,034,155	782,436	6,816,590
FY2028	5,850,216	620,885	6,471,101
FY2029	5,909,843	463,508	6,373,351
FY2030	3,909,588	304,609	4,214,198
FY2031-2035	6,691,787	320,569	7,012,356
Total Governmental Activities	<u>\$ 35,133,830</u>	<u>\$ 3,432,568</u>	<u>\$ 38,566,398</u>

**Component Units**

School Board:

<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY2026	\$ 5,955,074	\$ 451,423	\$ 6,406,497
FY2027	3,916,270	303,217	4,219,487
FY2028	2,693,566	201,629	2,895,195
FY2029	2,120,580	137,024	2,257,604
FY2030	1,689,507	84,867	1,774,373
FY2031-2035	1,749,628	81,924	1,831,552
FY2036-2040	199,890	14,601	214,491
Total School Board	<u>\$ 18,324,515</u>	<u>\$ 1,274,685</u>	<u>\$ 19,599,200</u>
<b>Grand Total</b>	<u>\$ 53,458,344</u>	<u>\$ 4,707,254</u>	<u>\$ 58,165,598</u>

**NOTE 8. CONTINGENCIES AND COMMITMENTS**

A. Litigation

The County and School Board are named as defendants in several cases including tax assessment, construction contract, personal injury, special education, civil rights, and other contract cases. The maximum exposure amount that can be reasonably estimated is approximately \$237,802 for cases and potential counter claims where the County is the plaintiff. These claims are covered under the County's self-insurance program as discussed in note 8C. The County intends to defend its position in these claims vigorously. It is the opinion of County management,

**HENRICO COUNTY, VIRGINIA**  
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based on the advice of the County Attorney, that any losses incurred as a result of claims existing as of June 30, 2024, will not be material to the County's financial statements.

**B. Federal Grant Awards**

The County and School Board participate in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, would not have a material effect on the County's financial statements.

**C. Risk Management**

The County and School Board maintain a self-insurance program ("Program") for workers' compensation claims, certain property and casualty risks, health care and other claims. The Virginia Association of Counties Group Self-Insurance Risk Pool (VaCorp) covers property claims in excess of \$1,000,000 per occurrence. VaCorp covers liability claims in excess of \$2,000,000 with a \$5,000,000 limit per occurrence. The County's estimated and recorded liability for claims payable at June 30, 2025 includes actuarial estimates of probable losses on claims received and claims incurred but not reported. The liability also includes non-incremental claims adjustment expenses. The County has recorded expenditures of \$3,261,033 in the General Fund to reflect the liability for the estimated settlement value of all reported workers' compensation and property and casualty claims covered by the Program at June 30, 2025, that are expected to be liquidated with current resources. The amount of settlements has not exceeded insurance coverage in each of the past three years. Worker's compensation claims in excess of \$1,250,000 (\$2,000,000 if presumptive) are covered through Safety National Insurance Company.

In addition, the County has recorded \$21,281,000 for the County and \$6,076,000 for the School Board in the Government-wide Statement of Net Position to reflect the liability for the estimated settlement value of workers' compensation and property and casualty claims covered by the Program at June 30, 2025, that are not expected to be liquidated with current resources. Also, the County has assigned \$7,500,000 of the June 30, 2025 General Fund's Fund balance as a self-insurance reserve.

Effective January 1, 2008, the County began participating in a self-funded health care program covering medical and prescription drug costs. The County pays all covered claims up to \$2,000,000 per individual per year. Individual claims that exceed \$2,000,000 per year are covered by specific excess risk insurance. The County has recorded \$9,762,000 for health care claims incurred but not reported in the Health Care Fund at June 30, 2025.

At June 30, 2025 and 2024, the County and Schools had accrued claims payable in long-term liabilities as follows:

	<u>FY 2025</u>		<u>FY 2024</u>	
	<u>County</u>	<u>Schools</u>	<u>County</u>	<u>Schools</u>
Balance, July 1	\$ 32,930,000	\$ 7,069,000	\$ 29,646,000	\$ 5,998,000
Current year claims and changes in estimates	17,450,777	333,199	28,086,739	3,168,319
Claim payments	<u>(19,337,777)</u>	<u>(1,326,199)</u>	<u>(24,802,739)</u>	<u>(2,097,319)</u>
Balance, June 30	<u>\$ 31,043,000</u>	<u>\$ 6,076,000</u>	<u>\$ 32,930,000</u>	<u>\$ 7,069,000</u>

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D. Commitments

At June 30, 2025, the County had contractual commitments for the construction of various projects as follows:

	<b>Primary Government</b>	<b>Component Unit-Schools</b>
Capital Projects Funds:		
Computer and Technology Improvements	\$ 6,911,223	\$ -
Buildings and Grounds	5,811,548	-
Road Maintenance	52,456,589	-
Landfill Development & Utilities Projects	31,164,285	-
Public Safety Projects	22,048,616	-
Public Works	31,486,004	-
Parks and Recreation	28,734,123	-
Community Development	214,200	-
Libraries	-	-
Education Projects	<u>83,117,090</u>	<u>31,945,860</u>
<b>Total</b>	<b><u>\$ 261,943,678</u></b>	<b><u>\$ 31,945,860</u></b>
Enterprise Funds:		
Wastewater Treatment Projects	\$ 69,592,441	
Water Plant Projects	13,772,743	
Computer and Information Systems	<u>3,376,906</u>	
<b>Total</b>	<b><u>\$ 86,742,090</u></b>	

Encumbrances

As discussed in Note 1.G, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2025, the County had encumbrances expected to be honored upon performance by vendors in the next year as follows:

General Fund	\$ 11,490,504
Special Revenue Fund	4,582,769
Capital Projects Fund	<u>283,049,461</u>
Total	<b><u>\$299,122,734</u></b>

G. Contingent Liabilities

Environmental Risk

The County is the owner of closed landfills, underground storage tanks, sewage lagoons and other potential sources of toxic substances. Ownership of these properties exposes the County to risk of third-party pollution liability. At this time, no claim exists nor is there knowledge of any condition which impairs a third party's property or person.

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**NOTE 9. DEFINED BENEFIT PENSION PLAN – AGENT MULTIPLE-EMPLOYER**

A. Plan Description

The County and School Board Non-Professional Group contribute to an agent multiple-employer defined benefit pension plan administered by the VRS. All full-time, salaried permanent employees must participate in the VRS. Benefits vest after five years of service. VRS administers three different benefit plans for local government employees – Plan 1, Plan 2 and a Hybrid Plan. Each plan has a different eligibility and benefit structure as described below.

VRS Plan 1 and Plan 2 are defined benefit plans and the retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013. VRS Plan 1 and Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

VRS members are eligible for an unreduced retirement benefit at age 65 for Plan 1 members and at normal social security retirement age for Plan 2 members with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs)) payable monthly for life in an amount equal to 1.7 percent (Plan 1 members) and 1.65% (Plan 2 members) of their average final compensation (“AFC”) for each year of credited service (1.85 percent to Sheriffs and if the employer elects, to other employees in hazardous positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5 percent (Plan 1 members) and 3% (Plan 2 members) per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months for Plan 1 members and 60 months for Plan 2 members, of reported annual compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during the special election window. The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. The benefit from the defined contribution plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees. Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Hybrid members are eligible for an unreduced retirement benefit at normal social security retirement age with 5 years of service or when their age and service equal 90. The defined benefit component has a 1.0 percent multiplier to produce approximately a 30% salary replacement rate after 30 years of service. Hybrid member’s average final compensation is the highest consecutive 60 months of reported annual compensation. Retirees qualify for annual cost-of-living increases limited to 3% per year beginning in their second year of retirement.

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Employees Covered by Benefit Terms

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

	<u>County*</u>	<u>School Board Non-Professional Group</u>
Retirees or their beneficiaries currently receiving benefits	3,985	101
Inactive members:		
Vested	921	26
Non-vested	1,984	88
Active elsewhere in VRS	<u>1,332</u>	<u>100</u>
Total inactive members	4,237	214
Active members	<u>5,128</u>	<u>25</u>
Total	<u>13,350</u>	<u>340</u>

\*includes School Board Construction and Maintenance (C&M) Group – See note 9B for further information

VRS issues a publicly available ACFR that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or obtained by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**B. Funding Policy**

VRS Plan 1 and 2 members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5 percent of their annual salary to the VRS. Hybrid Plan members have a 4 percent mandatory defined benefit contribution and a 1 percent mandatory contribution to the defined contribution plan and up to an additional 4 percent voluntary contribution to the defined contribution plan. The County has a mandatory 1 percent match to the defined contribution plan, plus a 100 percent match on the first 1 percent elected by the employee, plus a 50 percent matching contribution on the next 3 percent elected by the employee. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund.

In addition, the County and School Board Non-Professional Group are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board Non-Professional Group’s contribution rates for the fiscal year ended 2025 were 16.53 percent and 39.75 percent, respectively, of annual covered employee compensation. These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. The County and School Board contributions for the fiscal year ended 2025 were \$54,574,219 and \$274,796, respectively.

**C. Net Pension Liability and Pension Expense**

At June 30, 2025, the County and School Board Non-Professional Group reported a net pension liability of \$260,741,481 and \$2,890,411, respectively. The County and School Non-Professional Group changes in the net pension liability are presented below.

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**Change in the Net Pension Liability**

<b>County</b>	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2024	\$1,886,778,066	\$1,631,347,991	\$255,430,075
Changes for the year:			
Service cost	46,737,543	-	46,737,543
Interest	127,224,840	-	127,224,840
Difference between expected and actual experience	58,703,409	-	58,703,409
Contributions-employer	-	54,574,219	(54,574,219)
Contributions-employee	-	16,289,967	(16,289,967)
Net investment income	-	157,493,526	(157,493,526)
Benefit payments, including refunds of employee contributions	(97,406,327)	(97,406,327)	-
Administrative expense	-	(1,030,616)	1,030,616
Other changes	-	27,290	(27,290)
Net changes	<u>135,259,465</u>	<u>129,948,059</u>	<u>5,311,406</u>
Balances at June 30, 2025	<u>\$2,022,037,531</u>	<u>\$1,761,296,050</u>	<u>\$260,741,481</u>

**School Board Non-Professional Group**

Balances at June 30, 2024	\$7,565,113	\$4,946,476	\$2,618,637
Changes for the year:			
Service cost	58,749	-	58,749
Interest	490,638	-	490,638
Difference between expected and actual experience	483,326	-	483,326
Contributions-employer	-	274,796	(274,796)
Contributions-employee	-	30,360	(30,360)
Net investment income	-	459,128	(459,128)
Benefit payments, including refunds of employee contributions	(710,302)	(710,302)	-
Administrative expense	-	(3,300)	3,300
Other changes	-	(45)	45
Net changes	<u>322,411</u>	<u>50,637</u>	<u>271,774</u>
Balances at June 30, 2025	<u>\$7,887,524</u>	<u>\$4,997,113</u>	<u>\$2,890,411</u>

The County's net pension liability was allocated based on respective contribution proportionate shares to the employees in the County General Government, Water and Sewer Revenue Fund and Central Automotive Maintenance (CAM), which are reported as part of the County's Primary Government, and JRJDC and School Board Construction and Maintenance (School Board C&M), which are reported as part of the County's Component Units.

The net pension liability was measured as of June 30, 2024. The total pension liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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**Change in the Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Governmental Activities</b>			
Balances at June 30, 2024	\$1,564,063,828	\$1,352,775,609	\$211,288,219
Changes for the year:			
Service cost	40,012,664	-	40,012,664
Interest	108,918,966	-	108,918,966
Difference between expected and actual experience	50,256,810	-	50,256,810
Contributions-employer	-	46,721,753	(46,721,753)
Contributions-employee	-	13,946,069	(13,946,069)
Net investment income	-	134,832,411	(134,832,411)
Benefit payments, including refunds of employee contributions	(83,390,920)	(83,390,920)	-
Administrative expense	-	(882,325)	882,325
Other changes	-	23,363	(23,363)
Net changes	<u>115,797,520</u>	<u>111,250,351</u>	<u>4,547,169</u>
Balances at June 30, 2025	<u>\$1,679,861,348</u>	<u>\$1,464,025,960</u>	<u>\$215,835,388</u>
<b>Business-type Activities</b>			
Balances at June 30, 2024	\$105,340,279	\$90,961,672	\$14,378,607
Changes for the year:			
Service cost	2,131,368	-	2,131,368
Interest	5,801,822	-	5,801,822
Difference between expected and actual experience	2,677,046	-	2,677,046
Contributions-employer	-	2,488,743	(2,488,743)
Contributions-employee	-	742,870	(742,870)
Net investment income	-	7,182,162	(7,182,162)
Benefit payments, including refunds of employee contributions	(4,442,011)	(4,442,011)	-
Administrative expense	-	(46,999)	46,999
Other changes	-	1,245	(1,245)
Net changes	<u>6,168,225</u>	<u>5,926,010</u>	<u>242,215</u>
Balances at June 30, 2025	<u>\$111,508,504</u>	<u>\$96,887,682</u>	<u>\$14,620,822</u>
<b>Total Primary Government</b>			
Balances at June 30, 2024	\$1,669,404,107	\$1,443,737,281	\$225,666,826
Changes for the year:			
Service cost	42,144,032	-	42,144,032
Interest	114,720,788	-	114,720,788
Difference between expected and actual experience	52,933,856	-	52,933,856
Contributions-employer	-	49,210,496	(49,210,496)
Contributions-employee	-	14,688,939	(14,688,939)
Net investment income	-	142,014,573	(142,014,573)
Benefit payments, including refunds of employee contributions	(87,832,931)	(87,832,931)	-
Administrative expense	-	(929,324)	929,324
Other changes	-	24,608	(24,608)
Net changes	<u>121,965,745</u>	<u>117,176,361</u>	<u>4,789,384</u>
Balances at June 30, 2025	<u>\$1,791,369,852</u>	<u>\$1,560,913,642</u>	<u>\$230,456,210</u>

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**Change in the Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>School Board C&amp;M</b>			
Balances at June 30, 2024	\$194,101,424	\$167,390,931	\$26,710,493
Changes for the year:			
Service cost	4,116,699	-	4,116,699
Interest	11,206,118	-	11,206,118
Difference between expected and actual experience	5,170,667	-	5,170,667
Contributions-employer	-	4,806,963	(4,806,963)
Contributions-employee	-	1,434,840	(1,434,840)
Net investment income	-	13,872,220	(13,872,220)
Benefit payments, including refunds of employee contributions	(8,579,667)	(8,579,667)	-
Administrative expense	-	(90,778)	90,778
Other changes	-	2,405	(2,405)
Net changes	<u>11,913,817</u>	<u>11,445,983</u>	<u>467,834</u>
Balances at June 30, 2025	<u>\$206,015,241</u>	<u>\$178,836,914</u>	<u>\$27,178,327</u>

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>School Board Non-Professional Group</b>			
Balances at June 30, 2024	\$7,565,113	\$4,946,476	\$2,618,637
Changes for the year:			
Service cost	58,749	-	58,749
Interest	490,638	-	490,638
Difference between expected and actual experience	483,326	-	483,326
Contributions-employer	-	274,796	(274,796)
Contributions-employee	-	30,360	(30,360)
Net investment income	-	459,128	(459,128)
Benefit payments, including refunds of employee contributions	(710,302)	(710,302)	-
Administrative expense	-	(3,300)	3,300
Other changes	-	(45)	45
Net changes	<u>322,411</u>	<u>50,637</u>	<u>271,774</u>
Balances at June 30, 2025	<u>\$7,887,524</u>	<u>\$4,997,113</u>	<u>\$2,890,411</u>

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>James River Juvenile Detention Center</b>			
Balances at June 30, 2024	\$23,272,537	\$20,219,781	\$3,052,756
Changes for the year:			
Service cost	476,811	-	476,811
Interest	1,297,934	-	1,297,934
Difference between expected and actual experience	598,886	-	598,886
Contributions-employer	-	556,760	(556,760)
Contributions-employee	-	166,189	(166,189)
Net investment income	-	1,606,732	(1,606,732)
Benefit payments, including refunds of employee contributions	(993,729)	(993,729)	-
Administrative expense	-	(10,514)	10,514
Other changes	-	278	(278)
Net changes	<u>1,379,902</u>	<u>1,325,716</u>	<u>54,186</u>
Balances at June 30, 2025	<u>\$24,652,439</u>	<u>\$21,545,497</u>	<u>\$3,106,942</u>

**D. Actuarial Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment and mortality. The amounts determined from the actuarial study regarding the total pension liability, total

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fiduciary net position, net pension liability and annual pension expense of the County are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

The total pension liability at the June 30, 2024 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Discount Rate	6.75%
Inflation	2.5%
Payroll Growth	3.0%
Projected Salary Increases	3.50% to 5.35% per year for general government employees 3.50% to 4.75% per year for public safety employees
Investment Rate of Return	6.75% net of pension plan investment expense
Cost of Living Adjustment	2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees

Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately .06 percent of the fair market value of assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75 percent. However, since the difference was minimal, and a more conservative 6.75 percent investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75 percent to simplify preparation of pension liabilities.

Mortality rates were based on the Pub-2010 public sector mortality tables (amount weighted) with fully generational mortality improvements projected using 75% of the MP-2020 projection scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. The actuarial cost method used was the entry age method and the amortization method used was the level percentage of payroll closed method. The remaining amortization period is up to 22 years and the asset valuation method used was the 5-year smoothed market.

**E. Long-Term Expected Rate of Return**

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the VRS for use in the last actuarial experience study for the four-year period ending June 30, 2020 are summarized in the following table:

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

\* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to mode future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a medial return of 7.10%, including expected inflation of 2.50%.

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

**F. 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 plan member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate.

For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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G. Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the County’s Governmental Activities, Business-type Activities, School Board C&M’s proportionate share and the School Board Non-Professional Group’s net pension liability calculated using the discount rate of 6.75 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75 percent) or 1- percentage point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Governmental Activities proportionate share of the net pension liability	\$437,575,331	\$215,835,388	\$45,372,691
Business-type Activities proportionate share of the net pension liability	\$23,308,467	\$14,620,822	\$2,416,882
Total Primary Government	\$460,883,798	\$230,456,210	\$47,789,573
School Board C&M proportionate share of the net pension liability	\$45,019,897	\$27,178,327	\$4,668,165
School Board Non-Professional Group	\$3,589,392	\$2,890,411	\$2,297,496
James River Juvenile Detention Center proportionate share of the net pension liability	\$5,214,372	\$3,106,942	\$540,684
Total Component Units	\$53,823,661	\$33,175,680	\$7,506,345

H. Deferred Outflows and Inflows of Resources and Pension Expense

The County’s Governmental Activities, Business-type Activities, School C&M and JRJDC have recognized deferred outflows of resources of \$53,350,060, \$3,385,258, \$5,995,861, and \$669,222, respectively, resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026.

At June 30, 2025, the Governmental Activities, Business-type Activities, JRJDC and Schools C&M proportion of the County of Henrico was 85.61 percent, 4.56 percent, 1.02 percent, and 8.81 percent, respectively. The County’s Governmental Activities, Business-type Activities, Schools C&M and JRJDC recognized pension expenses of \$54,456,862, \$2,900,771, \$5,602,789, and \$648,936, respectively. The total pension expense for the County’s Primary Government is \$57,357,633. The School Board Non-Professional Group recognized pension expense of \$594,901.

The County’s Governmental Activities, Business-type Activities, School Board and JRJDC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
<b><u>Primary Government</u></b>		
<b>Governmental Activities</b>		
Change in pension proportionate share allocation	\$ 862,257	\$ 154,358
Difference between expected and actual experience	53,217,504	-
Difference between projected and actual earnings on pension plan investments	-	38,586,583
Pension contributions after the measurement date	53,350,060	-
<b>Total</b>	<b>\$ 107,429,821</b>	<b>\$ 38,740,941</b>
<b>Business-Type Activities</b>		
Change in pension proportionate share allocation	\$ -	\$ 1,010,486
Difference between expected and actual experience	2,917,729	-
Difference between projected and actual earnings on pension plan investments	-	2,144,401
Pension contributions after the measurement date	3,385,258	-
<b>Total</b>	<b>\$ 6,302,987</b>	<b>\$ 3,154,887</b>
<b><u>Total Primary Government</u></b>		
Change in pension proportionate share allocation	\$ 862,257	\$ 1,164,844
Difference between expected and actual experience	56,135,233	-
Difference between projected and actual earnings on pension plan investments	-	40,730,984
Pension contributions after the measurement date	56,735,318	-
	<b>\$ 113,732,808</b>	<b>\$ 41,895,828</b>
<b><u>Component Units</u></b>		
<b>Schools C&amp;M</b>		
Change in pension proportionate share allocation	\$ 568,214	\$ 37,520
Difference between expected and actual experience	5,436,273	-
Difference between projected and actual earnings on pension plan investments	-	4,033,504
Pension contributions after the measurement date	5,995,861	-
<b>Total</b>	<b>\$ 12,000,348</b>	<b>\$ 4,071,024</b>
<b>Schools Non-Professional Group</b>		
Difference between projected and actual earnings on pension plan investments	\$ -	\$ 143,661
Pension contributions after the measurement date	310,384	-
<b>Total</b>	<b>\$ 310,384</b>	<b>\$ 143,661</b>
<b>James River Juvenile Detention Center</b>		
Change in pension proportionate share allocation	\$ -	\$ 228,106
Difference between expected and actual experience	652,351	-
Difference between projected and actual earnings on pension plan investments	-	507,060
Pension contributions after the measurement date	669,222	-
<b>Total</b>	<b>\$ 1,321,573</b>	<b>\$ 735,166</b>

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The change in the proportionate share allocation, difference between expected and actual experience, changes of assumptions and difference between projected and actual earnings on pension plan investments will be recognized in pension expense as follows:

Year Ending June 30:	Governmental Activities	Business-Type Activities	Schools C&M	Schools Non- Professional Group	JRJDC
2026	\$ (7,635,675)	\$ (1,004,127)	\$ (649,017)	\$ (138,433)	\$ (258,068)
2027	30,770,088	1,410,433	3,279,873	46,614	319,201
2028	475,707	(202,876)	153,600	(24,038)	(45,386)
2029	(8,271,300)	(440,588)	(850,993)	(27,804)	(98,562)
	<u>\$ 15,338,820</u>	<u>\$ (237,158)</u>	<u>\$ 1,933,463</u>	<u>\$ (143,661)</u>	<u>\$ (82,815)</u>

**NOTE 10. DEFINED BENEFIT PENSION PLAN – COST-SHARING MULTIPLE-EMPLOYER**

A. Plan Description

The School Board Teachers contributes to a cost-sharing multiple-employer defined benefit pension plan administered by VRS, known as the Teacher Retirement Plan. All full-time, salaried permanent employees must participate in the VRS. Benefits vest after five years of service. VRS administers three different benefit plans for local school employees – Plan 1, Plan 2 and a Hybrid Plan. Each plan has a different eligibility and benefit structure as described below.

VRS Plan 1 and Plan 2 are defined benefit plans and the retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013. VRS Plan 1 and Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

VRS members are eligible for an unreduced retirement benefit at age 65 for Plan 1 members and at normal social security retirement age for Plan 2 members with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7 percent (Plan 1 members) and 1.65% (Plan 2 members) of their average final compensation (“AFC”) for each year of credited service (1.85 percent to Sheriffs and if the employer elects, to other employees in hazardous positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5 percent (Plan 1 members) and 3% (Plan 2 members) per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months for Plan 1 members and 60 months for Plan 2 members, of reported annual compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during the special election window. The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. The benefit from the defined contribution plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees. Members are eligible to receive distributions upon leaving employment, subject to restrictions.

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Hybrid members are eligible for an unreduced retirement benefit at normal social security retirement age with 5 years of service or when their age and service equal 90. The defined benefit component has a 1.0 percent multiplier to produce approximately a 30% salary replacement rate after 30 years of service. Hybrid member's average final compensation is the highest consecutive 60 months of reported annual compensation. Retirees qualify for annual cost-of-living increases limited to 3% per year beginning in their second year of retirement.

VRS issues a publicly available ACFR that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/pdf/publications/2025-annual-report.pdf>, or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**B. Funding Policy**

VRS Plan 1 and VRS Plan 2 members are required by Title 51.1-145 of the *Code of Virginia* (1950), as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly, to contribute 5 percent of their annual salary to the VRS. Hybrid Plan members have a 4 percent mandatory defined benefit contribution and a 1 percent mandatory contribution to the defined contribution plan and up to an additional 4 percent voluntary contribution to the defined contribution plan. The School Board Teachers Plan has a mandatory 1 percent match to the defined contribution plan, plus a 100 percent match on the first 1 percent elected by the employee, plus a 50 percent matching contribution on the next 3 percent elected by the employee. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund.

In addition, the School Board Teachers are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia (1950) and approved by the VRS Board of Trustees. Each school division's contractually required employer contribution rate for the year ended June 30, 2025, 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, is expected to finance the costs of benefits earned by the employee during the year, with an additional amount to finance any unfunded accrued liability. The School Board Teachers' contributions to VRS for the years ended June 30, 2025 and June 30, 2024 were \$57,449,831 and \$52,190,637, respectively, and are equal to the required contributions for each year.

**C. Net Pension Liabilities and Pension Expense**

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

At June 30, 2025, the County's Component Unit's, the School Board and JRJDC, reported a net pension liability of \$349,808,383 and \$3,106,942, respectively. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The School Board's proportion of the net pension liability and pension expense related to the Teacher Retirement Plan was based on a projection of the School Board's long-term share of contributions to the Teacher Retirement Plan relative to the projected contributions of all participating employers. JRJDC's proportion of the net pension liability and pension expense related to the County's retirement plan was based on a projection of JRJDC's long-term share of contributions to the County's retirement plan relative to the projected contributions in the future.

The School Board net pension liability of \$349,808,383 is made up of three groups of employees. The Teachers' net pension liability of \$319,739,645, the School Board Non-Professional Group net pension liability of \$2,890,411 and the School C&M net pension liability of \$27,178,327. For the year ended June 30, 2025, the Teacher Retirement Plan, School Board Non-Professional Group and School's C&M Group reported pension

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expense of \$34,431,117, \$594,901, and \$5,602,789, respectively. The School Board's participation in the VRS cost-sharing plan was 3.41% as of June 30, 2025.

As of June 30, 2025, the School Board's net pension liability for VRS plans is as follows:

<u>Teachers</u>	
Total pension liability	\$2,005,778,766
Fiduciary net position	<u>1,686,039,121</u>
Net pension liability	<u>\$ 319,739,645</u>
<u>Schools Non-Professional Group</u>	
Total pension liability	\$ 7,887,524
Fiduciary net position	<u>4,997,113</u>
Net pension liability	<u>\$ 2,890,411</u>
<u>Schools C&amp;M</u>	
Total pension liability	\$ 206,015,241
Fiduciary net position	<u>178,836,914</u>
Net pension liability	<u>\$ 27,178,327</u>
<u>Total Schools</u>	
Total pension liability	\$2,219,681,531
Fiduciary net position	<u>1,869,873,148</u>
Net pension liability	<u>\$ 349,808,383</u>
Plan fiduciary net position as a percentage of the total pension liability	84.24%

**D. Actuarial Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment and mortality. The amounts determined from the actuarial study regarding the total pension liability, total fiduciary net position, net pension liability and annual pension expense of the County are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Discount Rate	6.75%
Inflation	2.5%
Payroll Growth	3.0%
Projected Salary Increases	3.50% to 5.95% per year
Investment Rate of Return	6.75% net of pension plan investment expense
Cost of Living Adjustment	2.5% per year for Plan 1 employees and 2.25% for Plan 2 employees

Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately .06 percent of the fair market value of assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75 percent. However, since the difference was minimal, and a more conservative 6.75 percent investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75 percent to simplify preparation of pension liabilities.

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Mortality rates are based on the PUB2010 public sector mortality tables, as appropriate, with rate adjustments for mortality improvements projected generationally with a modified Mortality MP-2020 Improvement Scale that is 75% of the MP-2020 rates. Mortality rates for pre-retirement are based on the Pub-2010 amount weighted teacher employee rates projected generationally; 110% of rates for males. Mortality rates for post-retirement are based on the Pub-2010 amount weighted teachers healthy retiree rates projected generationally; males set forward 1 year; 105% of rates for females. Mortality rates for post-disablement are based on the Pub-2010 amount weighted teachers disabled rates projected generationally; 110% of rates for males and females. Mortality rates for beneficiaries and survivors are based on the Pub-2010 amount weighted teachers contingent annuitant rates projected generationally.

The actuarial assumptions used in the June 30, 2022 valuation, were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2021. The actuarial cost method used was the Entry Age Normal Cost Method and the contribution was developed using level percent of pay amortization of the unfunded liability with a closed amortization period. The remaining amortization period is 30 years and the asset valuation method used was the 5-year smoothed market. Changes to the actuarial assumptions as a result of the experience study included an update to a more current public sector mortality table (PUB2010), adjusted retirement rates to better fit experience for Plan 1, set separate retirement rates based on experience for Plan2/Hybrid, changed final retirement age from 75 to 80 and adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service. No changes were made to disability rates, salary scale and the discount rate.

**E. Long-Term Expected Rate of Return**

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the System for use in the last actuarial experience study for the four-year period ending June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Real Rate of Return</u>	<u>Weighted Average Long-Term Expected Real Rate of Return *</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
<b>Total</b>	<b>100.00%</b>		<b>7.07%</b>
		<b>* Total Fund Expected Rate of Return</b>	<b>7.07%</b>

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\* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a medial return of 7.10%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45<sup>th</sup> percentile of the expected long-term results of the VRS fund asset allocation at that time, providing a medial return of 7.14%, including expected inflation of 2.50%.

**F. Discount Rate**

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that 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. Through the fiscal year ending June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate.

From July 1, 2024 on, school divisions are assumed to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, the 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Sensitivity of the County’s School Board’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.**

The following presents the School Board’s proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75 percent) or 1- percentage point higher (7.75 percent) than the current rate:

	1% Decrease (5.75.0%)	Discount Rate (6.75%)	1% Increase (7.75%)
<b><u>School Board</u></b>			
Teachers' proportionate share of the net pension liability	\$ 594,013,588	\$ 319,739,645	\$ 95,118,012
School Board Non-Professional Group net pension liability	3,589,392	2,890,411	2,297,496
School Board C&M's proportionate share of the net pension liability	45,019,897	27,178,327	4,668,165
Total all Schools	\$ 642,622,877	\$ 349,808,383	\$ 102,083,673

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**H. Deferred Outflows and Inflows of Resources Related to Pensions**

The School Board has recognized deferred outflows of resources of \$65,237,365 resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. The School Board has recognized deferred outflows of resources of \$10,402,753 resulting from a change in the proportionate share allocation of the beginning net pension liability for the actuarial measurement date June 30, 2023. The School Board has recognized deferred outflows of resources of \$5,653,560 resulting from changes of assumptions. The School Board has recognized deferred outflows of resources of \$60,269,900 resulting from the difference between expected and actual experience.

The School Board has recognized deferred inflows of resources of \$4,195,858 resulting from a change in the proportionate share allocation of the beginning net pension liability for the actuarial measurement date June 30, 2024. The School Board has recognized deferred inflows of resources of \$6,475,090 resulting from the difference between expected and actual experience. The School Board has recognized net deferred inflows of resources of \$47,524,611 resulting from the difference between projected and actual earnings on pension plan investments.

As of June 30, 2025, the School Board's deferred outflows and inflows of resources is as follows:

<u>Deferred Outflows of Resources</u>	
Teachers – employer contributions	\$ 58,931,120
Teachers – difference in experience	54,833,627
Teachers – proportionate share	9,834,539
Teachers – changes of assumptions	5,653,560
Schools Non-Professional Group – employer contributions	310,384
Schools C&M – employer contributions	5,995,861
Schools C&M – proportionate share	568,214
Schools C&M – difference in experience	<u>5,436,273</u>
Total Deferred Outflows of Resources	<u>\$ 141,563,578</u>

<u>Deferred Inflows of Resources</u>	
Teachers – difference in experience	\$ 6,475,090
Teachers – difference in earnings	43,347,446
Teachers – difference in proportionate share	4,158,338
Schools Non-Professional Group – difference in earnings	143,661
Schools C&M – difference in earnings	4,033,504
Schools C&M – difference in proportionate share	<u>37,520</u>
Total Deferred Inflows of Resources	<u>\$ 58,195,559</u>

These deferred outflows and deferred inflows resulting from the difference between projected and actual earnings, changes in the proportionate share allocation and the difference between expected and actual experience will be recognized in pension expense as follows:

Year Ending June 30:	School Board			
	Teachers	Non-Professional Group	School Board C&M	Total
2026	\$ (17,967,840)	\$ (138,433)	\$ (649,017)	\$ (18,755,290)
2027	29,340,250	46,614	3,279,873	32,666,737
2028	7,610,725	(24,038)	153,600	7,740,287
2029	(2,642,283)	(27,804)	(850,993)	(3,521,080)
2030	-	-	-	-
	<u>\$ 16,340,852</u>	<u>\$ (143,661)</u>	<u>\$ 1,933,463</u>	<u>\$ 18,130,654</u>

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I. Employer Contributions

The County's Component Unit proportionate shares were calculated on the basis of historical employer contributions. Employer contributions recognized by the VRS Teacher Retirement Plan that are not representative of future contribution efforts are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution efforts are contributions toward the purchase of employee service, contributions for adjustments for prior periods, and supplemental employer contributions.

The employer contributions used in the determination of employers' proportionate shares of collective pension amounts reported in the Schedule of Employer Allocations was based on the total employer contributions using the plan's contribution rates and the employer's covered payroll for June 30, 2024. The County's Teacher portion was \$60,578,537. Of this amount, \$3,128,705 was transferred to MissionSquare as the employer cost of the defined contribution component for employees covered by the Hybrid Retirement Plan benefit structure and \$57,449,832 was retained by the defined benefit plan. The employer contributions of \$56,910,628 reported in the VRS Teacher Employee's Retirement Plan's Statement of Changes in Net Position (per the System's separately issued financial statements) reflect this net amount minus approximately \$539,204 in other employer contribution adjustments that were not representative of future contribution efforts.

**NOTE 11. HEALTHCARE OPEB PLAN – SINGLE EMPLOYER**

A. Plan Description

The County provides other postemployment healthcare benefits for retired employees through the County of Henrico Post Retirement Benefits Plan, a single-employer defined benefit OPEB plan ("Plan"). The benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County.

As described in Note 2, the County participates in the Virginia Pooled OPEB Trust Fund ("Trust Fund"), an irrevocable trust established for the purpose of accumulating assets to fund postemployment healthcare benefits other than pensions.

Healthcare Benefits

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

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

Current Henrico County retirees who qualify for health benefits receive an implicit rate subsidy by participating in the active employee health care risk pool. The County also provides a retiree health care supplement for retirees who meet the following eligibility conditions:

1. Retirees who are not eligible for the VRS health care credit.
2. Retirees must have a minimum of 20 full years of VRS service, 10 of which must be with the County.
3. The supplement will be paid only to eligible retirees who choose to remain in the County's group plan.
4. Employees retiring on a VRS disability will receive the monthly supplement for the greater of 30 years or their actual years of VRS service.

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Effective January 1, 2006, the monthly supplement is \$3.00 for each full year of service. The former cap of 30 years of service has been removed. Therefore, all VRS service will be recognized for the supplement. Upon the death of a retiree, surviving spouses may elect to remain in the County’s plan.

Membership

At June 30, 2025, membership for the postemployment healthcare benefits consisted of:

Active employees	11,167
Retirees	1,019
Disabled’s	38
Retiree Spouses and Beneficiaries	<u>43</u>
 Total participants	 <u>12,267</u>

B. Funding Policy

The County currently contributes amounts to the Virginia Pooled OPEB Trust Fund for the postemployment healthcare benefits. The Board of the Trust Fund establishes rates based on an actuarially determined rate. Contributions are irrevocable and shall be dedicated to providing other postemployment benefits or to defray reasonable expenses of the Trust Fund. For the year ended June 30, 2025, the County’s contribution to the OPEB Trust Fund was \$0 and the average contribution rate was 1.1 percent of covered employee payroll.

C. Net OPEB Liability and OPEB Expense

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

At June 30, 2025, the County’s Governmental Activities, Business-type Activities, School Board and JRJDC’s employee allocation, reported a net postemployment healthcare OPEB asset of \$240,983, \$8,396, \$297,124, and \$1,474 respectively, for its proportionate share of the net pension liability. At June 30, 2025, the Governmental Activities, Business-type Activities, School Board and JRJDC proportion of the County of Henrico was 43.98 percent, 1.53 percent, 54.22 percent, and .27 percent, respectively.

For the year ended June 30, 2025, the County’s Governmental Activities, Business-type Activities, School Board and JRJDC recognized healthcare OPEB (income) expense of (\$1,164,079), \$61,829, (\$559,673), and \$6,344, respectively. The total OPEB income for the County’s Primary Government is (\$1,648,761).

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As of June 30, 2025, the County's Primary Government net Healthcare OPEB asset is as follows:

<u>Governmental Activities</u>	
Total Healthcare OPEB liability	\$ 46,777,764
Fiduciary net position	<u>47,018,747</u>
Net Healthcare OPEB liability (asset)	<u>\$ (240,983)</u>
<u>Business-type Activities</u>	
Total Healthcare OPEB liability	\$ 1,629,744
Fiduciary net position	<u>1,638,140</u>
Net Healthcare OPEB liability (asset)	<u>\$ (8,396)</u>
<u>Total Primary Government</u>	
Total Healthcare OPEB liability	\$ 48,407,508
Fiduciary net position	<u>48,656,887</u>
Net Healthcare OPEB liability (asset)	<u>\$ (249,379)</u>
Plan fiduciary net position as a percentage of the total Healthcare OPEB liability	100.52%

As of June 30, 2025, the County's Component Unit Net Healthcare OPEB asset is as follows:

<u>Schools</u>	
Total Healthcare OPEB liability	\$ 57,675,199
Fiduciary net position	<u>57,972,323</u>
Net Healthcare OPEB (asset)	<u>\$ (297,124)</u>
<u>JRJDC</u>	
Total Healthcare OPEB liability	\$ 286,179
Fiduciary net position	<u>287,653</u>
Net Healthcare OPEB (asset)	<u>\$ (1,474)</u>
<u>Total Component Unit</u>	
Total Healthcare OPEB liability	\$ 57,961,378
Fiduciary net position	<u>58,259,976</u>
Net Healthcare OPEB (asset)	<u>\$ (298,598)</u>
Plan fiduciary net position as a percentage of the total net Healthcare OPEB liability	100.52%

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**Change in the Net Healthcare OPEB Liability (Asset)**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
<b>Governmental Activities</b>			
Balances at June 30, 2024	\$45,440,668	\$47,488,046	(\$2,047,378)
Changes for the year:			
Service cost	1,548,760	-	1,548,760
Interest	2,957,845	-	2,957,845
Contributions-employer	-	-	-
Net investment income	-	2,700,749	(2,700,749)
Difference between expected and actual experience	-	-	0
Changes of assumptions	-	-	0
Benefit payments, including refunds of employee contributions	(3,169,509)	(3,169,509)	-
Administrative expense	-	(539)	539
Net changes	<u>1,337,096</u>	<u>(469,299)</u>	<u>1,806,395</u>
Balances at June 30, 2025	<u>\$46,777,764</u>	<u>\$47,018,747</u>	<u>(\$240,983)</u>
<b>Business-type Activities</b>			
Balances at June 30, 2024	\$1,428,158	\$1,492,505	(\$64,347)
Changes for the year:			
Service cost	136,788	-	136,788
Interest	103,051	-	103,051
Contributions-employer	-	-	-
Net investment income	-	183,905	(183,905)
Difference between expected and actual experience	-	-	0
Changes of assumptions	-	-	0
Benefit payments, including refunds of employee contributions	(38,253)	(38,253)	-
Administrative expense	-	(17)	17
Net changes	<u>201,586</u>	<u>145,635</u>	<u>55,951</u>
Balances at June 30, 2025	<u>\$1,629,744</u>	<u>\$1,638,140</u>	<u>(\$8,396)</u>
<b>Total Primary Government</b>			
Balances at June 30, 2024	\$46,868,826	\$48,980,551	-\$2,111,725
Changes for the year:			
Service cost	1,685,548	-	1,685,548
Interest	3,060,896	-	3,060,896
Contributions-employer	-	-	-
Net investment income	-	2,884,654	(2,884,654)
Difference between expected and actual experience	-	-	0
Changes of assumptions	-	-	0
Benefit payments, including refunds of employee contributions	(3,207,762)	(3,207,762)	-
Administrative expense	-	(556)	556
Net changes	<u>1,538,682</u>	<u>(323,664)</u>	<u>1,862,346</u>
Balances at June 30, 2025	<u>\$48,407,508</u>	<u>\$48,656,887</u>	<u>(\$249,379)</u>

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**Change in the Net Healthcare OPEB Liability (Asset)**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
<b>School Board</b>			
Balances at June 30, 2024	\$53,898,761	\$56,327,228	(\$2,428,467)
Changes for the year:			
Service cost	2,511,529	-	2,511,529
Interest	3,646,909	-	3,646,909
Contributions-employer	-	-	-
Net investment income	-	4,027,733	(4,027,733)
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(2,382,000)	(2,382,000)	-
Administrative expense	-	(638)	638
Net changes	<u>3,776,438</u>	<u>1,645,095</u>	<u>2,131,343</u>
Balances at June 30, 2025	<u>\$57,675,199</u>	<u>\$57,972,323</u>	<u>(\$297,124)</u>
<b>James River Juvenile Detention Center</b>			
Balances at June 30, 2024	\$253,197	\$264,605	-\$11,408
Changes for the year:			
Service cost	19,807	-	19,807
Interest	18,096	-	18,096
Contributions-employer	-	-	-
Net investment income	-	27,972	(27,972)
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,921)	(4,921)	-
Administrative expense	-	(3)	3
Net changes	<u>32,982</u>	<u>23,048</u>	<u>9,934</u>
Balances at June 30, 2025	<u>\$286,179</u>	<u>\$287,653</u>	<u>(\$1,474)</u>
<b>Total Component Unit</b>			
Balances at June 30, 2024	\$54,151,958	\$56,591,833	(\$2,439,875)
Changes for the year:			
Service cost	2,531,336	-	2,531,336
Interest	3,665,005	-	3,665,005
Contributions-employer	-	-	-
Net investment income	-	4,055,705	(4,055,705)
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(2,386,921)	(2,386,921)	-
Administrative expense	-	(641)	641
Net changes	<u>3,809,420</u>	<u>1,668,143</u>	<u>2,141,277</u>
Balances at June 30, 2025	<u>\$57,961,378</u>	<u>\$58,259,976</u>	<u>(\$298,598)</u>

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D. Actuarial Methods and Assumptions

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

In the June 30, 2024 actuarial valuation, which was used for the June 30, 2025 measurement date for postemployment healthcare benefits, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a 6.75 percent discount rate of return, salary increases of 2.5 percent annually and an annual healthcare cost trend rate of 7.0 percent graded to 5.6% over 3 years and following the Getzen model thereafter to an ultimate rate of 4.04% in the year 2075. The remaining closed amortization period beginning July 1, 2017, for the calculation of contributions, was 20 years. Experience gains or losses are amortized over the average working lifetime of all participants. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5-year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants. The County plans to continue to fund the OPEB Trust annually and has no plans to currently pay any benefits out of the OPEB Trust.

Mortality Rates

Mortality rates for the postemployment healthcare benefits are as follows:

Mortality rates – pre-commencement

*County:*

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

*Schools:*

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

Mortality rates – post-commencement

*County:*

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

*Schools:*

- Pub-2010 Teachers Healthy Annuitant Headcount Weighted Tables; set forward 1 years for males and 105% for females. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

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Mortality rates – post–disablement

*County:*

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

*Schools:*

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

Mortality rates – beneficiaries and survivors

*County:*

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

*Schools:*

- Pub-2010 Teachers Contingent Survivor Headcount Weighted Tables. Future mortality improvement is projected to be fully generational with 75% MP-2021 Improvement Scale.

**E. Long-Term Expected Rate of Return**

Investment policy

The Board of the Trust Fund has the responsibility for managing the investment process. In fulfilling this responsibility, the Board will establish and maintain investment policies and objectives. Within this framework, the Board monitors and evaluates the investment managers, bank custodian, and other parties, to monitor whether operations conform to the guidelines and actual results meet objectives. If necessary, the Board is responsible for making changes to achieve this. The investment objective is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The following was the Board’s adopted asset allocation policy as of June 30, 2025:

<b>Asset Class</b>	<b>Target Allocation</b>
Core Bonds	5%
Core Plus	11%
Liquid Absolute Return	4%
U.S. Large Cap Equity	21%
U.S Small Cap Equity	10%
International Developed Equity	13%
Emerging Market Equity	5%
Long/Short Equity	6%
Private Equity	10%
Core Real Estate	10%
Opportunistic Real Estate	5%
Total	100%

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For the year ended June 30, 2025, the long-term expected rate of return on postemployment Healthcare plan investments was determined using the annual money-weighted rate of return on investments, net of investment expenses, which was 7.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The capital market assumptions use the building block method to help calculate the OPEB Trust's long-term rate of return. The long-term rates of return are arithmetic and are used as inputs for the mode to arrive at the median returns for the portfolio, which are geometric. When calculating the median rates, which are used to set the target rates, the intermediate term rates are used for the first 10 years and the long-term rates for all years thereafter. The County's best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Real Rate of Return</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Core Bonds	5.00%	2.56%	0.13%
Core Plus	11.00%	2.87%	0.32%
Liquid Absolute Return	4.00%	3.25%	0.13%
U.S. Large Cap Equity	21.00%	7.15%	1.50%
U.S. Small Cap Equity	10.00%	8.58%	0.86%
International Developed Equity	13.00%	8.03%	1.04%
Emerging Market Equity	5.00%	9.29%	0.46%
Long/Short Equity	6.00%	5.55%	0.33%
Private Equity	10.00%	10.51%	1.05%
Core Real Estate	10.00%	6.49%	0.65%
Opportunistic Real Estate	5.00%	9.49%	0.47%
<b>Total</b>	<b>100.00%</b>		<b>6.94%</b>
	Inflation		2.75%
	Expected arithmetic nominal return		<b>9.69%</b>

**F. Discount Rate**

The discount rate used to measure the total Healthcare OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made equal to the actuarially determined contribution rates. Based on those assumptions, the Healthcare OPEB plan's fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**G. Sensitivity of the net Healthcare OPEB liability to changes in the discount rate**

The following presents the County's Governmental Activities, Business-type Activities and School Board proportionate share and JRJDC's net Healthcare OPEB liability calculated using the discount rate of 6.75 percent, as well as what the proportionate share of the net Healthcare OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75 percent) or 1- percentage point higher (7.75 percent) than the current rate:

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	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
<b>Healthcare OPEB</b>			
Governmental Activities proportionate share of the net OPEB liability (asset)	\$ 3,972,741	\$ (240,983)	\$ (3,946,355)
Business-type Activities proportionate share of the net OPEB liability (asset)	<u>\$ 130,196</u>	<u>\$ (8,396)</u>	<u>\$ (132,336)</u>
Total Primary Government	<u>\$ 4,102,937</u>	<u>\$ (249,379)</u>	<u>\$ (4,078,691)</u>
School Board proportionate share of the net OPEB liability (asset)	\$ 5,697,626	\$ (297,124)	\$ (5,516,272)
James River Juvenile Detention Center proportionate share of the net OPEB liability	<u>\$ 16,653</u>	<u>\$ (1,474)</u>	<u>\$ (18,569)</u>
Total Component Units	<u>\$ 5,714,279</u>	<u>\$ (298,598)</u>	<u>\$ (5,534,841)</u>

H. Sensitivity of the net Healthcare OPEB liability to changes in the healthcare cost trend rate

The following presents the County's Governmental Activities, Business-type Activities and School Board and JRJDC's proportionate share of net Healthcare OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease 6.0% decreasing to 4.6% over 3 years	Current Rate 7.0% decreasing to 5.6% over 3 years	1% Increase 8.0% decreasing to 6.6% over 3 years
<b>Healthcare OPEB</b>			
Governmental Activities proportionate share of the net OPEB (asset) liability	\$ (4,195,160)	\$ (240,983)	\$ 4,368,715
Business-type Activities proportionate share of the net OPEB (asset) liability	<u>\$ (190,122)</u>	<u>\$ (8,396)</u>	<u>\$ 203,398</u>
Total Primary Government	<u>\$ (4,385,282)</u>	<u>\$ (249,379)</u>	<u>\$ 4,572,113</u>
School Board proportionate share of the net OPEB (asset) liability	\$ (5,341,443)	\$ (297,124)	\$ 5,594,307
James River Juvenile Detention Center proportionate share of the net OPEB (asset) liability	<u>\$ (28,042)</u>	<u>\$ (1,474)</u>	<u>\$ 28,204</u>
Total Component Units	<u>\$ (5,369,485)</u>	<u>\$ (298,598)</u>	<u>\$ 5,622,511</u>

I. Deferred Outflows and Inflows of Resources Related to Healthcare OPEB

The County's Governmental Activities, Business-type Activities, School Board and JRJDC reported deferred outflows of resources and deferred inflows of resources related to healthcare OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
<b><u>Primary Government</u></b>		
<b>Governmental Activities</b>		
Difference between expected and actual experience	\$ 1,272,466	\$ 5,774,105
Changes of assumptions	-	9,774,244
Difference between projected and actual earnings on OPEB plan investments	-	407,887
Total	\$ 1,272,466	\$ 15,956,236
<b>Business-type Activities</b>		
Difference between expected and actual experience	\$ 3,002	\$ 1,081,081
Changes of assumptions	-	376,818
Difference between projected and actual earnings on OPEB plan investments	-	11,594
Total	\$ 3,002	\$ 1,469,493
<b><u>Total Primary Government</u></b>		
Difference between expected and actual experience	\$ 1,275,468	\$ 6,855,186
Changes of assumptions	-	10,151,062
Difference between projected and actual earnings on OPEB plan investments	-	419,481
Total	\$ 1,275,468	\$ 17,425,729
<b><u>Component Units</u></b>		
<b>School Board</b>		
Difference between expected and actual experience	\$ 13,827,603	\$ 8,061,974
Changes of assumptions	-	11,328,457
Difference between projected and actual earnings on OPEB plan investments	-	490,950
Total	\$ 13,827,603	\$ 19,881,381
<b>JRJDC</b>		
Difference between expected and actual experience	\$ 665	\$ 276,057
Changes of assumptions	-	80,713
Difference between projected and actual earnings on OPEB plan investments	-	2,052
Total	\$ 665	\$ 358,822
<b><u>Total Component Units</u></b>		
Difference between expected and actual experience	\$ 13,828,268	\$ 8,338,031
Changes of assumptions	-	11,409,170
Difference between projected and actual earnings on OPEB plan investments	-	493,002
Total	\$ 13,828,268	\$ 20,240,203

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The change in the difference between expected and actual experience, changes of assumptions and difference between projected and actual earnings on OPEB plan investments will be recognized in healthcare OPEB expense as follows:

Year Ending June 30:	Governmental Activities	Business-Type Activities	School Board	JRJDC	Total
2026	\$ (3,671,143)	(365,515)	(1,526,427)	(89,297)	\$ (5,652,382)
2027	(3,698,121)	(367,592)	(1,551,300)	(89,668)	(5,706,681)
2028	(3,729,734)	(369,092)	(1,573,987)	(89,999)	(5,762,812)
2029	(3,584,772)	(364,292)	(1,402,064)	(89,193)	(5,440,321)
2030	-	-	-	-	-
Thereafter	-	-	-	-	-
	\$ (14,683,770)	\$ (1,466,491)	\$ (6,053,778)	\$ (358,157)	\$ (22,562,196)

**NOTE 12. LINE OF DUTY OPEB PLAN – SINGLE EMPLOYER**

A. Line of Duty OPEB Plan Benefits

The County provides death and disability benefits for public safety officers or their beneficiaries due to death or disability resulting from the performance of duties. The County provides a one-time death benefit to a beneficiary in the amount of \$100,000 for death due to unnatural causes and \$25,000 for death due to specified work-related illnesses. Health insurance coverage continued for surviving spouses for life or until “other coverage” is obtained. Coverage for other dependents is continued as long as they remain eligible by age. The County provides health insurance and dental coverage for a permanently disabled officer, spouse and dependent children.

At June 30, 2025, membership for the postemployment line of duty benefits consisted of:

Active employees	1,621
Disabled and surviving spouses	<u>59</u>
 Total participants	 <u>1,680</u>

B. Funding Policy

The Line of Duty plan is not administered through a trust or equivalent arrangement and is funded on a pay-as-you-go basis and therefore the plan has no fiduciary net position and the County reports the total OPEB liability on its Statement of Net Position as of the measurement date.

C. OPEB Liability and OPEB Expense

The County’s Governmental Activities reported a total line of duty OPEB liability of \$27,550,146 and OPEB expense of \$1,989,450 at June 30, 2025.

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**Change in the Net Line of Duty OPEB Liability**

<b>Governmental Activities</b>	<u>Total OPEB Liability</u>
Balances at June 30, 2024	\$ 26,300,622
Changes for the year:	
Service cost	1,348,641
Interest	1,113,004
Experience gains	-
Changes of assumptions	-
Benefits paid	<u>(1,212,121)</u>
Net changes	<u>1,249,524</u>
Balances at June 30, 2025	<u><u>\$ 27,550,146</u></u>

**D. Actuarial Assumptions**

In the July 1, 2024 actuarial valuation for postemployment line of duty benefits, which was used for the June 30, 2025 measurement date, the Entry Age Normal Actuarial Cost Method was used with attribution to the event that caused the death or disability. The actuarial assumptions included a 4.21 percent discount rate, and salary increases of 2.5 percent annually. The assumed healthcare cost trend rate for the medical claims was 7.0% in 2024 grading to 5.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in year 2075. Medical health care assumptions were based on a closed group and dental care assumptions were based on 5 percent per annum. No provision is made for future hires.

Mortality rates for the line of duty benefits are as follows:

Mortality rates – Pre-Commencement

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

Mortality rates – Post-Commencement

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

Mortality rates – Post-Disablement

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

Mortality rates – Beneficiaries and Survivors

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

**E. Discount Rate**

The discount rate of 4.21% is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2025.

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F. Sensitivity of the Line of Duty OPEB liability to changes in the discount rate

The following presents the County's Line of Duty OPEB liability calculated using the discount rate of 4.21 percent, as well as what the Line of Duty OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (3.21 percent) or 1- percentage point higher (5.21 percent) than the current rate:

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
<b>Line of Duty OPEB</b>			
Governemental acivities - OPEB liability	\$30,424,818	\$27,550,146	\$25,034,874

G. Sensitivity of the Line of Duty OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the County's Line of Duty OPEB liability calculated using the healthcare cost trend rate, as well as what the Line of Duty OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	1% Decrease 6.0% decreasing to 4.6% over 3 years	Current Rate 7.0% decreasing to 5.6% over 3 years	1% Increase 8.0% decreasing to 6.6% over 3 years
Governemental acivities - OPEB liability	\$24,105,037	\$27,550,146	\$31,713,289

H. Deferred Outflows and Inflows of Resources Related to Line of Duty OPEB

The County's Governmental Activities reported deferred outflows of resources and deferred inflows of resources related to line of duty OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b><u>Primary Government</u></b>		
<b>Governmental Activities</b>		
Difference between expected and actual experience	\$ 1,763,003	\$ 4,001,706
Change of assumptions	616,914	5,314,085
Total	\$ 2,379,917	\$ 9,315,791

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The change in the difference between expected and actual experience will be recognized in line of duty OPEB expense as follows:

**Primary Government**

<b>Year ended June 30th</b>	<b>Activities</b>
	<b>Activities</b>
2026	\$ (472,195)
2027	(472,195)
2028	(472,195)
2029	(472,195)
2030	(472,195)
Thereafter	<u>(4,574,899)</u>
Total	<u>\$ (6,935,874)</u>

**NOTE 13. OTHER POSTEMPLOYMENT BENEFITS – VRS GLI PROGRAM**

A. Plan Description

The County participates in the VRS Group Life Insurance (GLI) Program, a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary 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.

All full-time, salaried permanent employees of the County are automatically covered the VRS GLI Program upon employment. This plan is administered by the Virginia Retirement System (the System). 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 Program. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. The Optional GLI Program is a separate and fully insured program and is not included as part of the GLI Program OPEB.

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

The benefits payable under the GLI Program have several components.

- Natural Death Benefit – the natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit – The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides, under specific circumstances, accidental dismemberment benefits, safety belt benefits, repatriation benefits, felonious assault benefits and accelerated death benefit options.

The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program.

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The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation and is currently \$9,532 as of June 30, 2025.

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2024 ACFR. A copy of that report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**B. Funding Policy**

The contribution requirements for the GLI Program are governed by Title 51.1 of the *Code of Virginia* (1950), 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 GLI Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% 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, 2025, was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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.

Governmental Activities contributions to the GLI Program for the VRS for the years ending June 30, 2025 and 2024 were \$1,965,242 and \$2,051,668, respectively, and are equal to the required contributions for each year. Business-type Activities contributions to the GLI Program for the VRS for the years ended June 30, 2025 and 2024 were \$91,598 and \$95,007 respectively and are equal to the required contributions for each fiscal year. School Board contributions to the GLI Program for the VRS for the years ended June 30, 2025 and 2024 were \$1,886,347 and \$1,959,804 for Teachers, \$184,094 and \$187,985 for School Board C&M and \$3,894 and \$3,853 for the School Board Non-Professional Group, respectively, and are equal to the required contributions for each fiscal year. JRJDC contributions to the GLI Program for the VRS for the years ended June 30, 2025 and 2024 were \$18,338 and \$20,202 respectively and are equal to the required contributions for each fiscal year.

**C. Net OPEB Liabilities and OPEB Expense**

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

At June 30, 2025, the County's Governmental Activities, Business-type Activities, School Board and JRJDC reported a net GLI OPEB liability of \$12,137,006, \$906,394, \$17,756,011, and \$188,406 respectively. The net GLI OPEB liability was measured as of June 30, 2024, and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The County's Governmental Activities and Business-type Activities proportion of the net GLI OPEB liability and GLI OPEB expense related to the County's GLI plan was based on a projection of long-term share of contributions to the County's GLI plan relative to the projected contributions in the future. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized OPEB expense of \$360,980, \$16,148, \$485,866, and \$3,618 respectively. The total OPEB expense for the County's Primary Government is \$377,128.

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As of June 30, 2025, the County’s Primary Government Net GLI OPEB liability is as follows:

<u>Governmental Activities</u>	
Total GLI OPEB liability	\$ 46,615,430
Fiduciary net position	<u>34,478,424</u>
Net GLI OPEB liability	<u>\$ 12,137,006</u>
<u>Business-type Activities</u>	
Total GLI OPEB liability	\$ 2,948,049
Fiduciary net position	<u>2,041,655</u>
Net GLI OPEB liability	<u>\$ 906,394</u>
<u>Total Primary Government</u>	
Total GLI OPEB liability	\$ 49,563,479
Fiduciary net position	<u>36,520,079</u>
Net GLI OPEB liability	<u>\$ 13,043,400</u>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	73.7%

The School Board’s proportion of the net GLI OPEB liability and GLI OPEB expense related to the VRS GLI Program was based on a projection of the School Board’s long-term share of contributions to the VRS GLI Program relative to the projected contributions of all participating employers. JRJDC’s proportion of the net GLI OPEB liability and GLI OPEB expense related to the County’s GLI plan was based on a projection of JRJDC’s long-term share of contributions to the County’s GLI plan relative to the projected contributions in the future.

The School Board Net GLI OPEB liability of \$17,756,011 is made up of three groups of employees. The Teacher’s net GLI OPEB liability of \$15,979,335, the School Board Non-Professional Group net GLI OPEB liability of \$30,911 and the School C&M net GLI OPEB liability of \$1,745,765. The School C&M proportion of the net GLI OPEB liability and expense was based on the School C&M employer contributions as a percentage of the total employer contributions of \$2,111,803 as of the measurement date of June 30, 2024. For the year ended June 30, 2025, the School Board C&M proportion share allocation was 9.47 percent. For the year ended June 30, 2025, the Teacher Plan, School Board Non-Professional Group and Schools C&M Group reported GLI OPEB expense of \$447,998, (\$1,960), and \$39,828, respectively. The total School Board OPEB expense is \$485,866. The School Board’s participation in the VRS cost-sharing plan for the Teacher Plan and School Board Non-Professional Group was 1.43% and .0028%, respectively as of June 30, 2025.

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As of June 30, 2025, the School Board's net GLI OPEB liability is as follows:

<u>Teachers</u>	
Total GLI OPEB liability	\$ 60,084,984
Fiduciary net position	<u>44,105,649</u>
Net GLI OPEB liability	<u>\$ 15,979,335</u>
<u>Schools Non-Professional Group</u>	
Total GLI OPEB liability	\$ 116,231
Fiduciary net position	<u>85,320</u>
Net GLI OPEB liability	<u>\$ 30,911</u>
<u>Schools C&amp;M</u>	
Total GLI OPEB liability	\$ 5,932,635
Fiduciary net position	<u>4,186,870</u>
Net GLI OPEB liability	<u>\$ 1,745,765</u>
<u>Total Schools</u>	
Total GLI OPEB liability	\$ 66,133,850
Fiduciary net position	<u>48,377,839</u>
Net GLI OPEB liability	<u>\$ 17,756,011</u>
Plan fiduciary net position as a percentage of the total net GLI OPEB liability	73.2%

JRJDC's proportion of the net GLI OPEB liability and expense was based on JRJDC's employer contributions as a percentage of the total employer contributions of \$2,111,803 as of the measurement date of June 30, 2024. As of June 30, 2025, JRJDC's proportion share was .86 percent. For the year ended June 30, 2025, JRJDC reported Net GLI OPEB liability of \$188,406 and GLI OPEB expense of \$3,618.

**D. Actuarial Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment and mortality. The amounts determined from the actuarial study regarding the total OPEB liability, total fiduciary net position, net OPEB liability and annual OPEB expense of the County are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

The total OPEB liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Discount Rate	6.75%
Inflation	2.5%
Payroll Growth	2.0%
Projected Salary Increases	3.50% to 5.95% per year – Teachers
Projected Salary Increases	3.50% to 5.35% per year – Locality – General Employees
Projected Salary Increases	3.50% to 4.75% per year – Locality – Hazardous Duty Employees
Investment Rate of Return	6.75% net of pension plan investment expense
Cost of Living Adjustment	2.5% per year

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**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-20 improvement scale that is 75% of the MP-2020 rates

**Mortality rates – 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

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The actuarial assumptions used in the June 30, 2023 valuation, were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and the VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

E. Long-Term Expected Rate of Return

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the System for use in the last actuarial experience study for the four-year period ending June 30, 2020, are summarized in the following table:

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

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

F. Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. 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 actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by employers for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined rate. From July 1, 2024 on, employers are assumed to continue to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB plan'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 on pension plan investments was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

G. Sensitivity of the County's Governmental Activities, Business-type Activities and Component Unit Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate.

The following presents the County's Governmental Activities, Business-type Activities, School Board and JRJDC's proportionate share of the net GLI OPEB liability calculated using the discount rate of 6.75 percent, as well as what the proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75 percent) or 1- percentage point higher (7.75 percent) than the current rate:

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	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
<b><u>Primary Government</u></b>			
Governmental Activities proportionate share of the net GLI OPEB liability	\$ 19,991,661	\$ 12,137,006	\$ 7,090,058
Business-type Activities proportionate share of the net GLI OPEB liability	1,144,318	906,394	317,170
Total Primary Government	<u>\$ 21,135,979</u>	<u>\$ 13,043,400</u>	<u>\$ 7,407,228</u>
<b><u>School Board</u></b>			
Teachers' proportionate share of the net GLI OPEB liability	\$ 24,849,940	\$ 15,979,335	\$ 8,813,051
School Board Non-Professional Group net GLI OPEB liability	48,071	30,911	17,048
School Board C&M's proportionate share of the net GLI OPEB liability	1,955,716	1,745,765	782,259
Total all Schools	<u>\$ 26,853,727</u>	<u>\$ 17,756,011</u>	<u>\$ 9,612,358</u>
<b><u>James River Juvenile Detention Center</u></b>			
James River Juvenile Detention Center proportionate share of the net GLI OPEB liability	\$ 200,374	\$ 188,406	\$ 71,063

**H. Deferred Outflows and Inflows of Resources Related to GLI OPEB**

The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of \$1,965,242, \$91,598, \$2,074,335, and \$18,338, respectively, resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2026. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of \$489,344, \$23,303, \$462,011, and \$5,204 respectively, resulting from changes in proportionate share. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of \$2,004,061, \$93,631, \$2,789,985, and \$21,021 respectively, resulting from the difference between expected and actual experience. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of \$69,683, \$4,520, \$99,751, and \$1,012 respectively, resulting from the changes in assumptions.

The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred inflows of resources of \$312,519, \$16,195, \$432,588, and \$3,603 respectively, resulting from the difference between expected and actual experience. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred inflows of resources of \$612,316, \$31,789, \$859,495, and \$7,301 respectively, resulting from changes of assumptions. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred inflows of resources of \$295,064, \$13,521, \$433,107, and \$3,029 respectively, resulting from changes in proportionate share. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized net deferred inflows of resources of \$1,050,163, \$47,986, \$1,445,031, and \$11,083 respectively, resulting from the difference between projected and actual earnings on pension plan investments.

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As of June 30, 2025, the County’s Primary Government deferred outflows and inflows of resources is as follows:

<u>Deferred Outflows of Resources</u>			
Governmental Activities – employer contributions	\$	1,965,242	
Governmental Activities – proportionate share		489,344	
Governmental Activities – difference in experience		2,004,061	
Governmental Activities – change of assumptions		69,683	
Business-type Activities – employer contributions		91,598	
Business-type Activities – proportionate share		23,303	
Business-type Activities – difference in experience		93,631	
Business-type Activities – change of assumptions		<u>4,520</u>	
Total Primary Government	\$	<u>4,741,382</u>	
<u>Deferred Inflows of Resources</u>			
Governmental Activities – difference in experience	\$	312,519	
Governmental Activities – change of assumptions		612,316	
Governmental Activities – difference in earnings		1,050,163	
Governmental Activities – proportionate share		295,064	
Business-type Activities – difference in experience		16,195	
Business-type Activities – change of assumptions		31,789	
Business-type Activities – difference in earnings		47,986	
Business-type Activities – proportionate share		<u>13,521</u>	
Total Primary Government	\$	<u>2,379,553</u>	

These deferred outflows and deferred inflows will be recognized in OPEB expense as follows:

Year Ending June 30:	Governmental Activities	Business-type Activities	Total Primary Government
2026	\$ (367,035)	\$ (18,104)	\$ (385,139)
2027	228,670	11,095	239,765
2028	89,348	3,269	92,617
2029	142,455	6,374	148,829
2030	199,588	9,329	208,917
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>293,026</u>	\$ <u>11,963</u>	\$ <u>304,989</u>

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As of June 30, 2025, the School Board's deferred outflows and inflows of resources are as follows:

<u>Deferred Outflows of Resources</u>	
Teachers – employer contributions	\$ 1,886,347
Teachers – difference in experience	2,562,299
Teachers – proportionate share	406,805
Teachers – change of assumptions	90,612
Schools Non-Professional Group – employer contributions	3,894
Schools Non-Professional Group – difference in experience	4,984
Schools Non-Professional Group – change of assumptions	210
Schools Non-Professional Group – proportionate share	575
Schools C&M – employer contributions	184,094
Schools C&M – difference in experience	222,702
Schools C&M – change of assumptions	8,929
Schools C&M – proportionate share	<u>54,631</u>
Total Deferred Outflows of Resources	\$ <u>5,426,082</u>

<u>Deferred Inflows of Resources</u>	
Teachers – difference in experience	\$ 396,491
Teachers – change of assumptions	793,905
Teachers – difference in earnings	1,333,804
Teachers – proportionate share	395,526
Schools Non-Professional Group – difference in experience	776
Schools Non-Professional Group – change of assumptions	1,631
Schools Non-Professional Group – difference in earnings	2,702
Schools Non-Professional Group – proportionate share	4,487
Schools C&M – difference in experience	35,321
Schools C&M – change of assumptions	63,959
Schools C&M – difference in earnings	108,525
Schools C&M – proportionate share	<u>33,094</u>
Total Deferred Inflows of Resources	\$ <u>3,170,221</u>

These deferred outflows and deferred inflows will be recognized in OPEB expense as follows:

Year Ending June 30:	School Board			Total
	Teachers	Non-Professional Group	School Board C&M	
2026	\$ (620,273)	\$ (3,688)	\$ (30,244)	\$ (654,205)
2027	227,569	(427)	27,284	254,426
2028	106,280	(548)	9,580	115,312
2029	9,262	17	15,716	24,995
2030	417,152	819	23,027	440,998
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>139,990</u>	\$ <u>(3,827)</u>	\$ <u>45,363</u>	\$ <u>181,526</u>

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As of June 30, 2025, the JRJDC’s deferred outflows and inflows of resources are as follows:

<u>Deferred Outflows of Resources</u>	
Employer contributions	\$ 18,338
Proportionate share	5,204
Difference in experience	21,021
Change of assumptions	<u>1,012</u>
Total	\$ <u>45,575</u>
 <u>Deferred Inflows of Resources</u>	
Difference in experience	\$ 3,603
Change of assumptions	7,301
Difference in earnings	11,083
Proportionate share	<u>3,029</u>
Total	\$ <u>25,016</u>

	James River Juvenile Detention Center
Year Ending June 30:	Center
2026	\$ (4,437)
2027	2,402
2028	739
2029	1,427
2030	2,090
Thereafter	-
	\$ 2,221

**I. Employer Contributions**

Employers’ proportionate shares were calculated based on historical employer contributions. Although GAAP encourages the use of the employer’s projected long-term contribution effort to the Other Post-Employment Benefit plan, allocating based on historical employer contributions is considered acceptable. Employer contributions recognized by the VRS GLI OPEB Plan that are not representative of future contribution efforts are excluded in the determination of employers’ proportionate shares. Examples of employer contributions not representative of future contribution efforts are contributions for adjustments for prior periods.

The employer contributions used in the determination of employers’ proportionate shares of collective OPEB amounts reported in the Schedule of Employer Allocations were based on the total employer contributions using the plan’s contribution rates and the employer’s covered payroll for June 30, 2024. The employer contributions were \$1,985,427, \$1,860,954, and \$3,839 for the Teachers, County and School Board Non-Professional Group, respectively. These contributions reflect the calculated amount plus employer contribution adjustments that were not representative of future contribution efforts. The employer contribution adjustments were \$10,056, \$9,425, and \$19 for the Teachers, County and School Board Non-Professional Group, respectively.

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**NOTE 14. OTHER POSTEMPLOYMENT BENEFITS – TEACHER - SCHOOL BOARD NON-PROFESSIONAL GROUP EMPLOYEE HIC PROGRAM**

A. Plan Description

The VRS Teacher Employee HIC Program is a multiple-employer, cost-sharing plan. The Teacher Employee HIC (HIC) Program 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. The Teacher Employee HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee HIC Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC Program OPEB, and the Teacher Employee HIC Program OPEB expense, information about the fiduciary net position of the VRS Teacher Employee HIC Program; and the additions to/deductions from the VRS Teacher Employee HIC Program’s net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Employee HIC Program. This plan is 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.

Detailed information about the VRS Teacher Employee HIC Program’s Fiduciary Net Position is available in the separately issued VRS 2024 ACFR. A copy of that report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

The specific information for the Teacher HIC Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

<p><b>Eligible Employees</b></p> <p>The Teacher Employee Retiree HIC Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> <li>• Full-time permanent (professional) salaried employees of public-school divisions covered under VRS.</li> </ul>
<p><b>Benefit Amounts</b></p> <p>The Teacher Employee Retiree HIC Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> <li>• <b>At Retirement</b> – 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.</li> <li>• <b>Disability Retirement</b> – 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:                         <ul style="list-style-type: none"> <li>○ \$4.00 per month, multiplied by twice the amount of service credit, or</li> <li>○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li> </ul> </li> </ul>
<p><b>HIC Program Notes:</b></p> <ul style="list-style-type: none"> <li>• The monthly HIC benefit cannot exceed the individual premium amount.</li> <li>• Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the HIC as a retiree.</li> </ul>

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The School Non-Professional Group has a total membership of 136 consisting of 122 active members, 13 retirees and beneficiaries and 1 inactive vested members as of the valuation date of June 30, 2023 and measurement date of June 30, 2024.

**B. Funding Policy**

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted because 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, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 Program were \$4,429,769 and \$4,001,041 for the measurement dates ending June 30, 2024 and June 30, 2023, respectively.

The employer contributions used in the determination of employers' proportionate shares of collective other postemployment benefit amounts reported in the schedule of employer allocations was based on the total employer contributions using the plan's contribution rates and the employer's covered payroll for June 30, 2024. This total was \$129,637,371. The employer contributions of \$4,429,769 reported in the VRS Teacher HIC OPEB Program's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects the calculated amount.

For the School Board Non-Professional Group net HIC OPEB liability, the projection of cash flows used to determine the discount rate assumed that plan member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS fund policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board and the member rate. The employer projected contributions reflect the funding policy adopted by the Board of Trustees in June 2013, which includes an additional funding contribution, which is the additional contribution rate needed to allow for the use of the 6.75% investment rate of return as the single equivalent investment return assumption to calculate the net HIC OPEB liability as of the measurement date of June 30, 2024.

**C. School Division HIC Program OPEB Liabilities and OPEB Expense**

At June 30, 2025, the school division reported a net Teacher HIC OPEB liability of \$39,489,070 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Program OPEB Liability was measured as of June 30, 2024 and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation as of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2025, the school division's proportion of the VRS Teacher Employee HIC Program was 3.42% as compared to 3.32% at June 30, 2024.

At June 30, 2025, the school division reported a net School Board Non-Professional Group net HIC OPEB liability of \$47,902 and OPEB expense of \$18,975 as of the measurement date of June 30, 2024 and an actuarial valuation date of June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC Program OPEB expense of \$3,216,767. Since there was a change in proportionate share between measurement years June 30, 2023 and June 30, 2024, a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

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The net OPEB liability for the Teacher Employee HIC Program represents the program’s total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2024, net OPEB liability amounts for the VRS Teacher Employee HIC Program is as follows (in thousands):

	<b>Teacher Employee HIC OPEB <u>Plan</u></b>
Total Teacher Employee HIC OPEB Liability	\$ 1,478,105
Plan Fiduciary Net Position	<u>322,457</u>
Teacher Employee net HIC OPEB Liability	<u>\$ 1,155,648</u>
 Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	 21.82%

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 GAAP in the System’s notes to the financial statements and required supplementary information.

The School Division has a total net HIC OPEB liability of \$39,536,972 made up of the Teacher Employee net HIC OPEB liability of \$39,489,070 and the School Board Non-Professional Group net HIC OPEB liability of \$47,902.

**D. Actuarial Assumptions**

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Program was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

- Inflation - 2.5 percent
- Salary increases, including inflation – Teacher Employees 3.5 percent – 5.95 percent
- Investment rate of return – 6.75 percent, net of plan 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 disable 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

The actuarial assumptions used in the June 30, 2023 valuation, were based on the results of an actuarial experience

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study for the four-year period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**E. Long-Term Expected Rate of Return**

The long-term expected rate of return on 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:

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

\* The above allocation provides a one-year expected return of 7.07%. (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

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F. Discount Rate

The discount rate used to measure the total Teacher and School Non-Professional 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 ending June 30, 2024, the rate contributed by each school division for the VRS Teacher Employee HIC Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

G. Sensitivity of the School Division's Proportionate Share of the Teacher Employee and School Non-Professional 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 Program and School Non-Professional HIC 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:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Teachers' proportionate share of the net HIC OPEB liability	\$44,908,924	\$39,489,070	\$34,895,248
School non-professional net HIC OPEB liability	\$55,696	\$47,902	\$41,350
Total School HIC OPEB liability	\$44,964,620	\$39,536,972	\$34,936,598

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H. Deferred Inflows and Outflows of Resources Related to HIC OPEB

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Teachers</b>		
Difference between projected and actual earnings on OPEB		
plan investments	\$ -	\$ 139,360
Changes of assumptions	663,921	-
Changes in proportionate share	1,539,286	565,761
Difference between expected and actual experience	-	1,842,153
Employer contributions subsequent to the measurement date	4,873,220	-
<b>Total</b>	<b>\$ 7,076,427</b>	<b>\$ 2,547,274</b>
<b>School Non-Professional</b>		
Difference between projected and actual earnings on OPEB		
plan investments	\$ -	\$ 386
Changes of assumptions	4,490	-
Difference between expected and actual experience	-	1,512
<b>Total</b>	<b>\$ 4,490</b>	<b>\$ 1,898</b>
<b>School Board</b>		
Difference between projected and actual earnings on OPEB		
plan investments	\$ -	\$ 139,746
Changes of assumptions	668,411	-
Changes in proportionate share	1,539,286	565,761
Difference between expected and actual experience	-	1,843,665
Employer contributions subsequent to the measurement date	4,873,220	-
<b>Total</b>	<b>\$ 7,080,917</b>	<b>\$ 2,549,172</b>

The Henrico Teacher plan and School non-professional group recognized deferred outflows of resources of \$4,873,220 and \$0, respectively, resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net HIC OPEB liability in the fiscal year ending June 30, 2026.

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:

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<b>Year Ending June 30:</b>	<u>Employee</u>	<u>Group</u>
2026	\$ (78,858)	\$ 2,863
2027	25,716	(34)
2028	(161,085)	(121)
2029	(175,383)	(116)
2030	(51,454)	-
Thereafter	<u>96,997</u>	<u>-</u>
	\$ <u>(344,067)</u>	\$ <u>2,592</u>

**NOTE 15. DEFINED COMPENSATION PLAN**

The School Board participates in an Early Retirement Program (the “Program”) for eligible employees. All full-time employees of the School Board are eligible to participate in the Program at age 50 up to their full Social Security retirement age. Retirees must have the last 10 years of employment with Henrico County Public Schools and at least 16 years of coverage under the Virginia Retirement System. Eligible retirees can be involuntarily taken out of the Program for disability or performance issues. The Program can be terminated for lack of funds.

Eligible retirees receive 20 percent of their final compensation annually for a period not to exceed 7 years or until they reach full, unreduced Social Security retirement age, whichever occurs first. Retirees’ final compensation includes regular pay, including supplements but does not include overtime. Retirement compensation is adjusted pro-rata for the cost-of-living increases or decreases that are approved by the School Board. As a condition of the Program, participants are required to work 28 days per year. The total maximum days worked is limited to 196 days over a 7-year period. During the fiscal year ended June 30, 2025, an expenditure of \$17,663 was recognized in the government-wide financial statements for the compensation paid under the Early Retirement Program during the current year.

**NOTE 16. INTERFUND AND COMPONENT UNIT OBLIGATIONS**

The Water and Sewer Fund has a receivable due from the Capital Projects Fund for a loan. The Health Care Fund has a receivable due from each of the funds listed below for health care contributions due as of June 30, 2025.

Receivables and payables balances at June 30, 2025, were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ -	\$ 1,701,031
Special Revenue Fund	-	392,643
Water and Sewer Fund	641,266	135,916
Capital Projects Fund	-	641,266
Central Automotive Maintenance	-	33,146
Health Care Fund	<u>2,262,736</u>	<u>-</u>
	<u>\$ 2,904,002</u>	<u>\$ 2,904,002</u>

The General Fund has a receivable of \$822,912 due from JRJDC for operating expenses paid by the General Fund. Component unit receivables and payables balances at June 30, 2025, were as follows:

	<u>Receivables</u>	<u>Payables</u>
Health Care Fund	\$ 5,781,117	\$ -
Schools	-	5,751,595
JRJDC	<u>-</u>	<u>29,522</u>
	<u>\$ 5,781,117</u>	<u>\$ 5,781,117</u>

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**NOTE 17. FUND TRANSFERS**

Transfers within the County are made between the General Fund, Special Revenue Fund, Debt Service Fund and the Capital Projects Fund. The transfers are made primarily for the payment of debt and interest, construction in progress and to support educational and special revenue activities.

Inter-fund transfers for the year ended June 30, 2025 were as follows:

	<b>Transfers Out</b>	<b>Transfers In</b>
Governmental Funds:		
General Fund	\$ 192,259,618	\$ 1,817,834
Special Revenue Fund	1,817,834	55,728,931
Debt Service Fund	-	86,988,636
Capital Projects Fund	-	49,542,051
	<b>\$ 194,077,452</b>	<b>\$194,077,452</b>

**NOTE 18. RELATED-PARTY TRANSACTIONS**

During fiscal year 2025, the County contributed \$16,350,969 to the Economic Development Authority (the “Authority”) of Henrico County, Virginia to foster economic development within the County and the County received \$394,481 from the Capital Region Airport Commission for water and sewer services.

During fiscal year 2023, the Authority sold property formerly known as the Best Products Site to Green City. The total sales price was \$6,221,400. Under an existing memorandum of understanding with Henrico County, all proceeds related to the sale of this property were to be reimbursed to the County. The County received \$1,000,000 from the Authority during fiscal years 2024 and 2023. The developer did not pay the remaining sales proceeds due to the Authority of \$5,221,400 in fiscal year 2025. The developer has defaulted on the requirements of the agreement, and the property has reverted to the County.

**NOTE 19. UNEARNED REVENUES**

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenues related to the County’s governmental funds and the School Board and JRJDC component units totaling \$62,567,700 are comprised of the following:

A. Advance Grant Funding

This represents a liability incurred by the County for monies accepted from a grantor using an advancement method for payments. The liability is reduced and revenue is recorded when expenditures are made in accordance with the grantor's requirements. Advanced grant funding at June 30, 2025 totaled \$32,256 and \$31,529,515 in the County’s General Fund and Capital Projects Fund, respectively, and \$3,501,143 and \$25,793,700 in the Special Revenue Fund for the County and the School Board, respectively.

B. Other Unearned Revenues

This represents monies that the County has received that is available but has been deferred at June 30, 2025. Unearned revenue at June 30, 2025 totaled \$1,672,919 in the School General Fund for monies received in advance of expenditures being made as of June 30, 2025. Unearned grant revenues for the Schools’ Special Revenue Fund and JRJDC totaled \$35,865 and \$2,302, respectively for USDA donated food inventory on hand at June 30, 2025.

Also, the Water and Sewer Revenue Fund recorded unearned revenues in the amount of \$9,079,201, which consists of an advance payment from a customer of \$3,232,052 for water capacity, and amounts held for contractors of \$5,847,149.

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**NOTE 20. SURETY BONDS**

Surety bonds covered the following constitutional officers and County employees at June 30, 2024:

Constitutional Officers - Self-Insurance Plan, Commonwealth of Virginia

Heidi S. Barshinger – Clerk of the Circuit Court and Employees of the Clerk of the Circuit Court	\$ 1,120,000
Sheila Minor – Director of Finance and Employees of the Director of Finance	\$ 1,000,000
Alisa Gregory – Sheriff and Employees of the Sheriff’s Office	\$ 30,000

Travelers Casualty and Surety Company of America

All County positions	\$ 1,000,000
All School positions	\$ 1,000,000

Fidelity and Deposit Company of Maryland

John Vithoukas – County Manager	\$ 100,000
Jamie Massey – Director of Department of General Services	\$ 100,000
Monica Smith - Callahan – Deputy County Manager for Community Affairs	\$ 100,000
W. Brandon Hinton – Deputy County Manager for Administration	\$ 100,000
Steve Yob – Deputy County Manager for Community Operations	\$ 100,000
Michael Feinmel – Deputy County Manager for Public Safety	\$ 100,000
Cari Tretina – Chief of Staff	\$ 100,000
Gretchen Brown– Director of Department of Social Services	\$ 100,000
Joseph Knott – Purchasing Director	\$ 100,000
Mark J. Coakley – Registrar	\$ 100,000
Debra Hargrave – School Board Deputy Agent	\$ 10,000
Tiffany Burton – School Board Deputy Clerk	\$ 100,000
Dr. Amy E. Cashwell – School Superintendent and Deputy Agent	\$ 100,000
John Wack – School Board Agent	\$ 100,000

**NOTE 21. JOINT VENTURES**

A. The Capital Region Airport Commission

The Capital Region Airport Commission (the "Commission") was created in 1975 pursuant to Virginia statute. On January 1, 1976, the County and the City of Richmond, Virginia (the "City") entered into an intergovernmental joint venture for the operation of the Richmond International Airport (the "Airport") by the Commission. As part of the venture, the City conveyed the Airport property to the Commission and the Commission in turn agreed to reimbursement of the outstanding debt of the City relating to the property. The County also made a contribution to the Commission for an interest in the venture. The Counties of Chesterfield and Hanover became Commission participants in fiscal year 1984 and fiscal year 1986, respectively.

The Commission is comprised of a fourteen-member board of directors, with four members each being appointed by the City, the County of Henrico and the County of Chesterfield governing bodies and two members being appointed by the County of Hanover governing body. The Commission generates its revenues from service charges to users of the Airport facilities to recover the costs of maintaining, repairing and operating the Airport. Virginia statute requires that the Commission annually submit a budget showing estimated revenues and expenditures to the governing bodies of the City and the three counties for their approval. After approval of the proposed budget by the governing bodies, if the Commission's budget contains estimated expenditures, which exceed estimated revenues, then the governing

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bodies are required to fund the deficit in proportion to their financial interests in the Commission. If, however, actual revenues are less than estimated revenues (resulting in a deficit), the City and the three counties may, at their discretion, appropriate funds necessary to fund the deficit. There was no deficit at the airport for the County to fund at June 30, 2025.

The percentage shares of the jurisdictions involved include the following:

City of Richmond	29.27%
County of Henrico	31.44%
County of Chesterfield	30.17%
County of Hanover	<u>9.12%</u>
	<u>100.00%</u>

This financial interest is determined by applying the percentage of the total approximate population of each jurisdiction to the combined total population of all jurisdictions. The above percentages are based on the final 1990 census figures provided by the Richmond Regional Planning District Commission.

Complete financial statements for the Capital Region Airport Commission can be obtained from its administrative office at South Airport Drive, Richmond, Virginia 23231.

**B. The Greater Richmond Convention Center Authority**

The Greater Richmond Convention Center Authority (“Convention Authority”), a political subdivision of the Commonwealth of Virginia, was created on January 9, 1998, pursuant to the Public Recreational Facilities Authorities Act, Chapter 56 of Title 15.2 of the Code of Virginia (1950). The political subdivisions participating in the incorporation of the Convention Authority are the City of Richmond and the Counties of Henrico, Chesterfield and Hanover. The Convention Authority is governed by a five-member commission comprised of the chief administrative officer of each of the four incorporating political subdivisions and the President/CEO of the Retail Merchants Association of Greater Richmond.

The Convention Authority was created to acquire, finance, expand, renovate, construct, lease, operate and maintain the facility and grounds of a visitors and convention center or centers including the facility and grounds currently known as the Richmond Centre. The primary purpose of the Convention Authority is to issue revenue bonds to finance the expansion of the Richmond Centre facility and to construct access, streetscape, or other on-site/off-site improvements. Once the expansion is complete, the Convention Authority will have responsibility for the operation and maintenance of the convention center.

The Convention Authority has issued \$158,415,000 in Hotel Tax Revenue Bonds, which are secured by an 8 percent transient occupancy tax imposed and collected by the localities. The County recorded an expenditure of \$17,960,560 for transient occupancy tax to the Convention Authority during the year ended June 30, 2025.

Complete financial statements for the Convention Authority can be obtained from the Chesterfield County Accounting Department, P.O. Box 40, Chesterfield, VA 23832.

**NOTE 22. LANDFILL CLOSURE AND POSTCLOSURE CARE LIABILITY**

State and Federal laws and regulations require the County to place a final cover on each phase of its Springfield Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the Springfield and Charles City Road Landfill site for thirty years after closure. A balance of \$4,245,483 has been reported as landfill closure and postclosure care liability in the County’s financial statements at June 30, 2025. This balance represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the Eastern Phase, Phase I, Phase II, Phase III and Phase IV. The Springfield Landfill is now closed for post-closure costs. This amount includes closure for the transfer station at the Springfield site. These amounts are based on what it would cost to perform all closure and post-closure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
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The County plans to meet all Federal laws, regulations, and tests of financial assurance related to the financing of closure and post-closure care. The County received a final sanitary landfill certification of full closure on November 2, 2016. The post-closure period begins on this certification date. The transfer station remains in operation.

**NOTE 23. JOINTLY GOVERNED ORGANIZATIONS**

A. Henrico Economic Development Authority

The Henrico Economic Development Authority (“EDA”) was created in November 1968 as the Henrico Industrial Development Authority. In 1999, state legislation allowed the EDA to change its name to the current moniker. The EDA is governed by a ten-person Board of Directors appointed by the Henrico County Board of Supervisors with two Directors from each of the County’s five magisterial districts. The EDA exists to promote the economic welfare of Henrico County through the creation of a business friendly environment. The EDA acts as a conduit issuer for specific debt obligations of the County; the total outstanding County debt through the EDA totaled \$85.1 million as of June 30, 2025.

B. Central Virginia Waste Management Authority

The Central Virginia Waste Management Authority (the “CVWM Authority”) was established under the provision of the Virginia Water and Sewer Authorities Act. The CVWM Authority’s board is comprised of representatives from the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George, the Cities of Colonial Heights, Petersburg and Richmond, and the Town of Ashland. The 20-member board is comprised of no less than one and up to no more than three members from each of the participating jurisdictions, determined on a population basis. The County has three representatives serving. The CVWM Authority is responsible for creating and implementing recycling and solid waste management programs for its local member jurisdictions to meet waste reduction mandates set by the Virginia General Assembly. Except for contribution requirements and direct payments for special projects, no participant has any ongoing financial interest or responsibility in the Waste Authority.

The CVWM Authority entered into a special project service agreement with the Counties of Goochland, Hanover, Henrico, New Kent, and Powhattan, the Cities of Colonial Heights, Hopewell, Petersburg and Richmond, and the Town of Ashland for residential recycling and drop off processing services. The CVWM Authority will perform, through a contract with a Contractor, residential recycling services which consists of residential recycling collection for eligible dwelling units and processing and marketing of recyclable material collected. The agreement is for a ten-year period beginning on July 1, 2023 and ending on June 30, 2033. The CVWM Authority and Participating Local Jurisdictions have two additional options to renew for 5 years commencing on July 1, 2033 if the CVWM Authority extends the existing contract with the Contractor. The County’s contribution and direct payments for special projects was \$7,960,956 for the year ended June 30, 2025.

B. Greater Richmond Partnership

The Greater Richmond Partnership is comprised of members from the City of Richmond and the Counties of Chesterfield, Hanover, and Henrico. Together in partnership with the business leadership of the area, the Greater Richmond Partnership’s purpose is to further economic development of the metropolitan area. The County has one representative serving on the Greater Richmond Partnership’s Board of Directors and the County contributed \$385,000 for the year ended June 30, 2025.

C. Richmond Region Tourism

The Richmond Region Tourism (“RRT”) serves the City of Richmond and the Counties of Chesterfield, Hanover and Henrico by promoting conventions, tourism and development in the metropolitan Richmond area in order to increase revenues, provide increased employment and improve the economic health of all jurisdictions involved. The County has six representatives serving on RRT’s Board of Directors and contributed \$3,151,696 to RRT for the year ended June 30, 2025.

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
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D. Richmond Regional Planning District Commission

The Richmond Regional Planning District Commission (“RRPDC”) is comprised of members from the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, the City of Richmond and the Town of Ashland. The major functions of the RRPDC are to promote regional cooperation; coordinate the activities and policies of member local governments; resolve service delivery problems involving more than one government within the region and provide planning assistance to local governments.

In accordance with its Charter, the RRPDC promotes the orderly physical, social and economic development of the region through planning and encouraging local governments to plan for future development. The County has six representatives serving on the RRPDC and paid total dues of \$201,644 for the year ended June 30, 2025.

**NOTE 24. TAX ABATEMENTS**

The Real Estate Assessment Division administers a countywide Partial Real Estate Tax Credit program for qualifying rehabilitated or renovated multifamily and commercial/industrial properties to enhance structures within the County for the benefit of citizens and neighborhoods and to provide future tax revenue to the County. Multifamily residential rental real estate, commercial, and industrial real estate is deemed to be substantially rehabilitated when the structure meets specific age thresholds and has been so improved as to increase the assessed value as required by code. Participating improvements are subject to square footage restrictions as well. The owner must file with the Director of Finance an application to qualify such structure as a rehabilitated structure prior to application for a building permit. Upon receipt of an application for tax exemption, the Director of Finance must determine a current fair market value assessment (base value) of the structure. The base value serves as the basis for determining the percentage by which the rehabilitation increases the assessed value the property. A total of 39 commercial property owners received \$2,328,350 in tax credits for the year ended June 30, 2025.

The Real Estate Assessment Division also administers a “Reinvest” residential rehabilitation program for qualifying rehabilitated residential property to enhance homes within the County for the benefit of citizens, neighborhoods and to provide future tax revenue to the County. Reinvest is a partial tax exemption program for residential real estate (excluding multifamily rental units). This residential rehabilitation program encourages rehabilitation, renovation, or replacement of qualifying structures through a property tax incentive. It is designed to protect and preserve mature and settled neighborhoods. In order to qualify for the Reinvest Program, the home must be a minimum of 40 years old with a maximum assessed value of \$300,000. Any improvement, renovation or addition must increase the base structure value (meaning the structure only, not including the property) by a minimum of 20 percent and may not increase the original square footage of the structure by more than 100 percent. The added assessed value of the improvement, renovation or addition will receive a tax credit for seven years. A total of 72 properties received credits totaling \$73,772 for the year ended June 30, 2025.

The County’s Economic Development Authority (the “Authority”) and 1420 N Parham Road, LLC (“1420 N Parham”) entered into an agreement on November 18, 2016, to provide economic development incentives to assist in the redevelopment of the property known as Regency Square Mall (the “Site”). Subsequently, on November 21, 2024, the Authority, 1420 N Parham, and NOVA of Virginia Aquatics, Inc. (“NOVA”) entered an amended and restated agreement (the “Restated Agreement”). The Authority is vitally interested in the economic welfare of County citizens and the creation and maintenance of sustainable jobs, and it wishes to stimulate investment in the County to provide economic growth and development opportunities. The redevelopment of the Site benefits the County and the Authority offered economic development incentives to induce 1420 N Parham to construct road improvements adjacent to the Site and redevelop an existing building at the Site into an aquatics facility. 1420 N Parham invested approximately \$45 million into the redevelopment of the Site, including \$7.8 million dollars in road improvements. The Authority pays grants to 1420 N Parham in the amount equal to the tax revenue generated on the site up to an aggregate maximum of \$14.1 million, for 10 years. After that 10-year period, if NOVA timely completes an expansion of the aquatics facility and satisfies other requirements of the Restated Agreement, the Authority will pay grants to NOVA in an amount equal to the tax revenue generated on the Site up to an aggregate maximum of \$5.3 million. After the second payment period, if 1420 N Parham timely completes additional improvements to the aquatics facility and satisfies the other requirements of the Restated Agreement, the Authority will pay grants to 1420 N Parham in an amount equal to the tax revenue generated on the Site up to an aggregate maximum of \$1.5 million. The Authority made a grant payment of \$849,738 on September

**HENRICO COUNTY, VIRGINIA**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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30, 2024, for the tax period January 1 through June 2024 and \$683,234 on March 30, 2025, for the tax period July 1 through December 31, 2024, respectively.

The Authority, Scout Development LLC, and Facebook Inc., (collectively, “Facebook”) entered into an agreement on September 29, 2017 to provide economic development incentives to assist Facebook in the investment in a new facility within the County. The facility will benefit the County by providing approximately 50 new jobs and \$500 million in capital investment. The County has agreed to provide grants equivalent to personal property taxes collected from Facebook resulting from a tax rate or valuation schedule exceeding those in effect as of the time of the agreement for the facility located at 6200/7301 Technology Boulevard. A subsequent agreement dated October 28, 2022 included facilities to be built at other specific locations in White Oak Technology Park. The grants may be withheld or recaptured for delinquent payment, reduction in taxes paid, breach, or failure to meet performance targets. The amount of the rebate is subject to the confidentiality provisions of Code of Virginia 58.1-3.

The Authority and 2001 Maywill LLC (“Maywill”) entered into an agreement on April 29, 2019, to provide economic development incentives to assist Maywill in the development of a portion of the property in the Westwood area known as 2013 Maywill Street (the “Site”). The Authority is vitally interested in the economic welfare of County citizens and the creation and maintenance of sustainable jobs, as it wishes to stimulate investment in the County to provide economic growth and development opportunities. The development of the Site will benefit the County and the Authority has offered economic development incentives to induce Maywill to build an apartment complex and the construction of an office building and parking facility. Maywill will invest approximately \$90 million into the redevelopment of the Site. Tax revenues from the Site in the 10 years following the completion of the parking facility and office and retail space will be approximately \$7.0 million. The project was completed in calendar year 2022. The Authority pays grants to Maywill in the amount equal to eighty-five percent (85%) of the tax revenues up to an aggregate maximum of \$6 million, beginning September 30, 2022 through March 30, 2031. The Authority made a grant payment of \$407,488 on September 30, 2024, for the tax period January 1 through June 30, 2024. The Authority made a grant payment of \$517,116 on March 30, 2025, for the tax period July 1 through December 31, 2024.

**NOTE 25. SUBSEQUENT EVENTS**

In March 2025, the Henrico County Economic Development Authority (“Authority”) notified Green City Development Corporation LLC (GCDC) of its intent to exercise a repurchase option on 93 acres of property sold to GCDC under an installment purchase plan. GCDC defaulted on payments in February 2025. Per the agreement, the Authority could repurchase the property for the amount paid by GCDC to date for the property, \$1,000,000. ASM Global, the potential operator of the Green City arena, filed suit against GCDC, effectively blocking the repurchase of the property by the Authority. The matter was settled on August 14, 2025 and the repurchase took place in September 2025. The financial statements at June 30 do not reflect the purchase of the property, as it was still pending at that time.

On September 18, 2025, the County issued General Obligation Public Improvement Bonds, Series 2025A, in the aggregate principal amount of \$88 million. The proceeds of the Bonds will be used to finance capital school improvement projects, drainage projects, and recreation and parks facilities in the County pursuant to the voter authorizations at referendum held in the County on November 8, 2022. The Bonds mature on August 1st in each of the years 2026 through 2045. The interest rates range from 3.875 percent to 5 percent.

On October 8, 2025, the Authority issued Lease Revenue Bonds, Series 2025B, in the aggregate principal amount of \$45 million on behalf of the County. The proceeds of the bonds were used to finance technology improvements and construct social services facilities. The bonds mature on August 1st in each of the years 2026 through 2045. The interest rates range from 4 percent to 5 percent.

On September 3, 2025, the County issued Water and Sewer System Revenue Bonds, Series 2025C, in the aggregate principal amount of \$451,320, through the Virginia Water Supply Revolving Fund. The proceeds of the bonds were used to finance a lead service line inventory and inspection services project. The bonds mature on February 1st and August 1st in each of the years 2026 through 2045. The interest rate on this obligation is 1 percent.

On November 6, 2025, the County issued Water and Sewer System Revenue Bonds, Series 2025D, in the aggregate principal amount of \$125 million. The proceeds of the bonds were used to renew or construct public utility infrastructure

**HENRICO COUNTY, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2025

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improvements. The bonds mature on August 1st in each of the years 2026 through 2056. The interest rates range from 4 percent to 5 percent.

**Required Supplemental Information Other Than**  
**Management's Discussion and Analysis**  
**(Unaudited)**

**HENRICO COUNTY, VIRGINIA**  
**EXHIBIT OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Exhibit 12  
Page 1 of 3

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
<b>Primary Government:</b>				
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Current real property taxes	\$ 513,000,000	\$ 513,000,000	\$ 523,088,818	\$ 10,088,818
Current personal property taxes	119,048,217	119,048,217	140,225,615	21,177,398
Delinquent real property taxes	5,000,000	5,000,000	8,094,644	3,094,644
Delinquent personal property taxes	11,000,000	11,000,000	18,561,786	7,561,786
Interest	500,000	500,000	812,817	312,817
Total general property taxes	<u>648,548,217</u>	<u>648,548,217</u>	<u>690,783,680</u>	<u>42,235,463</u>
Other local taxes:				
County recordation taxes	5,000,000	5,000,000	5,972,039	972,039
Local sales and use taxes	96,500,000	96,500,000	96,437,981	(62,019)
Consumer utility taxes	2,000,000	2,000,000	3,198,701	1,198,701
Business and professional license taxes	49,500,000	49,500,000	50,649,015	1,149,015
Motor vehicle license taxes	7,500,000	7,500,000	7,775,641	275,641
Meals tax	35,000,000	37,870,140	41,786,683	3,916,543
Transient occupancy taxes	16,000,000	16,000,000	18,110,959	2,110,959
Bank franchise taxes	4,500,000	4,500,000	6,238,425	1,738,425
Grantor's taxes	1,500,000	1,500,000	1,654,075	154,075
Daily and short term rental tax	60,000	60,000	113,868	53,868
Consumption tax	800,000	800,000	1,412,853	612,853
Tourism improvement district tax	4,000,000	4,000,000	3,953,079	(46,921)
Total other local taxes	<u>222,360,000</u>	<u>225,230,140</u>	<u>237,303,319</u>	<u>12,073,179</u>
Permits, privilege fees and regulatory licenses:				
Municipal library court fees	115,000	115,000	170,595	55,595
Transfer fees	8,000	8,000	8,394	394
Zoning application fees	175,000	175,000	286,520	111,520
Structure and equipment permits	7,500,000	7,500,000	17,624,151	10,124,151
Septic tank permits	5,000	5,000	6,733	1,733
Taxi cab certificates	5,000	5,000	7,570	2,570
Permits to purchase precious metal	6,000	6,000	5,300	(700)
Dog licenses	25,000	25,000	36,326	11,326
Other	474,000	474,000	855,145	381,145
Total permits, privilege fees and regulatory licenses	<u>8,313,000</u>	<u>8,313,000</u>	<u>19,000,734</u>	<u>10,687,734</u>
Fines and forfeitures:				
False alarm penalties	65,000	65,000	58,100	(6,900)
Traffic violations	1,600,000	1,600,000	1,529,594	(70,406)
Parking violations	10,000	10,000	24,674	14,674
Total fines and forfeitures	<u>1,675,000</u>	<u>1,675,000</u>	<u>1,612,368</u>	<u>(62,632)</u>
Revenue from use of money and property:				
Sale of equipment and publications	500	500	219,401	218,901
Rented county property	718,000	718,000	1,269,743	551,743
Use of money	9,165,000	9,165,000	41,703,958	32,538,958
Total revenue from use of money and property	<u>9,883,500</u>	<u>9,883,500</u>	<u>43,193,102</u>	<u>33,309,602</u>
Charges for services:				
Public works	200,000	200,000	(630)	(200,630)
Library	226,000	226,000	234,181	8,181
Sheriff fees	1,498,000	1,498,000	1,489,389	(8,611)
Commonwealth's Attorney fees	20,000	20,000	18,588	(1,412)
Public safety	15,000	15,000	32,833	17,833
Finance charges	65,000	65,000	71,267	6,267
Recreation	343,000	343,000	503,783	160,783
Information technology	800,000	800,000	806,500	6,500
Total charges for services	<u>3,167,000</u>	<u>3,167,000</u>	<u>3,155,911</u>	<u>(11,089)</u>

**HENRICO COUNTY, VIRGINIA**  
**EXHIBIT OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Exhibit 12  
Page 2 of 3

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
<b>Primary Government:</b>				
<b>General Fund, continued:</b>				
Miscellaneous	\$ 3,674,000	\$ 3,674,000	\$ 12,058,541	\$ 8,384,541
Total miscellaneous	<u>3,674,000</u>	<u>3,674,000</u>	<u>12,058,541</u>	<u>8,384,541</u>
Recovered costs:				
Finance	2,703,500	2,703,500	2,760,189	56,689
General services	1,205,000	1,205,000	2,893,458	1,688,458
Public works	30,000	30,000	36,967	6,967
Sheriff	1,500,000	1,500,000	-	(1,500,000)
Public safety	1,500,000	1,500,000	2,237,375	737,375
Total recovered costs	<u>6,938,500</u>	<u>6,938,500</u>	<u>7,927,989</u>	<u>989,489</u>
Total revenue from local sources	<u>904,559,217</u>	<u>907,429,357</u>	<u>1,015,035,644</u>	<u>107,606,287</u>
<b>Intergovernmental:</b>				
Revenue from the Commonwealth:				
Non-categorical aid:				
Rolling stock	160,000	160,000	186,042	26,042
Recovery of central costs	600,000	600,000	840,118	240,118
Mobile home sales and use tax	7,000	7,000	8,217	1,217
Motor vehicle rental tax	3,300,000	3,300,000	5,018,960	1,718,960
PPTRA revenue	37,001,783	37,001,783	37,001,783	-
Communications sales and use tax - HB568	8,500,000	8,500,000	8,531,895	31,895
Overweight truck citations	-	-	28,798	28,798
Total non-categorical aid	<u>49,568,783</u>	<u>49,568,783</u>	<u>51,615,813</u>	<u>2,047,030</u>
Shared expenses:				
Sheriff	15,500,000	15,500,000	18,934,085	3,434,085
Commonwealth's Attorney	2,710,000	3,019,622	3,319,089	299,467
Election commission	120,000	120,000	155,479	35,479
Finance	925,000	925,000	1,020,450	95,450
Circuit court	1,900,000	2,044,998	2,085,942	40,944
Total shared expenses	<u>21,155,000</u>	<u>21,609,620</u>	<u>25,515,045</u>	<u>3,905,425</u>
Categorical aid:				
Library	250,000	250,000	331,893	81,893
Public safety	14,235,000	14,349,393	14,397,140	47,747
Public works	56,000,000	65,263,023	65,276,837	13,814
Juvenile and domestic relations	700,000	700,000	828,142	128,142
Information Technology	-	-	-	-
Finance	-	-	-	-
Total categorical aid	<u>71,185,000</u>	<u>80,562,416</u>	<u>80,834,012</u>	<u>271,596</u>
Total revenue from the Commonwealth	<u>141,908,783</u>	<u>151,740,820</u>	<u>157,964,870</u>	<u>6,224,050</u>
Revenue from the Federal government:				
Public safety	-	-	541,220	541,220
Total revenue from the Federal government	<u>-</u>	<u>-</u>	<u>541,220</u>	<u>541,220</u>
Total intergovernmental	<u>141,908,783</u>	<u>151,740,820</u>	<u>158,506,090</u>	<u>6,765,270</u>
<b>Total General Fund</b>	<u>\$ 1,046,468,000</u>	<u>\$ 1,059,170,177</u>	<u>\$ 1,173,541,734</u>	<u>\$ 114,371,557</u>

**HENRICO COUNTY, VIRGINIA**  
**EXHIBIT OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Exhibit 12  
Page 3 of 3

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
<b>Primary Government:</b>				
<b>Special Revenue Fund:</b>				
Revenue from use of money and property	\$ 236,000	\$ 417,148	\$ 146,294	\$ (270,854)
Charges for services:				
Miscellaneous charges for services	16,835,699	17,510,425	15,079,783	(2,430,642)
Refuse collection billing	12,600,000	12,600,000	11,959,126	(640,874)
Recycle fees	550,000	550,000	425,050	(124,950)
Bulky waste collection fees	2,030,000	2,030,000	3,242,436	1,212,436
Leaf collection	705,388	705,388	705,388	-
Recycling	5,715,521	5,715,521	5,715,521	-
Charges for street lights	100,000	100,000	395,832	295,832
Total charges for services	<u>38,536,608</u>	<u>39,211,334</u>	<u>37,523,136</u>	<u>(1,688,198)</u>
Miscellaneous revenues	<u>2,142,565</u>	<u>2,841,585</u>	<u>3,457,973</u>	<u>616,388</u>
Recovered costs:				
Recovered costs	719,062	758,981	1,148,732	389,751
Recoveries and rebates	70,176	70,176	68,660	(1,516)
Total recovered costs	<u>789,238</u>	<u>829,157</u>	<u>1,217,392</u>	<u>388,235</u>
Total revenue from local sources	<u>41,704,411</u>	<u>43,299,223</u>	<u>42,344,795</u>	<u>(954,428)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Division of litter control	50,000	50,000	78,694	28,694
Social services	10,445,585	13,871,888	13,266,244	(605,644)
Mental health and developmental services	15,523,348	19,033,078	19,068,496	35,418
Virginia department of corrections	1,880,109	1,930,109	1,975,291	45,182
Commonwealth's Attorney	474,000	474,000	448,351	(25,649)
Opioid Abatement	79,759	331,827	458,723	126,896
Miscellaneous state grants	250,000	2,384,046	2,156,109	(227,937)
Total revenue from the Commonwealth	<u>28,702,801</u>	<u>38,074,948</u>	<u>37,451,908</u>	<u>(623,040)</u>
Revenue from the Federal government:				
Workforce investment	3,931,956	4,424,830	5,268,587	843,757
Social Services	14,820,754	15,457,624	14,789,461	(668,163)
Community development block grants	-	2,414,734	2,386,578	(28,156)
Public safety	-	879,631	511,677	(367,954)
Mental health and developmental services	2,011,953	3,156,466	2,887,989	(268,477)
Miscellaneous federal grants	887,478	1,473,896	954,221	(519,675)
Total revenue from the Federal government	<u>21,652,141</u>	<u>27,807,181</u>	<u>26,798,513</u>	<u>(1,008,668)</u>
Total intergovernmental	<u>50,354,942</u>	<u>65,882,129</u>	<u>64,250,421</u>	<u>(1,631,708)</u>
<b>Total Special Revenue Fund</b>	<u>\$ 92,059,353</u>	<u>\$ 109,181,353</u>	<u>\$ 106,595,216</u>	<u>\$ (2,586,136)</u>
<b>Total Revenues - Governmental Funds</b>	<u>\$ 1,138,527,353</u>	<u>\$ 1,168,351,529</u>	<u>\$ 1,280,136,950</u>	<u>\$ 111,785,421</u>

See accompanying independent auditor's report.

**HENRICO COUNTY, VIRGINIA**  
**EXHIBIT OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<b>Function, Activity, Element</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Primary Government:</b>				
<b>General Fund:</b>				
General government:				
Legislative:				
Board of Supervisors	\$ 1,041,609	\$ 1,141,472	\$ 1,135,918	\$ 5,554
Total legislative	<u>1,041,609</u>	<u>1,141,472</u>	<u>1,135,918</u>	<u>5,554</u>
General and financial administration:				
County Manager	5,397,250	6,400,263	6,291,087	109,176
County Attorney	3,471,743	3,877,718	3,877,007	711
Human Resources	14,953,211	8,340,903	5,144,402	3,196,501
Finance	19,128,268	19,156,208	18,946,461	209,747
General Services	16,588,715	21,004,939	20,335,018	669,921
Internal Audit	961,392	1,009,042	1,006,540	2,502
Information Technology	14,200,802	17,012,745	15,031,743	1,981,002
Risk Management	10,790,984	18,790,984	18,608,559	182,425
Total general and financial administration	<u>85,492,365</u>	<u>95,592,802</u>	<u>89,240,817</u>	<u>6,351,985</u>
Board of Elections:				
Election Commission	2,460,248	3,144,938	3,134,942	9,996
Total Board of Elections	<u>2,460,248</u>	<u>3,144,938</u>	<u>3,134,942</u>	<u>9,996</u>
Total general government administration	<u>88,994,222</u>	<u>99,879,212</u>	<u>93,511,677</u>	<u>6,367,535</u>
Judicial administration:				
Courts:				
Circuit Court	4,505,667	5,054,028	4,766,495	287,533
General District Court	563,147	473,117	445,971	27,146
Juvenile and Domestic Relations Court	3,347,687	3,681,143	3,668,795	12,348
Total Courts	<u>8,416,501</u>	<u>9,208,288</u>	<u>8,881,261</u>	<u>327,027</u>
Commonwealth's Attorney:				
Commonwealth's Attorney	7,740,692	8,216,618	8,216,378	240
Total Commonwealth's Attorney	<u>7,740,692</u>	<u>8,216,618</u>	<u>8,216,378</u>	<u>240</u>
Total judicial administration	<u>16,157,193</u>	<u>17,424,907</u>	<u>17,097,639</u>	<u>327,268</u>
Public safety:				
Law enforcement:				
Police Department	100,890,598	106,593,855	105,241,592	1,352,263
Total law enforcement	<u>100,890,598</u>	<u>106,593,855</u>	<u>105,241,592</u>	<u>1,352,263</u>
Fire services:				
Fire Department	91,976,653	106,549,493	105,096,783	1,452,710
Total fire services	<u>91,976,653</u>	<u>106,549,493</u>	<u>105,096,783</u>	<u>1,452,710</u>
Correction and detention:				
Sheriff	55,047,770	56,391,343	56,380,752	10,591
Juvenile and Domestic Relations District Court	4,033,735	4,033,735	4,033,735	-
Total correction and detention	<u>59,081,505</u>	<u>60,425,078</u>	<u>60,414,487</u>	<u>10,591</u>
Inspections:				
Building	6,028,358	6,007,005	5,606,762	400,243
Total inspections	<u>6,028,358</u>	<u>6,007,005</u>	<u>5,606,762</u>	<u>400,243</u>
Other protection:				
Emergency Management	11,750,363	12,519,858	12,493,593	26,265
Emergency Response	-	2,913,484	2,906,261	7,223
Animal Protection	2,864,091	3,064,610	3,064,144	466
Building Security	1,180,128	1,080,628	1,053,876	26,752
Total other protection	<u>15,794,582</u>	<u>19,578,580</u>	<u>19,517,874</u>	<u>60,706</u>
Total public safety	<u>273,771,696</u>	<u>299,154,010</u>	<u>295,877,498</u>	<u>3,276,512</u>

**HENRICO COUNTY, VIRGINIA**  
**EXHIBIT OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Exhibit 13**  
**Page 2 of 4**

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
<b>Primary Government:</b>				
<b>General Fund, continued:</b>				
Public works:				
Maintenance of highways and streets:				
General Administration	\$ 2,437,097	\$ 3,044,742	\$ 2,834,296	\$ 210,446
Mass Transit	10,629,216	8,996,667	6,729,243	2,267,424
Design	3,800,173	5,446,662	3,735,738	1,710,924
Construction and Maintenance	38,533,118	56,046,742	45,280,932	10,765,810
Traffic Engineering	5,276,834	6,335,461	5,100,531	1,234,930
Miscellaneous	3,793,199	3,923,247	3,919,492	3,755
Total maintenance of highways and streets	<u>64,469,637</u>	<u>83,793,522</u>	<u>67,600,232</u>	<u>16,193,290</u>
Sanitation and waste removal:				
Solid Waste	6,420,909	6,420,909	6,420,909	-
Total sanitation and waste removal	<u>6,420,909</u>	<u>6,420,909</u>	<u>6,420,909</u>	<u>-</u>
Total public works	<u>70,890,546</u>	<u>90,214,431</u>	<u>74,021,141</u>	<u>16,193,290</u>
Health:				
Public Health Department	3,067,830	3,096,073	3,096,073	-
Total health	<u>3,067,830</u>	<u>3,096,073</u>	<u>3,096,073</u>	<u>-</u>
Parks, recreation and cultural:				
Parks and recreation:				
Department of Recreation and Parks	28,940,224	29,667,324	28,408,181	1,259,143
Sandston Community House	14,000	14,000	13,226	774
Total parks and recreation	<u>28,954,224</u>	<u>29,681,324</u>	<u>28,421,407</u>	<u>1,259,917</u>
Library:				
Library Public Services	24,724,115	23,992,628	23,203,035	789,593
Total library	<u>24,724,115</u>	<u>23,992,628</u>	<u>23,203,035</u>	<u>789,593</u>
Total parks, recreation and cultural	<u>53,678,339</u>	<u>53,673,953</u>	<u>51,624,442</u>	<u>2,049,511</u>
Community Development:				
Planning and community development:				
Economic Development	30,434,566	32,814,730	32,405,139	409,591
Planning and Rezoning	5,552,745	5,935,545	5,021,715	913,830
Total planning and community development	<u>35,987,311</u>	<u>38,750,275</u>	<u>37,426,854</u>	<u>1,323,421</u>
Cooperative extension program:				
Agriculture	477,826	481,668	481,668	-
Total cooperative extension program	<u>477,826</u>	<u>481,668</u>	<u>481,668</u>	<u>-</u>
Total community development	<u>36,465,137</u>	<u>39,231,943</u>	<u>37,908,522</u>	<u>1,323,421</u>
Education:				
School Board	346,988,418	346,988,418	346,988,418	-
Total education	<u>346,988,418</u>	<u>346,988,418</u>	<u>346,988,418</u>	<u>-</u>

**EXHIBIT OF EXPENDITURES - BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<b>Function, Activity, Element</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Primary Government:</b>				
<b>General Fund, continued:</b>				
Miscellaneous:				
Cooperative Projects	\$ 21,968,631	\$ 21,543,951	\$ 24,244,890	\$ (2,700,939)
Tax Relief	12,998,000	15,044,232	15,019,182	25,050
Total miscellaneous	<u>34,966,631</u>	<u>36,588,183</u>	<u>39,264,072</u>	<u>(2,675,889)</u>
Debt service:				
Lease principal	11,118,834	11,118,834	11,118,834	-
Lease interest	482,540	482,540	482,540	-
Total debt service	<u>11,601,374</u>	<u>11,601,374</u>	<u>11,601,374</u>	<u>-</u>
<b>Total General Fund</b>	<b><u>\$ 936,581,386</u></b>	<b><u>\$ 997,852,503</u></b>	<b><u>\$ 970,990,856</u></b>	<b><u>\$ 26,861,647</u></b>
<b>Special Revenue Fund:</b>				
General government:				
General and financial administration:				
Workforce Investment	3,883,152	6,507,601	4,882,702	1,624,899
Total general government administration	<u>3,883,152</u>	<u>6,507,601</u>	<u>4,882,702</u>	<u>1,624,899</u>
Judicial administration:				
Courts:				
Circuit Court	-	21,488	-	21,488
Commonwealth's Attorney:				
Commonwealth's Attorney	1,848,221	2,283,089	1,915,882	367,207
Total judicial administration	<u>1,848,221</u>	<u>2,304,577</u>	<u>1,915,882</u>	<u>388,695</u>
Public safety:				
Law enforcement:				
Traffic Accident Investigation	602,500	4,367,394	2,259,024	2,108,370
Total law enforcement	<u>602,500</u>	<u>4,367,394</u>	<u>2,259,024</u>	<u>2,108,370</u>
Fire	79,759	511,009	164,539	346,470
Emergency Management	-	71,319	63,595	7,724
Correction and detention:				
Community Diversion Program	3,212,827	3,278,282	3,267,163	11,119
Juvenile and Domestic Relations District Court	1,251,737	1,307,847	1,295,652	12,195
Sheriff	-	313,915	199,879	114,036
Total correction and detention	<u>4,464,564</u>	<u>4,900,044</u>	<u>4,762,694</u>	<u>137,350</u>
Total public safety	<u>5,146,823</u>	<u>9,849,766</u>	<u>7,249,852</u>	<u>2,599,914</u>
Public works:				
General Administration	897,000	949,858	88,008	861,850
Maintenance of Highways and Streets	100,000	100,000	64,061	35,939
Solid Waste Collection and Disposal	24,227,297	28,628,185	25,390,142	3,238,043
Total public works	<u>25,224,297</u>	<u>29,678,043</u>	<u>25,542,211</u>	<u>4,135,832</u>
Health and social services:				
Social Services	36,630,937	44,074,858	39,271,185	4,803,673
Mental health and developmental services:				
Related Services	9,526,269	11,010,499	8,575,943	2,434,556
Mental Health	19,651,881	26,776,827	20,122,661	6,654,166
Developmental Services	15,654,540	16,282,701	15,655,686	627,015
Substance Abuse	5,342,345	10,878,266	7,060,736	3,817,530
MH/DS Administration	6,612,585	7,403,214	6,984,280	418,934
Total mental health and developmental services	<u>56,787,620</u>	<u>72,351,506</u>	<u>58,399,306</u>	<u>13,952,200</u>
Total health and social services	<u>93,418,557</u>	<u>116,426,364</u>	<u>97,670,491</u>	<u>18,755,873</u>

**EXHIBIT OF EXPENDITURES - BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Exhibit 13  
Page 4 of 4**

<b>Function, Activity, Element</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Primary Government:</b>				
<b>Special Revenue Fund, continued:</b>				
Parks, recreation and culture:				
Parks and Recreation grants	\$ -	\$ 77,264	\$ 24,187	\$ 53,077
Total parks, recreation and culture	<u>-</u>	<u>77,264</u>	<u>24,187</u>	<u>53,077</u>
Sports and Entertainment Authority				
Sports and Entertainment Authority	1,608,881	3,922,066	3,327,164	594,902
Total Sports and Entertainment Authority	<u>1,608,881</u>	<u>3,922,066</u>	<u>3,327,164</u>	<u>594,902</u>
Community development:				
Planning and Community Development	-	9,598,626	2,504,966	7,093,660
Economic Development	-	15,349,484	14,689,265	660,219
Total community development	<u>-</u>	<u>24,948,110</u>	<u>17,194,231</u>	<u>7,753,879</u>
Affordable housing				
Affordable housing	-	60,000,000	1,001,794	58,998,206
Total Affordable Housing	<u>-</u>	<u>60,000,000</u>	<u>1,001,794</u>	<u>58,998,206</u>
Miscellaneous				
Miscellaneous	800,000	654,502	109,413	545,089
Total Non-Departmental	<u>800,000</u>	<u>654,502</u>	<u>109,413</u>	<u>545,089</u>
Debt service:				
Lease principal	1,442,563	1,442,563	1,442,563	-
Lease interest	22,213	22,213	22,213	-
Total debt service	<u>1,464,776</u>	<u>1,464,776</u>	<u>1,464,776</u>	<u>-</u>
<b>        Total Special Revenue Fund</b>	<u>\$ 133,394,707</u>	<u>\$ 255,833,067</u>	<u>\$ 160,382,703</u>	<u>\$ 95,450,364</u>
<b>Total Expenditures - Governmental Funds</b>	<u>\$ 1,069,976,092</u>	<u>\$ 1,253,685,571</u>	<u>\$ 1,131,373,559</u>	<u>\$ 122,312,012</u>

**Explanation of difference between actual amounts on the budgetary basis and GAAP basis:**

Total Expenditures on the Exhibit of Expenditures-Budget and Actual - General Fund	\$ 970,990,856
Right-to-use capital outlay	<u>\$ 28,503,871</u>
 Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	 <u>\$ 999,494,727</u>
 Total Expenditures on the Exhibit of Expenditures-Budget and Actual - Speical Revenue Fund	 \$ 160,382,703
Right-to-use capital outlay	<u>\$ 2,862,255</u>
 Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Fund	 <u>\$ 163,244,958</u>

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)**  
**GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES**  
**LAST TEN FISCAL YEARS**

Exhibit 14  
Page 1 of 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental Activities:</b>										
<b>Total pension liability</b>										
Service cost	\$ 23,884,723	\$ 24,801,703	\$ 25,098,225	\$ 26,412,598	\$ 26,669,998	\$ 29,771,676	\$ 29,776,955	\$ 33,036,473	\$ 36,279,547	\$ 40,012,664
Interest on total pension liability	69,217,236	71,893,739	75,416,152	78,641,385	81,609,627	84,178,813	88,814,534	97,170,762	102,300,187	108,918,966
Change of assumptions	-	-	3,600,205	-	35,221,964	-	55,338,972	-	-	-
Difference between expected and actual experience	(15,888,024)	(3,762,008)	(13,129,434)	(2,495,542)	(5,237,540)	18,002,646	(16,940,177)	13,454,670	31,164,176	50,256,810
Benefit payments, including refunds of employee contributions	(47,302,547)	(50,505,930)	(53,593,856)	(57,951,397)	(60,174,533)	(65,005,434)	(70,197,879)	(71,361,150)	(76,398,309)	(83,390,920)
Other	-	-	-	-	-	2,075,678	-	-	-	-
Net change in total pension liability	29,911,388	42,427,504	37,391,292	44,607,044	78,089,516	69,023,379	86,792,405	72,300,755	93,345,601	115,797,520
Total pension liability - beginning	1,010,174,944	1,040,086,332	1,082,513,836	1,119,905,128	1,164,512,172	1,242,601,688	1,311,625,067	1,398,417,472	1,470,718,227	1,564,063,828
Total pension liability - ending (a)	\$ 1,040,086,332	\$ 1,082,513,836	\$ 1,119,905,128	\$ 1,164,512,172	\$ 1,242,601,688	\$ 1,311,625,067	\$ 1,398,417,472	\$ 1,470,718,227	\$ 1,564,063,828	\$ 1,679,861,348
<b>Total fiduciary net position</b>										
Contributions - employer	\$ 28,290,290	\$ 29,374,797	\$ 26,184,817	\$ 26,807,419	\$ 28,277,430	\$ 29,403,784	\$ 31,636,840	\$ 34,721,214	\$ 42,320,302	\$ 46,721,753
Contributions - employee	9,452,120	9,798,397	10,254,955	10,318,099	10,537,974	11,048,961	11,138,818	12,048,194	12,678,252	13,946,069
Net investment income	38,115,473	15,148,200	107,128,844	72,308,202	68,371,688	20,632,319	293,769,294	(1,346,899)	85,536,698	134,832,411
Benefit payments	(47,302,547)	(50,505,930)	(53,593,856)	(57,951,397)	(60,174,533)	(65,005,434)	(70,197,879)	(71,361,150)	(76,398,309)	(83,390,920)
Administrative expense	(522,704)	(541,959)	(622,456)	(628,498)	(681,327)	(707,937)	(737,023)	(841,516)	(849,512)	(882,325)
Other	(8,071)	(6,430)	(95,261)	(64,229)	(43,116)	1,730,042	(27,666)	41,575	32,669	23,363
Net change in plan fiduciary net position	28,024,561	3,267,075	89,257,043	50,789,596	46,288,116	(2,898,265)	265,582,384	(26,738,582)	63,320,100	111,250,351
Plan fiduciary net position - beginning	835,883,581	863,908,142	867,175,217	956,432,260	1,007,221,856	1,053,509,972	1,050,611,707	1,316,194,091	1,289,455,509	1,352,775,609
Plan fiduciary net position - ending (b)	\$ 863,908,142	\$ 867,175,217	\$ 956,432,260	\$ 1,007,221,856	\$ 1,053,509,972	\$ 1,050,611,707	\$ 1,316,194,091	\$ 1,289,455,509	\$ 1,352,775,609	\$ 1,464,025,960
<b>Net pension liability - ending (a)-(b)</b>	\$ 176,178,190	\$ 215,338,619	\$ 163,472,868	\$ 157,290,316	\$ 189,091,716	\$ 261,013,360	\$ 82,223,381	\$ 181,262,718	\$ 211,288,219	\$ 215,835,388
<b>Plan fiduciary net position as a percentage of total pension liability</b>	83.06%	80.11%		86.49%	84.78%	80.10%	94.12%	87.68%	86.49%	87.15%
<b>Covered payroll</b>	\$ 191,276,453	\$ 199,857,968	\$ 202,991,663	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875	\$ 293,494,713
<b>Net pension liability as a percentage of covered payroll</b>	92.11%	107.75%	80.53%	75.19%	87.03%	114.28%	35.94%	72.80%	78.80%	73.54%
<b>Business-type Activities:</b>										
<b>Total pension liability</b>										
Service cost	\$ 1,683,447	\$ 1,721,019	\$ 1,727,978	\$ 1,778,119	\$ 1,786,600	\$ 1,921,651	\$ 1,845,156	\$ 2,018,441	\$ 2,086,331	\$ 2,131,368
Interest on total pension liability	4,878,582	4,988,789	5,192,297	5,294,205	5,466,957	5,433,428	5,503,473	5,936,876	5,882,985	5,801,822
Change of assumptions	-	-	247,869	-	2,359,489	-	3,429,129	-	-	-
Difference between expected and actual experience	(1,119,823)	(261,050)	(903,943)	(168,002)	(350,858)	1,162,004	(1,049,713)	822,045	1,792,161	2,677,046
Benefit payments, including refunds of employee contributions	(3,333,987)	(3,504,664)	(3,689,862)	(3,901,338)	(4,031,040)	(4,195,858)	(4,349,875)	(4,359,977)	(4,393,443)	(4,442,011)
Other	-	-	-	-	-	(2,075,678)	-	-	-	-
Net change in total pension liability	2,108,219	2,944,094	2,574,338	3,002,984	5,231,148	2,245,547	5,378,170	4,417,385	5,368,034	6,168,225
Total pension liability - beginning	72,070,360	74,178,579	77,122,673	79,697,011	82,699,995	87,931,143	90,176,690	95,554,860	99,972,245	105,340,279
Total pension liability - ending (a)	\$ 74,178,579	\$ 77,122,673	\$ 79,697,011	\$ 82,699,995	\$ 87,931,143	\$ 90,176,690	\$ 95,554,860	\$ 99,972,245	\$ 105,340,279	\$ 111,508,504

COUNTY OF HENRICO, VIRGINIA  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)**  
**GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES**  
**LAST TEN FISCAL YEARS**

Exhibit 14  
Page 2 of 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total fiduciary net position</b>										
Contributions - employer	\$ 1,993,960	\$ 2,038,351	\$ 1,802,788	\$ 1,804,698	\$ 1,894,281	\$ 1,897,905	\$ 1,960,405	\$ 2,121,374	\$ 2,433,717	\$ 2,488,743
Contributions - employee	666,206	679,922	706,039	694,623	705,930	713,169	690,227	736,113	729,089	742,870
Net investment income	2,686,461	1,051,151	7,375,672	4,867,851	4,580,160	1,331,739	18,203,680	(82,292)	4,918,965	7,182,162
Benefit payments	(3,333,987)	(3,504,664)	(3,689,862)	(3,901,338)	(4,031,040)	(4,195,858)	(4,349,875)	(4,359,977)	(4,393,443)	(4,442,011)
Administrative expense	(36,841)	(37,607)	(42,855)	(42,311)	(45,641)	(45,695)	(45,670)	(51,414)	(48,853)	(46,999)
Other	(569)	(446)	(6,559)	(4,324)	(2,888)	(1,759,728)	(1,714)	2,540	1,879	1,245
Net change in plan fiduciary net position	1,975,230	226,707	6,145,223	3,419,199	3,100,802	(2,058,468)	16,457,053	(1,633,656)	3,641,354	5,926,010
Plan fiduciary net position - beginning	59,688,228	61,663,458	61,890,165	68,035,388	71,454,587	74,555,389	72,496,921	88,953,974	87,320,318	90,961,672
Plan fiduciary net position - ending (b)	\$ 61,663,458	\$ 61,890,165	\$ 68,035,388	\$ 71,454,587	\$ 74,555,389	\$ 72,496,921	\$ 88,953,974	\$ 87,320,318	\$ 90,961,672	\$ 96,887,682
<b>Net pension liability - ending (a)-(b)</b>	\$ 12,515,121	\$ 15,232,508	\$ 11,661,623	\$ 11,245,408	\$ 13,375,754	\$ 17,679,769	\$ 6,600,886	\$ 12,651,927	\$ 14,378,607	\$ 14,620,822
<b>Plan fiduciary net position as a percentage of total pension liability</b>	83.13%	80.25%	85.37%	86.40%	84.79%	80.39%	93.09%	87.34%	86.35%	86.89%
<b>Covered payroll</b>	\$ 13,305,310	\$ 13,763,763	\$ 13,845,688	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378	\$ 18,077,788
<b>Net pension liability as a percentage of covered payroll</b>	94.06%	110.67%	84.23%	79.92%	93.23%	117.97%	46.51%	83.57%	92.69%	80.88%
<b>Total Activities:</b>										
<b>Total pension liability</b>										
Service cost	\$ 25,568,170	\$ 26,522,722	\$ 26,826,203	\$ 28,190,717	\$ 28,456,598	\$ 31,693,327	\$ 31,622,111	\$ 35,054,914	\$ 38,365,878	\$ 42,144,032
Interest on total pension liability	74,095,818	76,882,528	80,608,449	83,935,590	87,076,584	89,612,241	94,318,007	103,107,638	108,183,172	114,720,788
Change of assumptions	-	-	3,848,074	-	37,581,453	-	58,768,101	-	-	-
Difference between expected and actual experience	(17,007,847)	(4,023,058)	(14,033,377)	(2,663,544)	(5,588,398)	19,164,650	(17,989,890)	14,276,715	32,956,337	52,933,856
Benefit payments, including refunds of employee contributions	(50,636,534)	(54,010,594)	(57,283,718)	(61,852,735)	(64,205,573)	(69,201,292)	(74,547,754)	(75,721,127)	(80,791,752)	(87,832,931)
Other	-	-	-	-	-	-	-	-	-	-
Net change in total pension liability	32,019,607	45,371,598	39,965,630	47,610,028	83,320,664	71,268,926	92,170,575	76,718,140	98,713,635	121,965,745
Total pension liability - beginning	1,082,245,304	1,114,264,911	1,159,636,509	1,199,602,139	1,247,212,167	1,330,532,831	1,401,801,757	1,493,972,332	1,570,690,472	1,669,404,107
Total pension liability - ending (a)	\$ 1,114,264,911	\$ 1,159,636,509	\$ 1,199,602,139	\$ 1,247,212,167	\$ 1,330,532,831	\$ 1,401,801,757	\$ 1,493,972,332	\$ 1,570,690,472	\$ 1,669,404,107	\$ 1,791,369,852
<b>Total fiduciary net position</b>										
Contributions - employer	\$ 30,284,250	\$ 31,413,148	\$ 27,987,605	\$ 28,612,117	\$ 30,171,711	\$ 31,301,689	\$ 33,597,245	\$ 36,842,588	\$ 44,754,019	\$ 49,210,496
Contributions - employee	10,118,326	10,478,319	10,960,994	11,012,722	11,243,904	11,762,130	11,829,045	12,784,307	13,407,341	14,688,939
Net investment income	40,801,934	16,199,351	114,504,516	77,176,053	72,951,848	21,964,058	311,972,974	(1,429,191)	90,455,663	142,014,573
Benefit payments	(50,636,534)	(54,010,594)	(57,283,718)	(61,852,735)	(64,205,573)	(69,201,292)	(74,547,754)	(75,721,127)	(80,791,752)	(87,832,931)
Administrative expense	(559,545)	(579,566)	(665,311)	(670,809)	(726,968)	(753,632)	(782,693)	(892,930)	(898,365)	(929,324)
Other	(8,640)	(6,876)	(101,820)	(68,553)	(46,004)	(29,686)	(29,380)	44,115	34,548	24,608
Net change in plan fiduciary net position	29,999,791	3,493,782	95,402,266	54,208,795	49,388,918	(4,956,733)	282,039,437	(28,372,238)	66,961,454	117,176,361
Plan fiduciary net position - beginning	895,571,809	925,571,600	929,065,382	1,024,467,648	1,078,676,443	1,128,065,361	1,123,108,628	1,405,148,065	1,376,775,827	1,443,737,281
Plan fiduciary net position - ending (b)	\$ 925,571,600	\$ 929,065,382	\$ 1,024,467,648	\$ 1,078,676,443	\$ 1,128,065,361	\$ 1,123,108,628	\$ 1,405,148,065	\$ 1,376,775,827	\$ 1,443,737,281	\$ 1,560,913,642
<b>Net pension liability - ending (a)-(b)</b>	\$ 188,693,311	\$ 230,571,127	\$ 175,134,491	\$ 168,535,724	\$ 202,467,470	\$ 278,693,129	\$ 88,824,267	\$ 193,914,645	\$ 225,666,826	\$ 230,456,210
<b>Plan fiduciary net position as a percentage of total pension liability</b>	83.07%	80.12%	85.40%	86.49%	84.78%	80.12%	94.05%	87.65%	86.48%	87.14%
<b>Covered payroll</b>	\$ 204,581,763	\$ 213,621,731	\$ 216,837,351	\$ 223,252,733	\$ 231,629,477	\$ 243,379,087	\$ 242,954,301	\$ 264,138,040	\$ 283,636,253	\$ 311,572,501
<b>Net pension liability as a percentage of covered payroll</b>	92.23%	107.93%	80.77%	75.49%	87.41%	114.51%	36.56%	73.41%	79.56%	73.97%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)**  
**SCHOOL BOARD NON-PROFESSIONAL GROUP**  
**LAST TEN FISCAL YEARS**

Exhibit 15

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>School Board Non-Professional Group</b>										
<b>Total pension liability</b>										
Service cost	\$ 69,746	\$ 67,970	\$ 58,711	\$ 56,131	\$ 56,136	\$ 45,896	\$ 59,644	\$ 54,568	\$ 64,277	\$ 58,749
Interest on total pension liability	580,111	567,282	571,638	554,959	539,048	534,571	539,205	569,590	547,636	490,638
Change of assumptions	-	-	44,778	-	182,613	-	383,505	-	-	-
Difference between expected and actual experience	(139,895)	108,818	(226,614)	(134,067)	157,842	216,758	119,836	(284,130)	(759,873)	483,326
Benefit payments, including refunds of employee contributions	(698,924)	(687,530)	(676,153)	(697,423)	(711,216)	(722,303)	(734,835)	(678,391)	(671,562)	(710,302)
Net change in total pension liability	(188,962)	56,540	(227,640)	(220,400)	224,423	74,922	367,355	(338,363)	(819,522)	322,411
Total pension liability - beginning	8,636,760	8,447,798	8,504,338	8,276,698	8,056,298	8,280,721	8,355,643	8,722,998	8,384,635	7,565,113
Total pension liability - ending (a)	<u>\$ 8,447,798</u>	<u>\$ 8,504,338</u>	<u>\$ 8,276,698</u>	<u>\$ 8,056,298</u>	<u>\$ 8,280,721</u>	<u>\$ 8,355,643</u>	<u>\$ 8,722,998</u>	<u>\$ 8,384,635</u>	<u>\$ 7,565,113</u>	<u>\$ 7,887,524</u>
<b>Total fiduciary net position</b>										
Contributions - employer	\$ 238,475	\$ 237,503	\$ 199,298	\$ 209,478	\$ 165,901	\$ 182,491	\$ 193,314	\$ 192,256	\$ 246,434	\$ 274,796
Contributions - employee	31,253	30,289	30,785	31,431	26,749	29,681	25,221	25,398	28,922	30,360
Net investment income	251,841	85,861	614,333	387,642	334,328	95,468	1,230,914	2,323	307,757	459,128
Benefit payments	(698,924)	(687,530)	(676,153)	(697,423)	(711,216)	(722,303)	(734,835)	(678,391)	(671,562)	(710,302)
Administrative expense	(3,822)	(3,655)	(3,892)	(3,645)	(3,782)	(3,624)	(3,466)	(3,528)	(3,305)	(3,300)
Other	(54)	(39)	(534)	(335)	(208)	(108)	113	118	123	(45)
Net change in plan fiduciary net position	(181,231)	(337,571)	163,837	(72,852)	(188,228)	(418,395)	711,261	(461,824)	(91,631)	50,637
Plan fiduciary net position - beginning	5,823,110	5,641,879	5,304,308	5,468,145	5,395,293	5,207,065	4,788,670	5,499,931	5,038,107	4,946,476
Plan fiduciary net position - ending (b)	<u>\$ 5,641,879</u>	<u>\$ 5,304,308</u>	<u>\$ 5,468,145</u>	<u>\$ 5,395,293</u>	<u>\$ 5,207,065</u>	<u>\$ 4,788,670</u>	<u>\$ 5,499,931</u>	<u>\$ 5,038,107</u>	<u>\$ 4,946,476</u>	<u>\$ 4,997,113</u>
<b>Net pension liability - ending (a)-(b)</b>	<u>\$ 2,805,919</u>	<u>\$ 3,200,030</u>	<u>\$ 2,808,553</u>	<u>\$ 2,661,005</u>	<u>\$ 3,073,656</u>	<u>\$ 3,566,973</u>	<u>\$ 3,223,067</u>	<u>\$ 3,346,528</u>	<u>\$ 2,618,637</u>	<u>\$ 2,890,411</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	66.79%	62.37%	66.07%	66.97%	62.88%	57.31%	63.05%	60.09%	65.39%	63.35%
<b>Covered payroll</b>	\$ 602,637	\$ 632,258	\$ 658,947	\$ 701,134	\$ 716,437	\$ 789,037	\$ 652,343	\$ 649,714	\$ 689,164	\$ 767,686
<b>Net pension liability as a percentage of covered payroll</b>	465.61%	506.13%	426.22%	379.53%	429.02%	452.07%	494.08%	515.08%	379.97%	376.51%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)

Exhibit 16

JRJDC  
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>JRJDC</b>										
<b>Total pension liability</b>										
Service cost	\$ 364,654	\$ 370,481	\$ 360,293	\$ 404,395	\$ 391,959	\$ 418,389	\$ 427,973	\$ 447,299	\$ 466,736	\$ 476,811
Interest on total pension liability	1,056,757	1,073,928	1,082,622	1,204,053	1,199,387	1,182,989	1,276,498	1,315,648	1,316,091	1,297,934
Change of assumptions	-	-	51,682	-	517,644	-	795,366	-	-	-
Difference between expected and actual experience	(242,566)	(56,196)	(188,477)	(38,208)	(76,974)	252,996	(243,475)	182,170	400,927	598,886
Benefit payments, including refunds of employee contributions	(722,180)	(754,443)	(769,356)	(887,275)	(884,363)	(913,539)	(1,008,928)	(966,198)	(982,864)	(993,729)
Net change in total pension liability	456,665	633,770	536,764	682,965	1,147,653	940,835	1,247,434	978,919	1,200,890	1,379,902
Total pension liability - beginning	15,446,642	15,903,307	16,537,077	17,073,841	17,756,806	18,904,459	19,845,294	21,092,728	22,071,647	23,272,537
Total pension liability - ending (a)	\$ 15,903,307	\$ 16,537,077	\$ 17,073,841	\$ 17,756,806	\$ 18,904,459	\$ 19,845,294	\$ 21,092,728	\$ 22,071,647	\$ 23,272,537	\$ 24,652,439
<b>Total fiduciary net position</b>										
Contributions - employer	\$ 431,915	\$ 438,793	\$ 375,891	\$ 410,440	\$ 415,583	\$ 413,219	\$ 454,705	\$ 470,109	\$ 544,450	\$ 556,760
Contributions - employee	144,308	146,365	147,213	157,977	154,873	155,274	160,094	163,127	163,106	166,189
Net investment income	581,918	226,279	1,537,867	1,107,087	1,004,834	289,952	4,222,237	(18,236)	1,100,429	1,606,732
Benefit payments	(722,180)	(754,443)	(769,356)	(887,275)	(884,363)	(913,539)	(1,008,928)	(966,198)	(982,864)	(993,729)
Administrative expense	(7,980)	(8,095)	(8,935)	(9,623)	(10,013)	(9,949)	(10,593)	(11,394)	(10,929)	(10,514)
Other	(123)	(96)	(1,368)	(983)	(634)	(392)	(398)	563	420	278
Net change in plan fiduciary net position	427,858	48,803	1,281,312	777,623	680,280	(65,435)	3,817,117	(362,029)	814,612	1,325,716
Plan fiduciary net position - beginning	12,799,640	13,227,498	13,276,301	14,557,613	15,335,236	16,015,516	15,950,081	19,767,198	19,405,169	20,219,781
Plan fiduciary net position - ending (b)	\$ 13,227,498	\$ 13,276,301	\$ 14,557,613	\$ 15,335,236	\$ 16,015,516	\$ 15,950,081	\$ 19,767,198	\$ 19,405,169	\$ 20,219,781	\$ 21,545,497
<b>Net pension liability - ending (a)-(b)</b>	\$ 2,675,809	\$ 3,260,776	\$ 2,516,228	\$ 2,421,570	\$ 2,888,943	\$ 3,895,213	\$ 1,325,530	\$ 2,666,478	\$ 3,052,756	\$ 3,106,942
<b>Plan fiduciary net position as a percentage of total pension liability</b>	83.17%	80.28%	85.26%	86.36%	84.72%	80.37%	93.72%	87.92%	86.88%	87.40%
<b>Covered payroll</b>	\$ 2,895,657	\$ 2,933,358	\$ 2,873,696	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,603	\$ 3,347,370	\$ 3,461,244	\$ 3,752,863
<b>Net pension liability as a percentage of covered payroll</b>	92.41%	111.16%	87.56%	76.52%	92.72%	123.56%	41.43%	79.66%	88.20%	82.79%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF CONTRIBUTIONS (VRS PLAN)  
PENSION PLAN  
LAST TEN FISCAL YEARS

Exhibit 17

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental Activities:</b>										
Contractually determined contribution of employer	\$ 28,290,290	\$ 29,374,797	\$ 26,184,817	\$ 28,477,541	\$ 29,700,868	\$ 29,403,784	\$ 31,636,840	\$ 34,721,215	\$ 42,320,302	\$ 46,721,753
Contribution in relation to determined contributions	<u>28,290,290</u>	<u>29,374,797</u>	<u>26,184,817</u>	<u>28,477,541</u>	<u>29,700,868</u>	<u>29,403,784</u>	<u>31,636,840</u>	<u>34,721,215</u>	<u>42,320,302</u>	<u>46,721,753</u>
Contribution deficiency (excess)	\$ <u>-</u>									
Covered payroll	199,857,968	202,991,663	209,182,401	217,281,758	228,391,980	228,761,767	248,997,875	268,122,875	293,494,713	314,741,337
Contributions as a percentage of covered payroll	14.16%	14.47%	12.52%	13.11%	13.00%	12.85%	12.71%	12.95%	14.42%	14.84%
<b>Business-type Activities:</b>										
Contractually determined contribution of employer	\$ 1,993,960	\$ 2,038,351	\$ 1,802,788	\$ 1,894,281	\$ 1,940,247	\$ 1,897,905	\$ 1,960,405	\$ 2,121,374	\$ 2,433,717	\$ 2,488,743
Contribution in relation to determined contributions	<u>1,993,960</u>	<u>2,038,351</u>	<u>1,802,788</u>	<u>1,894,281</u>	<u>1,940,247</u>	<u>1,897,905</u>	<u>1,960,405</u>	<u>2,121,374</u>	<u>2,433,717</u>	<u>2,488,743</u>
Contribution deficiency (excess)	\$ <u>-</u>									
Covered payroll	13,763,763	13,845,688	14,070,332	14,347,719	14,987,107	14,192,534	15,140,165	15,513,378	18,077,788	19,700,920
Contributions as a percentage of covered payroll	14.49%	14.72%	12.81%	13.20%	12.95%	13.37%	12.95%	13.67%	13.46%	12.63%
<b>Total Primary Government:</b>										
Contractually determined contribution of employer	\$ 30,284,250	\$ 31,413,148	\$ 27,987,605	\$ 30,371,822	\$ 31,641,115	\$ 31,301,689	\$ 33,597,245	\$ 36,842,589	\$ 44,754,019	\$ 49,210,496
Contribution in relation to determined contributions	<u>30,284,250</u>	<u>31,413,148</u>	<u>27,987,605</u>	<u>30,371,822</u>	<u>31,641,115</u>	<u>31,301,689</u>	<u>33,597,245</u>	<u>36,842,589</u>	<u>44,754,019</u>	<u>49,210,496</u>
Contribution deficiency (excess)	\$ <u>-</u>									
Covered payroll	213,621,731	216,837,351	223,252,733	231,629,477	243,379,087	242,954,301	264,138,040	283,636,253	311,572,501	334,442,257
Contributions as a percentage of covered payroll	14.18%	14.49%	12.54%	13.11%	13.00%	12.88%	12.72%	12.99%	14.36%	14.71%
<b>School Board Non-Professional Group:</b>										
Contractually determined contribution of employer	\$ 238,475	\$ 237,503	\$ 199,298	\$ 156,828	\$ 172,720	\$ 182,491	\$ 193,314	\$ 192,256	\$ 246,434	\$ 274,796
Contribution in relation to determined contributions	<u>238,475</u>	<u>237,503</u>	<u>199,298</u>	<u>156,828</u>	<u>172,720</u>	<u>182,491</u>	<u>193,314</u>	<u>192,256</u>	<u>246,434</u>	<u>274,796</u>
Contribution deficiency (excess)	\$ <u>-</u>									
Covered payroll	\$ 632,258	\$ 658,947	\$ 701,134	\$ 716,437	\$ 789,037	\$ 652,343	\$ 649,714	\$ 689,164	\$ 767,686	\$ 925,415
Contributions as a percentage of covered payroll	37.72%	36.04%	28.43%	21.89%	21.89%	27.97%	29.75%	27.90%	32.10%	29.69%

See accompanying independent auditor's report.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF SCHOOLS' PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION PLAN**  
**LAST TEN FISCAL YEARS**

Exhibit 18

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Schools' proportion of the net pension liability	3.28%	3.30%	3.28%	3.29%	3.31%	3.34%	3.32%	3.36%	3.31%	3.41%
Schools' proportionate share of the net pension liability	\$ 413,109,000	\$ 463,076,000	\$ 403,402,000	\$ 386,870,000	\$ 435,169,982	\$ 485,351,912	\$ 257,587,334	\$ 319,896,875	\$ 334,166,426	\$ 319,739,645
Schools' covered payroll	\$ 273,853,673	\$ 281,366,433	\$ 288,681,379	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250
Schools' proportionate share of the net pension liability as a percentage of its covered payroll	150.85%	164.58%	139.74%	130.99%	141.96%	150.53%	80.16%	92.98%	92.12%	78.91%
Plan fiduciary net position	\$ 995,953,131	\$ 996,863,280	\$ 1,086,397,116	\$ 1,144,446,408	\$ 1,195,470,062	\$ 1,193,017,414	\$ 1,497,247,875	\$ 1,483,604,332	\$ 1,558,234,633	\$ 1,686,039,121
Plan fiduciary net position as a percentage of the total pension liability	70.68%	68.28%	72.92%	74.74%	73.51%	71.08%	85.32%	82.26%	82.34%	84.06%

See accompanying independent auditor's report.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF SCHOOLS' CONTRIBUTIONS**  
**TEACHERS' PENSION PLAN**  
**LAST TEN FISCAL YEARS**

Exhibit 19

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 35,384,284	\$ 35,423,318	\$ 37,325,862	\$ 42,535,556	\$ 42,356,571	\$ 44,283,188	\$ 46,988,755	\$ 49,915,832	\$ 52,190,637	\$ 57,449,832
Contribution in relation to the contractually required contribution	\$ 35,384,284	\$ 35,423,318	\$ 37,325,862	\$ 42,535,556	\$ 42,356,571	\$ 44,283,188	\$ 46,988,755	\$ 49,915,832	\$ 52,190,637	\$ 57,449,832
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Schools' covered payroll	\$ 281,366,433	\$ 288,681,379	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250	\$ 446,084,669
Contributions as a percentage of covered payroll	12.58%	12.27%	12.64%	13.88%	13.14%	13.78%	13.66%	13.76%	12.88%	12.88%

See accompanying independent auditor's report.

COUNTY OF HENRICO, VIRGINIA  
 SCHEDULE OF CONTRIBUTIONS (VRS PLAN)  
 JRJDC PENSION PLAN  
 LAST TEN FISCAL YEARS

Exhibit 20

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually determined contribution of employer	\$ 431,915	\$ 438,793	\$ 375,891	\$ 410,440	\$ 415,583	\$ 413,219	\$ 454,705	\$ 470,109	\$ 544,450	\$ 556,760
Contribution in relation to determined contributions	<u>431,915</u>	<u>438,793</u>	<u>375,891</u>	<u>410,440</u>	<u>415,583</u>	<u>413,219</u>	<u>454,705</u>	<u>470,109</u>	<u>544,450</u>	<u>556,760</u>
Contribution deficiency (excess)	\$ <u>-</u>									
Covered payroll	\$ 2,933,358	\$ 2,873,696	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,603	\$ 3,347,370	\$ 3,461,244	\$ 3,752,863	\$ 3,944,662
Contributions as a percentage of covered payroll	14.72%	15.27%	11.88%	13.17%	13.18%	12.91%	13.58%	13.58%	14.51%	14.11%

See accompanying independent auditor's report.

## COUNTY OF HENRICO, VIRGINIA

### Notes to Required Supplementary Pension Information

For the Year Ended June 30, 2025

#### **Defined Benefit Pension Plans**

The following assumptions apply to both the VRS Plan and the Teacher Retirement Plan.

**Changes of benefit terms** - There have been no material changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component was adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits.

**Changes of assumptions** - The actuarial assumptions used in the June 2023, valuation were based on the results of an actuarial study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on the VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

#### Largest 10 - Non-LEOS:

- Update mortality table
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service

#### All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years

#### Largest 10-LEOS:

- Update mortality table
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decreased withdrawal rates

#### All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjusted retirements rates to better fit experience and changed final retirement age from 65 to 70
- Withdrawal rates decreased 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 Local Largest 10 Hazardous Duty

COUNTY OF HENRICO, VIRGINIA  
**SCHEDULE OF CHANGES IN THE NET HEALTHCARE OPEB LIABILITY (ASSET) AND RELATED RATIOS**  
**HEALTHCARE OPEB TRUST FUND**  
**LAST NINE FISCAL YEARS\***

Exhibit 21

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total OPEB liability</b>									
Service cost	\$ 4,146,771	\$ 3,781,739	\$ 4,627,235	\$ 4,858,597	\$ 4,522,411	\$ 4,827,674	\$ 5,928,591	\$ 6,343,592	\$ 4,216,884
Interest on total OPEB liability	7,708,898	7,990,226	6,187,930	6,605,248	7,032,983	7,485,426	8,242,662	8,897,693	6,725,901
Differences between expected and actual experience	-	(28,205,844)	-	449,044	-	29,381,155	-	(22,338,836)	-
Change of assumptions	-	(5,679,980)	-	-	-	(26,256,505)	-	(12,647,969)	-
Benefit payments, including refunds of employee contributions	(6,538,795)	(4,146,968)	(4,478,725)	(5,084,837)	(5,466,200)	(5,397,181)	(5,721,012)	(5,228,676)	(5,594,683)
Net change in total OPEB liability	5,316,874	(26,260,827)	6,336,440	6,828,052	6,089,194	10,040,569	8,450,241	(24,974,196)	5,348,102
Total OPEB liability - beginning	109,194,437	114,511,311	88,250,484	94,586,924	101,414,976	107,504,170	117,544,739	125,994,980	101,020,784
Total OPEB liability - ending (a)	<u>\$ 114,511,311</u>	<u>\$ 88,250,484</u>	<u>\$ 94,586,924</u>	<u>\$ 101,414,976</u>	<u>\$ 107,504,170</u>	<u>\$ 117,544,739</u>	<u>\$ 125,994,980</u>	<u>\$ 101,020,784</u>	<u>\$ 106,368,886</u>
<b>Total plan fiduciary net position</b>									
Contributions - employer	\$ 7,765,131	\$ 6,846,584	\$ 7,303,945	\$ 5,823,822	\$ 7,824,778	\$ 8,077,011	\$ 9,604,420	\$ 7,913,006	\$ -
Net investment income	7,296,432	5,272,202	4,390,670	346,106	4,955,612	5,207,141	6,072,090	8,098,731	6,940,359
Benefit payments	(6,538,795)	(4,146,968)	(4,478,725)	(5,084,837)	(5,466,200)	(5,397,181)	(5,721,012)	(5,228,676)	(5,594,683)
Administrative expense	-	(500)	(500)	(500)	(500)	(500)	(500)	(1,197)	(1,197)
Net change in plan fiduciary net position	8,522,768	7,971,318	7,215,390	1,084,591	7,313,690	7,886,471	9,954,998	10,781,864	1,344,479
Plan fiduciary net position - beginning	44,841,294	53,364,062	61,335,380	68,550,770	69,635,361	76,949,051	84,835,522	94,790,520	105,572,384
Plan fiduciary net position - ending (b)	<u>\$ 53,364,062</u>	<u>\$ 61,335,380</u>	<u>\$ 68,550,770</u>	<u>\$ 69,635,361</u>	<u>\$ 76,949,051</u>	<u>\$ 84,835,522</u>	<u>\$ 94,790,520</u>	<u>\$ 105,572,384</u>	<u>\$ 106,916,863</u>
<b>Net OPEB liability (asset) - ending (a)-(b)</b>	<u>\$ 61,147,249</u>	<u>\$ 26,915,104</u>	<u>\$ 26,036,154</u>	<u>\$ 31,779,615</u>	<u>\$ 30,555,119</u>	<u>\$ 32,709,217</u>	<u>\$ 31,204,460</u>	<u>\$ (4,551,600)</u>	<u>\$ (547,977)</u>
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	46.60%	69.50%	72.47%	68.66%	71.58%	72.17%	75.23%	104.51%	100.52%
<b>Covered-employee payroll</b>	\$ 536,071,713	\$ 526,206,301	\$ 539,361,459	\$ 552,845,495	\$ 566,666,632	\$ 629,542,342	\$ 645,280,901	\$ 760,463,980	\$ 779,475,579
<b>Net OPEB liability (asset) as a percentage of covered-employee payroll</b>	11.41%	5.11%	4.83%	5.75%	5.39%	5.20%	4.84%	-0.60%	-0.07%

See accompanying independent auditor's report.  
\* Fiscal year 2017 was the first year of GASB 74 implementation; therefore, only nine years are shown herein.  
\*\* Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF CONTRIBUTIONS  
HEALTHCARE OPEB TRUST FUND  
LAST NINE FISCAL YEARS\***

Exhibit 22

	2017	2018	2019	2020	2021	2022	2023	2024	2025***
Actuarially determined contribution	\$ 10,161,876	\$ 9,491,736	\$ 7,303,945	\$ 7,527,997	\$ 7,824,778	\$ 8,120,688	\$ 9,604,420	\$ 10,011,248	\$ -
Contributions in relation to the actuarially determined contribution	\$ 7,765,131	\$ 6,846,584	\$ 7,172,948	\$ 5,823,822	\$ 5,403,719	\$ 8,077,011	\$ 9,604,420	\$ 7,913,006	\$ -
Contribution deficiency	\$ 2,396,745	\$ 2,645,152	\$ 130,997	\$ 1,704,175	\$ 2,421,059	\$ 43,677	\$ -	\$ 2,098,242	\$ -
Covered-employee payroll	\$ 536,071,713	\$ 526,206,301	\$ 539,361,459	\$ 552,845,495	\$ 566,666,632	\$ 629,542,342	\$ 645,280,901	\$ 760,463,980	\$ 779,475,579
Contributions as a percentage of covered-employee payroll	1.45%	1.30%	1.33%	1.05%	0.95%	1.28%	1.49%	1.04%	0.00%

\*Fiscal year 2017 was the first year of GASB 74 implementation; therefore, only four years are shown herein.

**Notes to Schedule**

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in the actuarial assumptions are amortized over the average working lifetime of all participants.
Amortization period	20 years
Asset valuation method	Fair value
Inflation	3 percent
Healthcare cost trend rates	7% initial, decreasing down to 5.6% over 3 years following the Getzen mode thereafter.
Salary increases	2.5 percent per annum
Retirement age	In the 2024 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	In the 2024 actuarial valuation, mortality rates were updated to match the current VRS assumptions as of June 30, 2023 report.

See accompanying independent auditor's report.

\*\* Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

\*\*\* Henrico County had a Net Healthcare OPEB Asset. The actuarial determined contribution and contribution as a percentage of covered-employee payroll are 0.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF INVESTMENT RETURNS**  
**HEALTHCARE OPEB TRUST FUND**  
**LAST NINE FISCAL YEARS\***

Exhibit 23

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Annual money-weighted rate of return on investments, net of investment expense	12.87%	9.52%	4.50%	3.00%	30.08%	-9.23%	7.64%	9.49%	8.85%

See accompanying independent auditor's report.

\* Fiscal year 2017 was the first year of GASB 74 implementation; therefore, only nine years are shown herein.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF CHANGES IN THE NET HEALTHCARE OPEB LIABILITY (ASSET) AND RELATED RATIOS**  
**GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES**  
**LAST EIGHT FISCAL YEARS\***

Exhibit 24

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental Activities:</b>								
<b>Total OPEB liability</b>								
Service cost	\$ 1,917,454	\$ 1,487,911	\$ 2,736,312	\$ 2,079,053	\$ 2,199,555	\$ 1,937,493	\$ 2,853,443	\$ 1,548,760
Interest on total pension liability	4,051,282	3,137,464	3,242,279	3,911,751	4,129,440	3,661,768	3,910,482	2,957,845
Change of assumptions	(2,879,919)	-	-	-	(11,962,830)	-	(5,689,247)	-
Difference between expected and actual experience	(14,301,201)	-	7,555,337	-	2,396,411	-	(8,644,596)	-
Benefit payments, including refunds of employee contributions	(2,102,636)	(1,313,667)	(4,534,813)	(3,312,789)	(3,001,453)	(3,181,541)	(2,962,158)	(3,169,509)
Other	-	-	59,447	-	-	-	-	-
Net change in total OPEB liability	(13,315,020)	3,311,708	9,058,562	2,678,015	(6,238,877)	2,417,720	(10,532,076)	1,337,096
Total OPEB liability - beginning	58,060,636	44,745,616	48,057,324	57,115,886	59,793,901	53,555,024	55,972,744	45,440,668
Total OPEB liability - ending (a)	\$ 44,745,616	\$ 48,057,324	\$ 57,115,886	\$ 59,793,901	\$ 53,555,024	\$ 55,972,744	\$ 45,440,668	\$ 46,777,764
<b>Total fiduciary net position</b>								
Contributions - employer	\$ 3,471,421	\$ 3,217,843	\$ 3,279,917	\$ 3,922,813	\$ 4,013,239	\$ 3,585,977	\$ 4,169,610	\$ -
Net investment income	2,673,163	2,226,200	194,923	10,511,695	(12,698,676)	3,053,837	4,170,840	2,700,749
Benefit payments	(2,102,636)	(1,313,667)	(4,534,813)	(3,312,789)	(3,001,453)	(3,181,541)	(2,962,158)	(3,169,509)
Administrative expense	(254)	(254)	(282)	(282)	(228)	(228)	(539)	(539)
Other	-	-	5,049,203	-	-	-	-	-
Net change in plan fiduciary net position	4,041,695	4,130,122	3,988,948	11,121,437	(11,687,118)	3,458,045	5,377,753	(469,299)
Plan fiduciary net position - beginning	27,057,164	31,098,859	35,228,981	39,217,929	50,339,366	38,652,248	42,110,293	47,488,046
Plan fiduciary net position - ending (b)	\$ 31,098,859	\$ 35,228,981	\$ 39,217,929	\$ 50,339,366	\$ 38,652,248	\$ 42,110,293	\$ 47,488,046	\$ 47,018,747
<b>Net OPEB liability (asset) - ending (a)-(b)</b>	\$ 13,646,757	\$ 12,828,343	\$ 17,897,957	\$ 9,454,535	\$ 14,902,776	\$ 13,862,451	\$ (2,047,378)	\$ (240,983)
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>								
	69.50%	73.31%	68.66%	84.19%	72.17%	75.23%	104.51%	100.52%
<b>Covered-employee payroll</b>								
	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875	\$ 293,494,713	\$ 314,741,337
<b>Net OPEB liability (asset) as a percentage of covered-employee payroll</b>								
	6.52%	5.90%	7.84%	4.13%	5.99%	5.17%	-0.70%	-0.08%
<b>Business-type Activities:</b>								
<b>Total OPEB liability</b>								
Service cost	\$ 102,559	\$ 154,943	\$ 129,858	\$ 200,345	\$ 94,733	\$ 180,437	\$ 89,681	\$ 136,788
Interest on total pension liability	216,691	167,814	189,621	200,314	217,738	170,667	186,389	103,051
Change of assumptions	(154,039)	-	-	-	(515,228)	-	(178,808)	-
Difference between expected and actual experience	(764,929)	-	(73,468)	-	(506,486)	-	(1,242,119)	-
Benefit payments, including refunds of employee contributions	(112,464)	(205,678)	(45,840)	(49,278)	(46,137)	(48,905)	(35,750)	(38,253)
Net change in total OPEB liability	(712,182)	117,079	200,171	351,381	(755,380)	302,199	(1,180,607)	201,586
Total OPEB liability - beginning	3,105,497	2,393,315	2,510,394	2,710,565	3,061,946	2,306,566	2,608,765	1,428,158
Total OPEB liability - ending (a)	\$ 2,393,315	\$ 2,510,394	\$ 2,710,565	\$ 3,061,946	\$ 2,306,566	\$ 2,608,765	\$ 1,428,158	\$ 1,629,744
<b>Total fiduciary net position</b>								
Contributions - employer	\$ 185,676	\$ 194,738	\$ 155,656	\$ 291,343	\$ 308,618	\$ 254,773	\$ 73,699	\$ -
Net investment income	142,981	119,073	9,251	474,566	(1,175,549)	92,092	(508,094)	183,905
Benefit payments	(112,464)	(205,678)	(45,840)	(49,278)	(46,137)	(48,905)	(35,750)	(38,253)
Administrative expense	(14)	(13)	(13)	(13)	(10)	(10)	(17)	(17)
Other	-	-	(29,386)	-	-	-	-	-
Net change in plan fiduciary net position	216,179	108,120	89,668	716,618	(913,078)	297,950	(470,162)	145,635
Plan fiduciary net position - beginning	1,447,210	1,663,389	1,771,509	1,861,177	2,577,795	1,664,717	1,962,667	1,492,505
Plan fiduciary net position - ending (b)	\$ 1,663,389	\$ 1,771,509	\$ 1,861,177	\$ 2,577,795	\$ 1,664,717	\$ 1,962,667	\$ 1,492,505	\$ 1,638,140
<b>Net OPEB liability (asset) - ending (a)-(b)</b>	\$ 729,926	\$ 738,885	\$ 849,388	\$ 484,151	\$ 641,849	\$ 646,098	\$ (64,347)	\$ (8,396)
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>								
	69.50%	70.57%	68.66%	84.19%	72.17%	75.23%	104.51%	100.52%
<b>Covered-employee payroll</b>								
	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378	\$ 18,077,788	\$ 19,700,920
<b>Net OPEB liability (asset) as a percentage of covered-employee payroll</b>								
	5.19%	5.15%	5.67%	3.41%	4.24%	4.16%	-0.36%	-0.04%
<b>Total Primary Government:</b>								
<b>Total OPEB liability</b>								
Service cost	\$ 2,020,013	\$ 1,642,854	\$ 2,866,170	\$ 2,279,398	\$ 2,294,288	\$ 2,117,930	\$ 2,943,124	\$ 1,685,548
Interest on total pension liability	4,267,973	3,305,278	3,431,900	4,112,065	4,347,178	3,832,435	4,096,871	3,060,896
Change of assumptions	(3,033,958)	-	-	-	(12,478,058)	-	(5,868,055)	-
Difference between expected and actual experience	(15,066,130)	-	7,481,869	-	1,889,925	-	(9,886,715)	-
Benefit payments, including refunds of employee contributions	(2,215,100)	(1,519,345)	(4,580,653)	(3,362,067)	(3,047,590)	(3,230,446)	(2,997,908)	(3,207,762)
Other	-	-	59,447	-	-	-	-	-
Net change in total OPEB liability	(14,027,202)	3,428,787	9,258,733	3,029,396	(6,994,257)	2,719,919	(11,712,683)	1,538,682
Total OPEB liability - beginning	61,166,133	47,138,931	50,567,718	59,826,451	62,855,847	55,861,590	58,581,509	46,868,826
Total OPEB liability - ending (a)	\$ 47,138,931	\$ 50,567,718	\$ 59,826,451	\$ 62,855,847	\$ 55,861,590	\$ 58,581,509	\$ 46,868,826	\$ 48,407,508
<b>Total fiduciary net position</b>								
Contributions - employer	\$ 3,657,097	\$ 3,412,581	\$ 3,435,573	\$ 4,214,156	\$ 4,321,857	\$ 3,840,750	\$ 4,243,309	\$ -
Net investment income	2,816,144	2,345,273	204,174	10,986,261	(13,874,225)	3,145,929	3,662,746	2,884,654
Benefit payments	(2,215,100)	(1,519,345)	(4,580,653)	(3,362,067)	(3,047,590)	(3,230,446)	(2,997,908)	(3,207,762)
Administrative expense	(268)	(267)	(295)	(295)	(238)	(238)	(556)	(556)
Other	-	-	5,019,817	-	-	-	-	-
Net change in plan fiduciary net position	4,257,874	4,238,242	4,078,616	11,838,055	(12,600,196)	3,755,995	4,907,591	(323,664)
Plan fiduciary net position - beginning	28,504,374	32,762,248	37,000,490	41,079,106	52,917,161	40,316,965	44,072,960	48,980,551
Plan fiduciary net position - ending (b)	\$ 32,762,248	\$ 37,000,490	\$ 41,079,106	\$ 52,917,161	\$ 40,316,965	\$ 44,072,960	\$ 48,980,551	\$ 48,656,887
<b>Net OPEB liability (asset) - ending (a)-(b)</b>	\$ 14,376,683	\$ 13,567,228	\$ 18,747,345	\$ 9,938,686	\$ 15,544,625	\$ 14,508,549	\$ (2,111,725)	\$ (249,379)
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>								
	69.50%	73.17%	68.66%	84.19%	72.17%	75.23%	104.51%	100.52%
<b>Covered-employee payroll</b>								
	\$ 223,252,733	\$ 231,629,477	\$ 243,379,087	\$ 242,954,301	\$ 264,138,040	\$ 283,636,253	\$ 311,572,501	\$ 334,442,257
<b>Net OPEB liability (asset) as a percentage of covered-employee payroll</b>								
	6.44%	5.86%	7.70%	4.09%	5.89%	5.12%	-0.68%	-0.07%

See accompanying independent auditor's report.  
\* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.  
\*\* Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF CHANGES IN THE NET HEALTHCARE OPEB LIABILITY AND RELATED RATIOS**  
**COMPONENT UNITS**  
**LAST EIGHT FISCAL YEARS\***

Exhibit 25

	2018	2019	2020	2021	2022	2023	2024	2025
<b>School Board</b>								
<b>Total OPEB liability</b>								
Service cost	\$ 1,742,334	\$ 2,954,189	\$ 1,963,746	\$ 2,210,314	\$ 2,511,478	\$ 3,781,399	\$ 3,384,569	\$ 2,511,529
Interest on total pension liability	3,681,281	2,850,922	3,136,097	2,877,314	3,090,765	4,371,588	4,758,687	3,646,909
Change of assumptions	(2,616,898)	-	-	-	(13,659,293)	-	(6,748,214)	-
Difference between expected and actual experience	(12,995,083)	-	(6,947,615)	-	27,564,463	-	(12,092,960)	-
Benefit payments, including refunds of employee contributions	(1,910,604)	(2,917,809)	(708,700)	(2,095,688)	(2,339,492)	(2,479,861)	(2,226,169)	(2,382,000)
Net change in total OPEB liability	(12,098,970)	2,887,302	(2,556,472)	2,991,940	17,167,921	5,673,126	(12,924,087)	3,776,438
Total OPEB liability - beginning	52,758,001	40,659,031	43,546,333	40,989,861	43,981,801	61,149,722	66,822,848	53,898,761
Total OPEB liability - ending (a)	<u>\$ 40,659,031</u>	<u>\$ 43,546,333</u>	<u>\$ 40,989,861</u>	<u>\$ 43,981,801</u>	<u>\$ 61,149,722</u>	<u>\$ 66,822,848</u>	<u>\$ 53,898,761</u>	<u>\$ 57,675,199</u>
<b>Total fiduciary net position</b>								
Contributions - employer	\$ 3,154,379	\$ 3,854,690	\$ 2,353,870	\$ 3,558,222	\$ 3,699,958	\$ 5,717,646	\$ 3,658,370	\$ -
Net investment income	2,429,025	2,022,883	139,889	7,419,932	5,745,907	2,902,121	4,622,452	4,027,733
Benefit payments	(1,910,604)	(2,917,809)	(708,700)	(2,095,688)	(2,339,492)	(2,479,861)	(2,226,169)	(2,382,000)
Administrative expense	(230)	(230)	(202)	(202)	(260)	(260)	(638)	(638)
Other	-	-	(4,857,825)	-	-	-	-	-
Net change in plan fiduciary net position	3,672,570	2,959,534	(3,072,968)	8,882,264	7,106,113	6,139,646	6,054,015	1,645,095
Plan fiduciary net position - beginning	24,586,054	28,258,624	31,218,158	28,145,190	37,027,454	44,133,567	50,273,213	56,327,228
Plan fiduciary net position - ending (b)	<u>\$ 28,258,624</u>	<u>\$ 31,218,158</u>	<u>\$ 28,145,190</u>	<u>\$ 37,027,454</u>	<u>\$ 44,133,567</u>	<u>\$ 50,273,213</u>	<u>\$ 56,327,228</u>	<u>\$ 57,972,323</u>
<b>Net OPEB liability (asset) - ending (a)-(b)</b>	<u>\$ 12,400,407</u>	<u>\$ 12,328,175</u>	<u>\$ 12,844,671</u>	<u>\$ 6,954,347</u>	<u>\$ 17,016,155</u>	<u>\$ 16,549,635</u>	<u>\$ (2,428,467)</u>	<u>\$ (297,124)</u>
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	69.50%	71.69%	68.66%	84.19%	72.17%	75.23%	104.51%	100.52%
<b>Covered-employee payroll</b>	\$ 321,499,476	\$ 342,940,655	\$ 359,974,886	\$ 356,201,760	\$ 381,512,006	\$ 401,342,565	\$ 447,640,856	\$ 496,076,047
<b>Net OPEB liability (asset) as a percentage of covered-employee payroll</b>	3.86%	3.59%	3.57%	1.95%	4.46%	4.12%	-0.54%	0.00%
<b>JRJDC</b>								
<b>Total OPEB liability</b>								
Service cost	\$ 19,392	\$ 30,192	\$ 28,681	\$ 32,699	\$ 21,908	\$ 29,262	\$ 15,899	\$ 19,807
Interest on total pension liability	40,971	31,730	37,251	43,604	47,483	38,639	42,135	18,096
Change of assumptions	(29,125)	-	-	-	(119,154)	-	(31,701)	-
Difference between expected and actual experience	(144,631)	-	29,254	-	(73,233)	-	(359,160)	-
Benefit payments, including refunds of employee contributions	(21,264)	(41,571)	30,607	(8,445)	(10,099)	(10,705)	(4,599)	(4,921)
Net change in total OPEB liability	(134,657)	20,351	125,793	67,858	(133,095)	57,196	(337,426)	32,982
Total OPEB liability - beginning	587,177	452,520	472,871	598,664	666,522	533,427	590,623	253,197
Total OPEB liability - ending (a)	<u>\$ 452,520</u>	<u>\$ 472,871</u>	<u>\$ 598,664</u>	<u>\$ 666,522</u>	<u>\$ 533,427</u>	<u>\$ 590,623</u>	<u>\$ 253,197</u>	<u>\$ 286,179</u>
<b>Total fiduciary net position</b>								
Contributions - employer	\$ 35,107	\$ 36,672	\$ 34,379	\$ 52,400	\$ 55,196	\$ 46,024	\$ 11,327	\$ -
Net investment income	27,034	22,514	2,043	106,115	(221,237)	24,040	(186,467)	27,972
Benefit payments	(21,264)	(41,571)	30,607	(8,445)	(10,099)	(10,705)	(4,599)	(4,921)
Administrative expense	(3)	(3)	(3)	(3)	(2)	(2)	(3)	(3)
Other	-	-	11,919	-	-	-	-	-
Net change in plan fiduciary net position	40,874	17,612	78,945	150,067	(176,142)	59,357	(179,742)	23,048
Plan fiduciary net position - beginning	273,634	314,508	332,120	411,065	561,132	384,990	444,347	264,605
Plan fiduciary net position - ending (b)	<u>\$ 314,508</u>	<u>\$ 332,120</u>	<u>\$ 411,065</u>	<u>\$ 561,132</u>	<u>\$ 384,990</u>	<u>\$ 444,347</u>	<u>\$ 264,605</u>	<u>\$ 287,653</u>
<b>Net OPEB liability (asset) - ending (a)-(b)</b>	<u>\$ 138,012</u>	<u>\$ 140,751</u>	<u>\$ 187,599</u>	<u>\$ 105,390</u>	<u>\$ 148,437</u>	<u>\$ 146,276</u>	<u>\$ (11,408)</u>	<u>\$ (1,474)</u>
<b>Plan fiduciary net position as a percentage of total OPEB liability</b>	69.50%	70.23%	68.66%	84.19%	72.17%	75.23%	104.51%	100.52%
<b>Covered-employee payroll</b>	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,603	\$ 3,347,370	\$ 3,461,244	\$ 3,752,863	\$ 3,944,662
<b>Net OPEB liability (asset) as a percentage of covered-employee payroll</b>	4.36%	4.52%	5.95%	3.29%	4.43%	4.23%	-0.30%	-0.04%

See accompanying independent auditor's report.

\* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

\*\* Healthcare OPEB contributions are not made based on employee payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF CONTRIBUTIONS  
HEALTHCARE OPEB TRUST FUND  
LAST EIGHT FISCAL YEARS\***

Exhibit 26

	2018	2019	2020	2021	2022	2023	2024	2025***
<b>Governmental Activities:</b>								
Actuarially determined contribution of employer	\$ 2,639,247	\$ 2,815,552	\$ 3,497,853	\$ 3,922,813	\$ 4,013,239	\$ 3,585,977	\$ 4,169,610	\$ -
Contributions in relation to the actuarially determined contributions	<u>2,639,247</u>	<u>2,815,552</u>	<u>3,497,853</u>	<u>3,922,813</u>	<u>4,013,239</u>	<u>3,585,977</u>	<u>4,169,610</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>						
Covered-employee payroll	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875	\$ 293,494,713	\$ 314,741,337
Contributions as a percentage of covered-employee payroll	1.26%	1.30%	1.53%	1.71%	1.61%	1.34%	1.42%	0.00%
<b>Business-type Activities:</b>								
Actuarially determined contribution of employer	\$ 214,237	\$ 228,548	\$ 65,591	\$ 291,343	\$ 308,618	\$ 254,773	\$ 73,699	\$ -
Contributions in relation to the actuarially determined contributions	<u>214,237</u>	<u>228,548</u>	<u>65,591</u>	<u>291,343</u>	<u>308,618</u>	<u>254,773</u>	<u>73,699</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>						
Covered-employee payroll	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378	\$ 18,077,788	\$ 19,700,920
Contributions as a percentage of covered-employee payroll	1.52%	1.59%	0.44%	2.05%	2.04%	1.64%	0.41%	0.00%
<b>Total Primary Government:</b>								
Actuarially determined contribution of employer	\$ 2,853,484	\$ 3,044,100	\$ 3,563,444	\$ 4,214,156	\$ 4,321,857	\$ 3,840,750	\$ 4,243,309	\$ -
Contributions in relation to the actuarially determined contributions	<u>2,853,484</u>	<u>3,044,100</u>	<u>3,563,444</u>	<u>4,214,156</u>	<u>4,321,857</u>	<u>3,840,750</u>	<u>4,243,309</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>						
Covered-employee payroll	\$ 223,252,733	\$ 231,629,477	\$ 243,379,087	\$ 242,954,301	\$ 264,138,040	\$ 283,636,253	\$ 311,572,501	\$ 334,442,257
Contributions as a percentage of covered-employee payroll	1.28%	1.31%	1.46%	1.73%	1.64%	1.35%	1.36%	0.00%
<b>School Board:</b>								
Actuarially determined contribution of employer	\$ 3,951,724	\$ 4,215,705	\$ 2,248,160	\$ 3,558,222	\$ 3,699,958	\$ 5,717,646	\$ 3,658,370	\$ -
Contributions in relation to the actuarially determined contributions	<u>3,951,724</u>	<u>4,215,705</u>	<u>2,248,160</u>	<u>3,558,222</u>	<u>3,699,958</u>	<u>5,717,646</u>	<u>3,658,370</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>						
Covered-employee payroll	\$ 321,499,476	\$ 342,940,655	\$ 359,974,886	\$ 356,201,760	\$ 381,512,006	\$ 401,342,565	\$ 447,640,856	\$ 496,076,047
Contributions as a percentage of covered-employee payroll	1.23%	1.23%	0.62%	1.00%	0.97%	1.42%	0.82%	0.00%
<b>JR/JDC:</b>								
Actuarially determined contribution of employer	\$ 41,376	\$ 44,140	\$ 12,218	\$ 52,400	\$ 55,196	\$ 46,024	\$ 11,327	\$ -
Contributions in relation to the actuarially determined contributions	<u>41,376</u>	<u>44,140</u>	<u>12,218</u>	<u>52,400</u>	<u>55,196</u>	<u>46,024</u>	<u>11,327</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>						
Covered-employee payroll	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,603	\$ 3,347,370	\$ 3,461,244	\$ 3,752,863	\$ 3,944,662
Contributions as a percentage of covered-employee payroll	1.31%	1.42%	0.39%	1.64%	1.65%	1.33%	0.30%	0.00%

See accompanying independent auditor's report.

\* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

\*\* Healthcare OPEB contributions are not made based on employee

payroll. Employer contributions are made to the trust each year based on the annual budgeted contribution.

\*\*\* Henrico County had a Net Healthcare OPEB Asset. The actuarial determined contribution and contribution as a percentage of covered-employee payroll are 0.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF CHANGES IN THE TOTAL LINE OF DUTY OPEB LIABILITY AND RELATED RATIOS**  
**LAST EIGHT FISCAL YEARS\***

Exhibit 27

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Governmental Activities:</b>								
<b>Total OPEB liability</b>								
Service cost	\$ 1,292,690	\$ 1,357,325	\$ 1,425,191	\$ 1,623,389	\$ 1,666,571	\$ 1,186,670	\$ 1,235,205	\$ 1,348,641
Interest on total pension liability	769,784	809,350	758,199	866,437	909,559	994,711	1,039,582	1,113,004
Difference between expected and actual experience	-	-	2,644,505	-	(4,170,646)	-	(842,080)	-
Change of assumptions	-	-	-	-	(6,832,397)	-	685,460	-
Benefit payments, including refunds of employee contributions	(740,191)	(799,406)	(890,219)	(956,985)	(911,867)	(966,579)	(1,132,823)	(1,212,121)
Net change in total OPEB liability	1,322,283	1,367,269	3,937,676	1,532,841	(9,338,780)	1,214,802	985,344	1,249,524
Total OPEB liability - beginning	25,279,187	26,601,470	27,968,739	31,906,415	33,439,256	24,100,476	25,315,278	26,300,622
Total OPEB liability - ending (a)	\$ 26,601,470	\$ 27,968,739	\$ 31,906,415	\$ 33,439,256	\$ 24,100,476	\$ 25,315,278	\$ 26,300,622	\$ 27,550,146
<b>Covered-employee payroll</b>	\$ 83,876,238	\$ 87,761,787	\$ 91,192,626	\$ 92,984,632	\$ 102,951,245	\$ 109,437,812	\$ 114,712,322	\$ 122,530,113
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	31.72%	31.87%	34.99%	35.96%	23.41%	23.13%	22.93%	22.48%

See accompanying independent auditor's report.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

\* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF CONTRIBUTIONS FOR THE LINE OF DUTY OPEB PLAN**  
**LAST EIGHT FISCAL YEARS\***

**Exhibit 28**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Governmental Activities:</b>								
Actuarially determined contribution of employer Contributions in relation to the actuarially determined contributions	\$ 2,983,108	\$ 3,204,246	\$ 3,446,814	\$ 3,971,611	\$ 4,315,460	\$ 3,146,159	\$ 3,623,205	\$ 3,971,960
	<u>740,191</u>	<u>799,406</u>	<u>890,219</u>	<u>956,985</u>	<u>911,867</u>	<u>966,579</u>	<u>1,132,823</u>	<u>1,212,121</u>
Contribution deficiency	<u>\$ 2,242,917</u>	<u>\$ 2,404,840</u>	<u>\$ 2,556,595</u>	<u>\$ 3,014,626</u>	<u>\$ 3,403,593</u>	<u>\$ 2,179,580</u>	<u>\$ 2,490,382</u>	<u>\$ 2,759,839</u>
Covered-employee payroll	\$ 83,876,238	\$ 87,761,787	\$ 91,192,626	\$ 92,984,632	\$ 102,951,245	\$ 109,437,812	\$ 114,712,322	\$ 122,530,113
Contributions as a percentage of covered-employee payroll	0.88%	0.91%	0.98%	1.03%	0.89%	0.88%	0.99%	0.99%

See accompanying independent auditor's report.

\* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
SCHOOLS HEALTH INSURANCE CREDIT OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

**Exhibit 29**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
School's proportion of the net OPEB liability	3.28%	3.29%	3.31%	3.33%	3.32%	3.37%	3.32%	3.42%
School's proportionate share of the net OPEB liability	\$ 41,657,000	\$ 41,825,000	\$ 43,352,981	\$ 43,567,329	\$ 42,836,769	\$ 42,288,313	\$ 40,173,387	\$ 39,489,070
School's covered payroll	\$ 288,681,379	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	14.43%	14.16%	14.14%	13.51%	13.33%	12.29%	11.07%	9.75%
Plan fiduciary net position as a percentage of the total OPEB liability	7.04%	8.08%	8.95%	9.83%	13.15%	15.08%	17.90%	21.82%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF SCHOOL'S CONTRIBUTIONS  
HEALTH INSURANCE CREDIT OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

**Exhibit 30**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Teachers:</b>								
Contractually required contribution	\$ 2,876,495	\$ 3,330,461	\$ 3,333,265	\$ 3,513,433	\$ 3,513,433	\$ 3,568,077	\$ 4,001,041	\$ 4,429,769
Contributions in relation to the contractually required contribution	\$ 2,876,495	\$ 3,330,461	\$ 3,333,265	\$ 3,513,433	\$ 3,513,433	\$ 3,568,077	\$ 4,001,041	\$ 4,429,769
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
School's covered payroll	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250	\$ 446,084,669
Contributions as a percentage of covered payroll	0.97%	1.09%	1.03%	1.09%	1.02%	0.98%	0.99%	0.99%
<b>School Board Non-Professional Group:</b>								
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ 5,628	\$ 5,569	\$ 15,364	\$ 16,993
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ 5,628	\$ 5,569	\$ 15,364	\$ 16,993
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
School's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 218,535	\$ 592,489	\$ 637,529	\$ 705,097
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	2.58%	0.94%	2.41%	2.41%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
GROUP LIFE INSURANCE OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

**Exhibit 31**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Governmental Activities:</b>								
Proportion of the net OPEB liability	82.37%	82.45%	82.71%	82.91%	85.59%	85.01%	85.55%	85.83%
Proportionate share of the net OPEB liability	\$ 16,472,124	\$ 16,449,312	\$ 17,736,413	\$ 18,082,979	\$ 12,216,735	\$ 13,219,455	\$ 12,917,629	\$ 12,137,006
Covered payroll	\$ 202,991,663	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875	\$ 293,494,713
Proportionate share of the net OPEB liability as a percentage of its covered payroll	8.11%	7.86%	8.16%	7.92%	5.34%	5.31%	4.82%	4.14%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.71%	52.18%	52.99%	68.72%	67.51%	70.03%	73.96%
<b>Business-type Activities:</b>								
Proportion of the net OPEB liability	5.64%	5.55%	5.48%	5.39%	4.44%	4.40%	3.92%	3.84%
Proportionate share of the net OPEB liability	\$ 1,128,296	\$ 1,126,760	\$ 1,211,970	\$ 1,207,724	\$ 903,176	\$ 955,134	\$ 941,315	\$ 906,394
Covered payroll	\$ 13,845,688	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378	\$ 18,077,788
Proportionate share of the net OPEB liability as a percentage of its covered payroll	8.15%	8.01%	8.45%	8.06%	6.36%	6.31%	6.07%	5.01%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.66%	52.12%	52.92%	65.21%	64.37%	66.27%	69.25%
<b>Schools' C&amp;M Activities:</b>								
Proportion of the net OPEB liability	10.81%	10.73%	10.61%	10.55%	8.94%	9.61%	9.66%	9.47%
Proportionate share of the net OPEB liability	\$ 2,162,379	\$ 2,159,409	\$ 2,324,485	\$ 2,365,393	\$ 1,752,639	\$ 1,865,976	\$ 1,831,894	\$ 1,745,765
Covered payroll	\$ 25,507,180	\$ 25,445,827	\$ 35,671,866	\$ 36,750,912	\$ 34,217,262	\$ 36,829,694	\$ 37,887,449	\$ 41,690,920
Proportionate share of the net OPEB liability as a percentage of its covered payroll	8.48%	8.49%	6.52%	6.44%	5.12%	5.07%	4.84%	4.19%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	50.86%	52.15%	52.94%	65.56%	64.61%	66.97%	70.57%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF CONTRIBUTIONS  
GROUP LIFE INSURANCE OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

**Exhibit 32**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Governmental Activities:</b>								
Contractually determined contribution of employer	\$ 1,049,923	\$ 1,504,688	\$ 1,567,194	\$ 1,807,124	\$ 1,993,592	\$ 1,839,958	\$ 2,051,668	\$ 1,965,242
Contribution in relation to the determined contributions	1,049,923	1,504,688	1,567,194	1,807,124	1,993,592	1,839,958	2,051,668	1,965,242
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 209,182,401	\$ 217,281,758	\$ 228,391,980	\$ 228,761,767	\$ 248,997,875	\$ 268,122,875	\$ 293,494,713	\$ 314,741,337
Contributions as a percentage of covered payroll	0.50%	0.69%	0.69%	0.79%	0.80%	0.69%	0.70%	0.62%
<b>Business-type Activities:</b>								
Contractually determined contribution of employer	\$ 71,917	\$ 71,947	\$ 75,690	\$ 72,763	\$ 80,174	\$ 81,084	\$ 95,007	\$ 91,598
Contribution in relation to the determined contributions	71,917	71,947	75,690	72,763	80,174	81,084	95,007	91,598
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,070,332	\$ 14,347,719	\$ 14,987,107	\$ 14,192,534	\$ 15,140,165	\$ 15,513,378	\$ 18,077,788	\$ 19,700,920
Contributions as a percentage of covered payroll	0.51%	0.50%	0.51%	0.51%	0.53%	0.52%	0.53%	0.46%
<b>Total Primary Government:</b>								
Contractually determined contribution of employer	\$ 1,121,840	\$ 1,576,635	\$ 1,642,884	\$ 1,879,887	\$ 2,073,766	\$ 1,921,042	\$ 2,146,675	\$ 2,056,840
Contribution in relation to the determined contributions	1,121,840	1,576,635	1,642,884	1,879,887	2,073,766	1,921,042	2,146,675	2,056,840
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 223,252,733	\$ 231,629,477	\$ 243,379,087	\$ 242,954,301	\$ 264,138,040	\$ 283,636,253	\$ 311,572,501	\$ 334,442,257
Contributions as a percentage of covered payroll	0.50%	0.68%	0.68%	0.77%	0.79%	0.68%	0.69%	0.62%
<b>School's C&amp;M:</b>								
Contractually determined contribution of employer	\$ 137,829	\$ 139,114	\$ 143,049	\$ 146,399	\$ 159,206	\$ 169,322	\$ 187,985	\$ 184,094
Contribution in relation to the determined contributions	137,829	139,114	143,049	146,399	159,206	169,322	187,985	184,094
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,445,827	\$ 35,671,866	\$ 36,750,912	\$ 34,217,262	\$ 36,829,694	\$ 37,887,449	\$ 41,690,920	\$ 49,065,963
Contributions as a percentage of covered payroll	0.54%	0.39%	0.39%	0.43%	0.43%	0.45%	0.45%	0.38%

See accompanying independent auditor's report.

\* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
TEACHERS' GROUP LIFE INSURANCE OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

Exhibit 33

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
School's proportion of the net OPEB liability	1.42%	1.41%	1.42%	1.43%	1.43%	1.45%	1.41%	
School's proportionate share of the net OPEB liability	\$ 21,300,000	\$ 21,416,000	\$ 23,180,788	\$ 23,883,217	\$ 16,713,814	\$ 17,514,425	\$ 16,913,678	\$ 15,979,335
School's covered payroll	\$ 288,681,379	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	7.38%	7.25%	7.56%	7.41%	5.20%	5.09%	4.66%	3.94%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%	69.30%	73.41%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF SCHOOL'S CONTRIBUTIONS  
TEACHERS' GROUP LIFE INSURANCE OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

**Exhibit 34**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 1,357,662	\$ 1,394,307	\$ 1,452,146	\$ 1,550,249	\$ 1,678,408	\$ 1,785,571	\$ 1,959,804	\$ 1,886,347
Contribution in relation to the contractually required contribution	\$ 1,357,662	\$ 1,394,307	\$ 1,452,146	\$ 1,550,249	\$ 1,678,408	\$ 1,785,571	\$ 1,959,804	\$ 1,886,347
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
School's covered payroll	\$ 295,352,515	\$ 306,552,352	\$ 322,434,937	\$ 321,332,155	\$ 344,032,598	\$ 362,765,952	\$ 405,182,250	\$ 446,084,669
Contributions as a percentage of covered payroll	0.46%	0.45%	0.45%	0.48%	0.49%	0.49%	0.48%	0.42%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
NON-PROFESSIONAL GROUP LIFE OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

Exhibit 35

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
School's proportion of the net OPEB liability	.0038%	.0032%	.0033%	.0034%	0.0029%	0.0029%	0.0029%	0.0028%
School's proportionate share of the net OPEB liability	\$ 57,000	\$ 59,000	\$ 53,212	\$ 57,741	\$ 34,346	\$ 34,317	\$ 33,701	\$ 30,911
School's covered payroll	\$ 658,947	\$ 701,134	\$ 716,437	\$ 789,037	\$ 652,343	\$ 649,714	\$ 689,164	\$ 767,686
Schools' proportionate share of the net OPEB liability as a percentage of its covered payroll	8.65%	8.41%	7.43%	7.32%	5.27%	5.28%	4.89%	4.03%
Plan fiduciary net position as a percentage of the total OPEB liability	49.11%	51.24%	52.06%	52.64%	67.45%	67.21%	69.30%	73.41%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF SCHOOL'S CONTRIBUTIONS  
NON-PROFESSIONAL GROUP LIFE OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

Exhibit 36

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 3,670	\$ 3,834	\$ 3,335	\$ 3,237	\$ 3,350	\$ 3,578	\$ 3,853	\$ 3,894
Contributions in relation to the contractually required contribution	\$ 3,670	\$ 3,834	\$ 3,335	\$ 3,237	\$ 3,350	\$ 3,578	\$ 3,853	\$ 3,894
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
School's covered payroll	\$ 701,134	\$ 716,437	\$ 789,037	\$ 652,343	\$ 649,714	\$ 689,164	\$ 767,686	\$ 925,415
Contributions as a percentage of covered payroll	0.52%	0.54%	0.42%	0.50%	0.52%	0.52%	0.50%	0.42%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
JRJDC GROUP LIFE OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

Exhibit 37

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Proportion of the net OPEB liability	1.17%	1.26%	1.20%	1.15%	1.02%	0.98%	0.88%	0.86%
Proportionate share of the net OPEB liability	\$ 234,869	\$ 234,519	\$ 253,260	\$ 257,727	\$ 187,766	\$ 199,326	\$ 196,229	\$ 188,406
Covered payroll	\$ 2,873,696	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,603	\$ 3,347,370	\$ 3,461,244	\$ 3,752,863
Proportionate share of the net OPEB liability as a percentage of its covered payroll	8.17%	7.41%	8.13%	8.18%	5.87%	5.95%	5.67%	5.02%
Plan fiduciary net position as a percentage of the total OPEB liability	48.92%	54.96%	55.17%	54.39%	67.18%	65.04%	68.13%	68.13%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA  
SCHEDULE OF CONTRIBUTIONS  
JRJDC GROUP LIFE OPEB PLAN  
LAST EIGHT FISCAL YEARS\***

**Exhibit 38**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contribution	\$ 16,388	\$ 16,240	\$ 16,185	\$ 16,715	\$ 17,837	\$ 18,167	\$ 20,202	\$ 18,338
Contributions in relation to the contractually required contribution	\$ 16,388	\$ 16,240	\$ 16,185	\$ 16,715	\$ 17,837	\$ 18,167	\$ 20,202	\$ 18,338
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 3,164,600	\$ 3,115,813	\$ 3,152,453	\$ 3,199,603	\$ 3,347,370	\$ 3,461,244	\$ 3,752,863	\$ 3,944,662
Contributions as a percentage of covered payroll	0.52%	0.52%	0.51%	0.52%	0.53%	0.52%	0.54%	0.46%

See accompanying independent auditor's report.

Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only eight years are shown herein.

**COUNTY OF HENRICO, VIRGINIA**

Notes to Required Supplementary OPEB Information

For the Year Ended June 30, 2025

**Other Postemployment Benefits**

**Plan Description**

*Plan administration.* The County provides other postemployment health care benefits ("OPEB") for all retired permanent full-time employees through a single-employer defined benefit plan ("Plan"). The County participates in the Virginia Pooled OPEB Trust Fund ("Trust Fund"), an irrevocable trust established for the purpose of accumulating assets to fund OPEB.

The Trust Fund is governed by a Board of Trustees ("Board") composed of nine members. Trustees are elected by participants in the Pooled Trust, whose votes are weighted according to each Participating Employer's share of total Trust Fund assets.

*Plan membership.* At June 30, 2025 plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	1,162
Active plan members	9,659
	<hr/>
	10,821
	<hr/>

*Benefits provided.* The Plan provides health and dental insurance during retirement for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. The benefit levels, employee contributions and employer contributions are governed by the County and can be amended by the County.

*Contributions.* The Board of the Trust establishes rates based on an actuarially determined rate. For the year ended June 30, 2025, the County's average contribution rate was 1.1 percent of covered-employee payroll.

**Investments**

*Investment policy.* The Board has the responsibility for managing the investment process. In fulfilling this responsibility, the Board will establish and maintain investment policies and objectives. Within this framework, the Board will monitor and evaluate the investment managers, bank custodian, and other parties, to monitor whether operations conform to the guidelines and actual results meet objectives. If necessary, the Board is responsible for making changes to achieve this.

The investment objective is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The following was the Board's adopted asset allocation policy as June 30, 2025:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Bonds	16%
Absolute return	4%
U.S. Large Cap Equity	21%
U.S. Small Cap Equity	10%
International Developed Equity	13%
Emerging Market Equity	5%
Long/Short Equity	6%
Private Equity	10%
Core Real Estate	10%
Opportunistic Real Estate	5%
Total	<u>100%</u>

*Rate of return.* For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.85 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### **Net OPEB Liability of the County**

The components of the net OPEB liability of the County at June 30, 2025, were as follows:

Total OPEB liability	\$ 106,368,886
Plan fiduciary net position	(106,916,863)
County's net OPEB liability	<u>\$ (547,977)</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	  100.52%

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent
Salary increases	2.5 percent
Investment rate of return	6.75 percent
Healthcare cost trend rates	7.00% for 2024, graded to 5.60% over 3 years and following the Getzen model thereafter reaching an ultimate rate of 4.04% in the year 2075

Mortality rates were based on the Pub-2010 Government Healthy Annuitant Headcount Weighted Tables for Males, Females, as appropriate, with adjustments for mortality improvements based on 75% MP-2021 Improvement Scale.

The capital market assumptions use the building-block method to help calculate the OPEB Trust's long-term rate of return. The long-term rates of return are arithmetic; they are used as inputs for the model to arrive at the median returns for the portfolio which are geometric.

When calculating the median rates, which are used to set the target rates, the intermediate term rates are used for the first 10 years and the long-term rates for all years thereafter. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025 (see the discussion of the Board of Trustees investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus Bonds	2.83%
Absolute Return	4.25
U.S. Large Cap Equity	7.20
U.S. Small Cap Equity	8.59
International Developed Equity	7.97
Emerging Market Equity	9.24
Long/Short Equity	5.39
Private Equity	10.51
Core Real Estate	6.45
Opportunistic Real Estate	9.45

*Discount rate.* The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease 5.75%</b>	<b>Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
Net OPEB liability	\$ 9,817,216	\$ (547,977)	\$ (9,613,532)

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease 6.00% decreasing to 4.60% over 3 years and following the Getzen mode after</b>	<b>Healthcare Cost Current Rate 7.00% decreasing to 5.60% over 3 years and following the Getzen mode after</b>	<b>1% Increase 8.00% decreasing to 6.60% over 3 years and following the Getzen mode after</b>
Net OPEB liability	\$ (9,754,767)	\$ (547,977)	\$ 10,194,624

**OTHER SUPPLEMENTARY INFORMATION**

# **HENRICO COUNTY, VIRGINIA**

## **DEBT SERVICE FUND**

Debt Service Fund - To account for the accumulation of financial resources for payment of interest and principal on long-term governmental debt. Provided here to demonstrate compliance at the legal level of budgetary control.

HENRICO COUNTY, VIRGINIA  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Schedule 1

Function, Activity, Element	Original	Revised	Actual	Variance
<b>Primary Government:</b>				
<b>Debt Service Fund:</b>				
Miscellaneous revenues	\$ -	\$ -	\$ -	\$ -
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Schedule 2

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
<b>Primary Government:</b>				
<b>Debt Service Fund:</b>				
Miscellaneous	\$ 50,000	\$ 350,000	\$ 18,619	\$ 331,381
Debt Service:				
Principal payments	62,802,084	64,430,684	62,385,000	2,045,684
Interest payments	<u>26,397,916</u>	<u>25,250,416</u>	<u>25,316,305</u>	<u>(65,889)</u>
Total Debt Service	89,200,000	89,681,100	87,701,305	1,979,795
<b>Total Debt Service Fund</b>	<u>\$ 89,250,000</u>	<u>\$ 90,031,100</u>	<u>\$ 87,719,924</u>	<u>\$ 2,311,176</u>

See accompanying independent auditor's report.

**COUNTY OF HENRICO**

**VIRGINIA**

**INTERNAL SERVICE FUNDS**

**Financial Statements**

Central Automotive Maintenance Fund - To account for the operating activities of the Central Motor Pool and Central Automotive Maintenance of County vehicles.

Technology Replacement Fund - To centralize the purchasing of computer equipment for participating County Agencies.

Healthcare Fund - To account for the health and dental care benefits provided to employees, retirees, and dependents.

**HENRICO COUNTY, VIRGINIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2025**

Schedule 3

	Governmental Activities - Internal Service Funds			
	Central Automotive Maintenance	Technology Replacement Fund	Healthcare Fund	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,996,452	\$ 4,217,557	\$ 36,720,147	\$ 43,934,156
Receivables, net	19,841	-	518,305	538,146
Due from other funds	-	-	2,262,736	2,262,736
Due from component unit	-	-	5,781,117	5,781,117
Inventories	834,269	-	-	834,269
Total current assets	3,850,562	4,217,557	45,282,305	53,350,424
Capital and intangible assets:				
Right to use assets, net	2,758	-	-	2,758
Other capital assets, net	14,337,956	-	-	14,337,956
Capital and intangible assets, net	14,340,714	-	-	14,340,714
<b>Total assets</b>	18,191,276	4,217,557	45,282,305	67,691,138
<b>Deferred Outflows of Resources:</b>				
Change in proportionate share allocation	16,245	-	-	16,245
Change of assumptions	955	-	-	955
Difference between expected and actual experience	670,913	-	-	670,913
Contributions after measurement date	653,557	-	-	653,557
<b>Total deferred outflows of resources</b>	1,341,670	-	-	1,341,670
<b>Total assets and deferred outflows of resources</b>	19,532,946	4,217,557	45,282,305	69,032,808
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	839,365	14,855	3,237	857,457
Accrued liabilities	268,021	-	18,780,119	19,048,140
Due to other funds	33,146	-	-	33,146
Long-term liabilities due within one year	42,762	-	-	42,762
Total current liabilities	1,183,294	14,855	18,783,356	19,981,505
Noncurrent liabilities:				
Net pension liability	3,176,351	-	-	3,176,351
Net OPEB liability	180,766	-	-	180,766
Long-term liabilities due in more than one year	484,174	-	-	484,174
Total non-current liabilities	3,841,291	-	-	3,841,291
<b>Total liabilities</b>	5,024,585	14,855	18,783,356	23,822,796
<b>Deferred Inflows of Resources:</b>				
Change in proportionate share allocation	157,371	-	-	157,371
Difference between actual and expected experience	150,160	-	-	150,160
Difference between projected and actual earnings	488,715	-	-	488,715
Change of assumptions	86,494	-	-	86,494
<b>Total deferred inflows of resources</b>	882,740	-	-	882,740
<b>Total liabilities and deferred inflows of resources</b>	5,907,325	14,855	18,783,356	24,705,536
<b>Net Position:</b>				
Net investment in capital assets	14,340,714	-	-	14,340,714
Unrestricted (deficit)	(715,093)	4,202,702	26,498,949	29,986,558
<b>Total net position</b>	\$ 13,625,621	\$ 4,202,702	\$ 26,498,949	\$ 44,327,272

See accompanying independent auditor's report.

**HENRICO COUNTY, VIRGINIA  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Schedule 4

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Central Automotive Maintenance</b>	<b>Technology Replacement Fund</b>	<b>Healthcare Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for services:				
Interdepartmental charges	\$ 24,855,465	\$ -	\$ -	\$ 24,855,465
Contributions:				
Employer	-	-	135,351,345	135,351,345
Employee	-	-	30,582,142	30,582,142
Other	964,446	4,000,000	926,681	5,891,127
<b>Total operating revenues</b>	<b>25,819,911</b>	<b>4,000,000</b>	<b>166,860,168</b>	<b>196,680,079</b>
<b>Operating Expenses:</b>				
Utility charges	190,620	-	-	190,620
Personnel services and benefits	5,808,823	-	170,466,654	176,275,477
Professional services	6,382	-	156,499	162,881
Materials and supplies	11,754,331	3,845,960	-	15,600,291
Maintenance and repairs	4,622,201	-	-	4,622,201
Other expenses	528,482	-	1,874,019	2,402,501
Depreciation	2,648,789	-	-	2,648,789
<b>Total operating expenses</b>	<b>25,559,628</b>	<b>3,845,960</b>	<b>172,497,172</b>	<b>201,902,760</b>
Operating (loss) income	260,283	154,040	(5,637,004)	(5,222,681)
<b>Nonoperating Revenues:</b>				
Gain on sale of equipment	99,798	-	-	99,798
Investment income	-	-	2,097,584	2,097,584
<b>Total nonoperating revenues</b>	<b>99,798</b>	<b>-</b>	<b>2,097,584</b>	<b>2,197,382</b>
Income (loss) before capital contributions	360,081	154,040	(3,539,420)	(3,025,299)
Change in net position	360,081	154,040	(3,539,420)	(3,025,299)
<b>Total net position - July 1, 2024</b>	<b>13,265,540</b>	<b>4,048,662</b>	<b>30,038,369</b>	<b>47,352,571</b>
<b>Total net position - June 30, 2025</b>	<b>\$ 13,625,621</b>	<b>\$ 4,202,702</b>	<b>\$ 26,498,949</b>	<b>\$ 44,327,272</b>

See accompanying independent auditor's report.

**HENRICO COUNTY, VIRGINIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Schedule 5

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Central Automotive Maintenance</b>	<b>Technology Replacement Fund</b>	<b>Healthcare Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 25,822,018	\$ 4,000,000	\$ 162,702,543	\$ 192,524,561
Payments to suppliers	(17,520,474)	(4,254,557)	(172,051,828)	(193,826,859)
Payments to employees	(4,681,487)	-	-	(4,681,487)
Net cash provided by (used in) operating activities	<u>3,620,057</u>	<u>(254,557)</u>	<u>(9,349,285)</u>	<u>(5,983,785)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Purchase of capital assets	(2,405,764)	-	-	(2,405,764)
Principle paid on debt	-	-	-	-
Net cash used in capital and related financing activities	<u>(2,305,966)</u>	<u>-</u>	<u>-</u>	<u>(2,305,966)</u>
<b>Cash Flows From Investing Activities:</b>				
Investment income received	-	-	2,097,584	2,097,584
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,314,091	(254,557)	(7,251,701)	(6,192,167)
<b>Cash and cash equivalents - July 1, 2024</b>	<u>1,682,361</u>	<u>4,472,114</u>	<u>43,971,848</u>	<u>50,126,323</u>
<b>Cash and cash equivalents - June 30, 2025</b>	<u>\$ 2,996,452</u>	<u>\$ 4,217,557</u>	<u>\$ 36,720,147</u>	<u>\$ 43,934,156</u>
<b>Reconciliation of Operating (Loss) Income to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 260,283	\$ 154,040	\$ (5,637,004)	\$ (5,222,681)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,648,789	-	-	2,648,789
Change in assets and liabilities:				
Increase in accounts receivable	2,107	-	2,000,362	2,002,469
Increase in inventories	22,261	-	-	22,261
Increase in due from other funds	-	-	(400,188)	(400,188)
Increase in due from component unit	-	-	(5,757,799)	(5,757,799)
Increase in deferred outflows of resources	(135,079)	-	-	(135,079)
Increase (decrease) in accounts payable	266,043	(49,785)	3,237	219,495
Increase (decrease) in accrued liabilities	71,047	(358,812)	442,107	154,342
Increase in accrued compensated absences	218,380	-	-	218,380
Increase in due to other funds	4,045	-	-	4,045
Increase in net pension liability	54,200	-	-	54,200
Increase in net opeb liability	5,101	-	-	5,101
Increase in deferred inflows of resources	202,880	-	-	202,880
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 3,620,057</u>	<u>\$ (254,557)</u>	<u>\$ (9,349,285)</u>	<u>\$ (5,983,785)</u>

See accompanying independent auditor's report.

**COUNTY OF HENRICO**

**VIRGINIA**

**CUSTODIAL FUNDS**

**Financial Statements**

Jail Inmate Funds - To account for the receipt and disbursement of funds in the inmate canteen fund.

Special Welfare - To account for receipts and disbursements of monies maintained in individual accounts for certain County welfare recipients.

Mental Health and Developmental Services - To account for receipts and disbursements of monies maintained for individual clients.

Non-Judicial Tax Sales - To account for receipts and disbursements of monies received from delinquent tax sales.

Code RVA - To account for receipts and disbursements of monies received from School Boards and State Agencies to operate Code RVA as fiscal agent.

**HENRICO COUNTY, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**JUNE 30, 2025**

Schedule 6

	<b>Jail Inmate Fund</b>	<b>Special Welfare</b>	<b>Mental Health and Developmental Services</b>	<b>Non-Judicial Tax Sales</b>	<b>Code RVA</b>	<b>Total</b>
<b>Assets:</b>						
Cash and cash equivalents	\$ 247,468	\$ 4,386	\$ 134,902	\$ 378,733	\$ 1,331,411	\$ 2,096,900
Accounts receivable	-	84	-	-	-	84
Prepaid	-	-	-	-	459	459
Right to use asset, net	-	-	-	-	16,769	16,769
<b>Total Assets</b>	<u>247,468</u>	<u>4,470</u>	<u>134,902</u>	<u>378,733</u>	<u>1,348,639</u>	<u>2,114,212</u>
<b>Current liabilities:</b>						
Accounts payable	-	-	-	-	372,421	372,421
Unearned revenues	-	-	-	-	751,406	751,406
<b>Total Current liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,123,827</u>	<u>1,123,827</u>
<b>Noncurrent liabilities:</b>						
Long-term liabilities	-	-	-	-	16,769	16,769
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,140,596</u>	<u>1,140,596</u>
<b>Fiduciary Net Position:</b>						
Funds restricted for others	247,468	4,470	134,902	378,733	208,043	973,616
<b>Total Net Position</b>	<u>\$ 247,468</u>	<u>\$ 4,470</u>	<u>\$ 134,902</u>	<u>\$ 378,733</u>	<u>\$ 208,043</u>	<u>\$ 973,616</u>

See accompanying independent auditor's report.

**HENRICO COUNTY, VIRGINIA  
STATEMENT OF CHANGES IN NET POSITION  
CUSTODIAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Schedule 7**

	<b>Jail Inmate Fund</b>	<b>Special Welfare Fund</b>	<b>Mental Health and Developmental Services</b>	<b>Non-Judicial Tax Sales</b>	<b>Code RVA</b>	<b>Totals</b>
<b>Additions:</b>						
Contributions						
Members	\$ 1,679,801	\$ -	\$ -	\$ 264,701	\$ -	\$ 1,944,502
Total contributions	1,679,801	-	-	264,701	-	1,944,502
Tuition income	-	-	-	-	3,880,313	3,880,313
State and federal grants	-	-	-	-	814,219	814,219
Pass-through funds	-	128,838	220,378	-	-	349,216
Investment income	-	-	-	19	-	19
Total additions	<u>1,679,801</u>	<u>128,838</u>	<u>220,378</u>	<u>264,720</u>	<u>4,694,532</u>	<u>6,988,269</u>
<b>Deductions:</b>						
Benefit payments/refunds	1,520,693	162,523	238,477	164,607	-	2,086,300
School operations	-	-	-	-	7,112,341	7,112,341
Total deductions	<u>1,520,693</u>	<u>162,523</u>	<u>238,477</u>	<u>164,607</u>	<u>7,112,341</u>	<u>9,198,641</u>
Net increase (decrease) in fiduciary net position	159,108	(33,685)	(18,099)	100,113	(2,417,809)	(2,210,372)
<b>Net fiduciary net position restricted for the benefit of others:</b>						
Total Fiduciary Net Position at July 1, 2024	88,360	38,155	153,001	278,620	2,625,852	3,183,988
Total Fiduciary Net Position at June 30, 2025	<u>\$ 247,468</u>	<u>\$ 4,470</u>	<u>\$ 134,902</u>	<u>\$ 378,733</u>	<u>\$ 208,043</u>	<u>\$ 973,616</u>

See accompanying independent auditor's report.

**COUNTY OF HENRICO**

**VIRGINIA**

**DISCRETELY PRESENTED COMPONENT UNIT -  
SCHOOL BOARD**

**Financial Statements**

**HENRICO COUNTY, VIRGINIA  
COMBINING BALANCE SHEET  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
JUNE 30, 2025**

Schedule 8

	Governmental Funds			Totals
	School General Fund	School Special Revenue Fund	School Capital Projects Fund	
<b>Assets:</b>				
Cash and cash equivalents	\$ 60,813,281	\$ 17,204,924	\$ 91,781,038	\$ 169,799,243
Inventories	-	35,865	-	35,865
Receivables, net	288,934	16,270	-	305,204
Other assets	381,804	791,747	-	1,173,551
Due from other governmental units	6,126,546	26,426,843	-	32,553,389
<b>Total assets</b>	<u>\$ 67,610,565</u>	<u>\$ 44,475,649</u>	<u>\$ 91,781,038</u>	<u>\$ 203,867,252</u>
<b>Liabilities:</b>				
Accounts payable	\$ 1,999,085	\$ 447,575	\$ 9,758	\$ 2,456,418
Accrued liabilities	28,274,137	2,845,959	5,613,264	36,733,360
Amounts held for others	83,866	-	-	83,866
Advance from Other Funds	-	-	-	-
Unearned revenues	1,672,919	25,829,565	-	27,502,484
Due to Primary Government	5,317,596	433,999	-	5,751,595
<b>Total liabilities</b>	<u>\$ 37,347,603</u>	<u>\$ 29,557,098</u>	<u>\$ 5,623,022</u>	<u>\$ 72,527,723</u>
<b>Deferred Inflows of Resources:</b>				
Other - leases	284,621	49,271	-	333,892
Unavailable revenues	-	-	-	-
<b>Fund balances:</b>				
Restricted	-	14,869,280	-	14,869,280
Committed	-	-	86,158,016	86,158,016
Assigned	29,978,341	-	-	29,978,341
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>29,978,341</u>	<u>14,869,280</u>	<u>86,158,016</u>	<u>131,005,637</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 67,610,565</u>	<u>\$ 44,475,649</u>	<u>\$ 91,781,038</u>	<u>\$ 203,867,252</u>

**Adjustments for the Statement of Net Position:**

Internal service fund net profit allocation to the School Board is included in the Statement of Net Position as accounts payable, but is not included in the governmental funds.	\$ (3,695,425)
OPEB asset is not reported as an asset in the governmental funds.	297,124
Capital assets used in School Board activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	415,657,246
Right to use assets, are not current financial resources, therefore, are not reported as assets in governmental funds.	29,475,276
Deferred outflows - change in proportionate share allocation	12,404,050
Deferred outflows - contributions after measurement date are not current financial resources and, therefore, are not reported as assets in the governmental funds.	72,184,920
Deferred outflows - changes of assumptions are not current financial resources and, therefore, are not reported as assets in the governmental funds.	6,421,722
Deferred outflows - differences between expected and actual experience are not current financial resources and, therefore, are not reported as assets in the governmental funds.	76,887,488
Pension liability is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds.	(349,808,383)
OPEB liability is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds.	(57,292,983)
Deferred inflows - change in proportionate share allocation	(5,190,300)
Deferred inflows - differences between expected and actual experience are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(16,813,317)
Deferred inflows - differences between projected and actual earnings are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(49,600,338)
Deferred inflows - changes of assumptions are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(12,187,952)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(64,935,922)</u>
Net Position of Discretely Presented Component Unit - School Board	<u>\$ 184,808,843</u>

See accompanying independent auditor's report.

**HENRICO COUNTY, VIRGINIA  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Schedule 9**

	Governmental Funds			Total
	School General Fund	School Special Revenue Fund	School Capital Projects Fund	
<b>Revenues:</b>				
Permits, privilege fees and regulatory licenses	\$ 169,853	\$ -	\$ -	\$ 169,853
Charges for services	18,301	3,753,384	-	3,771,685
Miscellaneous	11,328,875	3,696,729	-	15,025,604
Recovered costs	248,571	-	-	248,571
Intergovernmental:				
Federal	2,514,395	66,498,874	16,757,555	85,770,824
State	418,550,265	34,276,223	-	452,826,488
Total revenues	<u>432,830,260</u>	<u>108,225,210</u>	<u>16,757,555</u>	<u>557,813,025</u>
<b>Expenditures:</b>				
Education	737,426,521	108,120,024	-	845,546,544
Capital projects	-	-	46,409,508	46,409,508
Debt service:				
Principal retirement	15,993,611	357,668	-	16,351,280
Interest	413,015	1,881	-	414,896
Total expenditures	<u>753,833,147</u>	<u>108,479,573</u>	<u>46,409,508</u>	<u>908,722,228</u>
Deficiency of revenues under expenditures	<u>(321,002,887)</u>	<u>(254,363)</u>	<u>(29,651,953)</u>	<u>(350,909,203)</u>
<b>Other Financing Sources (Uses):</b>				
Leases issued	12,744,603	397,863	-	13,142,466
Transfers in	-	-	11,870,140	11,870,140
Transfers out	(11,870,140)	-	-	(11,870,140)
Payment from Primary Government	319,922,230	6,000,000	21,066,188	346,988,418
Total other financing sources, net	<u>320,796,693</u>	<u>6,397,863</u>	<u>32,936,328</u>	<u>360,130,884</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(206,194)	6,143,500	3,284,375	9,221,681
<b>Total Fund Balances - July 1, 2024</b>	<u>30,184,535</u>	<u>8,725,780</u>	<u>82,873,641</u>	<u>121,783,956</u>
<b>Total Fund Balances - June 30, 2025</b>	<u>\$ 29,978,341</u>	<u>\$ 14,869,280</u>	<u>\$ 86,158,016</u>	<u>\$ 131,005,637</u>

**Adjustments for the Statement of Activities:**

Excess of revenues and other sources over expenditures and other uses	\$ 9,221,681
Repayment of debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	16,351,280
Depreciation expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(18,144,738)
Amortization expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(10,568,279)
Governmental funds report capital outlays as expenditures while School Board activities capitalize those outlays to allocate those expenditures over the life of the assets.	92,088,869
Lease proceeds are recorded as other financing source in governmental funds, but are not reported as revenues in the Statement of Activities.	(13,142,466)
Internal service funds are used to charge the costs of maintenance to governmental funds and are a reduction of related expense in the Statement of Activities.	94,550
Pension/OPEB expense is recorded as an expense in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	22,789,685
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.	<u>(3,978,882)</u>
Change in Net Position of Discretely Presented Component Unit - School Board	<u>\$ 94,711,700</u>

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Schedule 10  
Page 1 of 2

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
<b>Component Unit - School Board:</b>				
<b>General Fund:</b>				
Revenue from local sources:				
Permits, privilege fees and regulatory licenses:				
High school parking fees	\$ 100,000	\$ 100,000	\$ 2,808	\$ (97,192)
Facilities rental	125,000	125,000	167,045	42,045
Total permits, privilege fees and regulatory licenses	<u>225,000</u>	<u>225,000</u>	<u>169,853</u>	<u>(55,147)</u>
Charges for services:				
School fees and tuitions	30,000	30,000	18,301	(11,699)
Total charges for services	<u>30,000</u>	<u>30,000</u>	<u>18,301</u>	<u>(11,699)</u>
Recovered cost:				
Sale of vehicles, textbooks and equipment	100,000	100,000	81,217	(18,783)
Recovered cost - student activities	180,000	180,000	167,354	(12,646)
Total recovered cost	<u>280,000</u>	<u>280,000</u>	<u>248,571</u>	<u>(31,429)</u>
Miscellaneous revenues	11,328,875	11,328,875	11,328,875	-
Total revenue from local sources	<u>11,863,875</u>	<u>11,863,875</u>	<u>11,765,600</u>	<u>(98,275)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Talented and gifted program	1,700,000	1,700,000	1,782,925	82,925
English as a second language	5,700,000	5,700,000	10,185,195	4,485,195
General appropriation - basic aid	195,000,000	195,000,000	194,676,152	(323,848)
Foster child reimbursement	1,000,000	1,000,000	224,387	(775,613)
Textbooks	4,400,000	4,400,000	4,532,026	132,026
Social security reimbursement	10,250,000	10,250,000	9,961,741	(288,259)
Retirement reimbursement	22,200,000	22,200,000	21,395,102	(804,898)
Life insurance reimbursement	700,000	700,000	622,609	(77,391)
Remedial education	6,100,000	6,100,000	-	(6,100,000)
Share of State sales tax - schools	72,800,000	75,300,700	80,537,017	5,236,317
SOQ - basic special education	20,300,000	20,300,000	20,517,790	217,790
Special education - homebound	200,000	200,000	277,211	77,211
Vocational education - local administrative and supervisory	1,000,000	1,000,000	1,064,471	64,471
Vocational education - adult education	-	-	-	-
Vocational education - SOQ occupational	3,200,000	3,200,000	3,226,246	26,246
Handicapped - foster home	300,000	300,000	246,776	(53,224)
Salary incentive K-3	7,500,000	7,500,000	7,812,106	312,106
R.O.T.C.	385,000	385,000	489,792	104,792
Adult Basic Education	-	-	-	-
At risk	14,000,000	14,000,000	35,643,370	21,643,370
Education State Compensation	5,000,000	10,274,183	12,543,193	2,269,010
All In Implementation	-	-	-	-
Other categorical aid	100,000	100,000	181,989	81,989
State lottery proceeds	11,400,000	11,400,000	12,630,167	1,230,167
Total categorical aid	<u>383,235,000</u>	<u>391,009,883</u>	<u>418,550,265</u>	<u>27,540,382</u>
Non-categorical aid:				
Miscellaneous	-	-	-	-
Total revenue from the Commonwealth	<u>383,235,000</u>	<u>391,009,883</u>	<u>418,550,265</u>	<u>27,540,382</u>
Revenue from the Federal Government:				
Categorical aid:				
Miscellaneous	-	-	2,514,395	2,514,395
Total categorical aid	<u>-</u>	<u>-</u>	<u>2,514,395</u>	<u>2,514,395</u>
Total revenue from the Federal government	<u>-</u>	<u>-</u>	<u>2,514,395</u>	<u>2,514,395</u>
<b>Total Component Unit - General Fund</b>	<u>\$ 395,098,875</u>	<u>\$ 402,873,758</u>	<u>\$ 432,830,260</u>	<u>\$ 29,956,502</u>

HENRICO COUNTY, VIRGINIA  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Schedule 10  
Page 2 of 2

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
<b>Special Revenue Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria receipts	\$ 7,000,000	\$ 7,000,000	\$ 3,676,775	\$ (3,323,225)
School fees and tuitions	-	-	76,609	76,609
Total charges for services	<u>7,000,000</u>	<u>7,000,000</u>	<u>3,753,384</u>	<u>(3,246,616)</u>
Miscellaneous:				
Miscellaneous	427,449	427,449	446,456	19,007
Recoveries and rebates	9,520,802	9,520,802	3,250,273	(6,270,529)
Total miscellaneous	<u>9,948,251</u>	<u>9,948,251</u>	<u>3,696,729</u>	<u>(6,251,522)</u>
Total revenue from local sources	<u>16,948,251</u>	<u>16,948,251</u>	<u>7,450,113</u>	<u>(9,498,138)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Juvenile detention center	1,892,744	1,892,744	1,784,446	(108,298)
Technology	1,800,000	1,800,000	4,417,043	2,617,043
Summer school	2,670,610	2,670,610	236,479	(2,434,131)
General adult education	-	-	(5,049)	(5,049)
At Risk	10,006,273	10,006,273	14,190,926	4,184,653
Other state educational grants	21,665,667	21,665,667	13,652,378	(8,013,289)
Total revenue from the Commonwealth	<u>38,035,294</u>	<u>38,035,294</u>	<u>34,276,223</u>	<u>(3,759,071)</u>
Revenue from the Federal Government:				
Title I	13,548,920	13,548,920	11,063,993	(2,484,927)
Title VI-B	13,562,529	13,562,529	12,385,349	(1,177,180)
Vocational federal act	-	-	675,259	675,259
Head start	1,663,529	1,663,529	-	(1,663,529)
Pre-school	663,424	663,424	-	(663,424)
School lunch program	19,197,514	19,197,514	17,281,674	(1,915,840)
School breakfast program	4,500,000	4,500,000	6,328,819	1,828,819
Other Federal educational grants	6,513,832	6,513,832	18,763,780	12,249,948
Total revenue from the Federal government	<u>59,649,748</u>	<u>59,649,748</u>	<u>66,498,874</u>	<u>6,849,126</u>
Total intergovernmental	<u>97,685,042</u>	<u>97,685,042</u>	<u>100,775,097</u>	<u>3,090,055</u>
<b>Total Component Unit - Special Revenue Fund</b>	<u>\$ 114,633,293</u>	<u>\$ 114,633,293</u>	<u>\$ 108,225,210</u>	<u>\$ (6,408,083)</u>
<b>Total Revenues - Component Unit - School Board</b>	<u>\$ 509,732,168</u>	<u>\$ 517,507,051</u>	<u>\$ 541,055,470</u>	<u>\$ 23,548,419</u>

See accompanying independent auditor's report.

**HENRICO COUNTY, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Schedule 11**

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
<b>Component Unit - School Board:</b>				
<b>General Fund:</b>				
Education:				
Administration of schools:				
Administration	\$ 83,858,513	\$ 96,767,311	\$ 82,362,086	\$ 14,405,225
Instructional	489,334,645	518,861,303	522,493,558	(3,632,254)
Transportation	43,205,380	45,321,065	45,258,969	62,096
Operation and maintenance	71,238,928	76,325,882	74,567,305	1,758,577
Total administration of schools	<u>687,637,466</u>	<u>737,275,561</u>	<u>724,681,918</u>	<u>12,593,643</u>
Debt Service:				
Principal retirement	15,993,611	15,993,611	15,993,611	-
Interest	413,015	413,015	413,015	-
Total debt service	<u>16,406,626</u>	<u>16,406,626</u>	<u>16,406,626</u>	<u>-</u>
Total education	<u>704,044,092</u>	<u>753,682,188</u>	<u>741,088,544</u>	<u>12,593,643</u>
<b>Total Component Unit - General Fund</b>	<u>\$ 704,044,092</u>	<u>\$ 753,682,188</u>	<u>\$ 741,088,544</u>	<u>\$ 12,593,643</u>
<b>Special Revenue Fund:</b>				
Education:				
Instruction	\$ 63,986,476	\$ 81,281,400	\$ 60,111,927	\$ 21,169,473
Other educational programs	7,085,362	15,253,754	1,091,826	14,161,928
Transportation	-	764,132	336,581	427,551
Operation and maintenance	16,006,273	27,670,030	17,336,230	10,333,800
Total administration of schools	<u>87,078,111</u>	<u>124,969,316</u>	<u>78,876,564</u>	<u>46,092,752</u>
Debt Service:				
Principal retirement	357,668	357,668	357,668	-
Interest	1,881	1,881	1,881	-
Total debt service	<u>359,549</u>	<u>359,549</u>	<u>359,549</u>	<u>-</u>
Total education	<u>87,437,660</u>	<u>125,328,865</u>	<u>79,236,113</u>	<u>46,092,752</u>
School food service	<u>33,504,084</u>	<u>34,350,961</u>	<u>28,845,597</u>	<u>5,505,364</u>
<b>Total Component Unit - Special Revenue Fund</b>	<u>\$ 120,941,744</u>	<u>\$ 159,679,826</u>	<u>\$ 108,081,710</u>	<u>\$ 51,598,116</u>
<b>Total Component Unit - School Board</b>	<u>\$ 824,985,836</u>	<u>\$ 913,362,013</u>	<u>\$ 849,170,254</u>	<u>\$ 64,191,758</u>

**Explanation of difference between actual amounts on the budgetary basis and GAAP basis:**

Total Expenditures on the Schedule of Expenditures - Budget and Actual - General Fund	\$ 741,088,544
Right-to-use capital outlay	<u>12,744,603</u>
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	<u>\$ 753,833,147</u>
Total Expenditures on the Schedule of Expenditures - Budget and Actual - Special Revenue Fund	\$ 108,081,710
Right-to-use capital outlay	<u>397,863</u>
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Fund	<u>\$ 108,479,573</u>

See accompanying independent auditor's report.

## Statistical Section

This component of the County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information indicate about the County's financial health over an extended period of time.

The goal of the statistical section is to be the chief source of information regarding the County's economic condition. For a more complete understanding of the data summarized herein, please refer to the County's previous Annual Comprehensive Financial Reports as well as the accompanying transmittal letter, management's discussion and analysis and the aforementioned basic financial statements, in their entirety (including the note disclosures and required supplementary information).

## Contents

### **Financial Trends**

### **Tables I-V**

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

### **Revenue Capacity**

### **Tables V - VIII**

These schedules contain information to help the reader assess the County's most significant local revenue sources, the real and personal property tax.

### **Debt Capacity**

### **Tables IX - X**

These schedules present information which help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

### **Demographic and Economic Information**

### **Tables XI - XII**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

### **Operating Information**

### **Tables XIII - XV**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**HENRICO COUNTY, VIRGINIA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
(accrual basis of accounting)  
(\$ in thousands)

Table I

	2016	2017	2018 (1)	2019	2020	2021	2022	2023	2024	2025
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 1,093,486	\$ 1,102,415	\$ 1,168,862	\$ 1,208,373	\$ 1,245,252	\$ 1,284,958	\$ 1,272,215	\$ 1,428,128	\$ 1,545,933	\$ -
Restricted For:										
Highways, Streets and Buildings	74,460	128,255	75,065	120,048	76,830	107,047	241,224	154,767	-	-
Debt Service	35,283	33,318	38,889	42,912	771	320	1,179	1,198	-	-
Grants	51,010	51,309	44,380	49,044	50,673	61,632	66,129	74,461	47,377	-
Unrestricted	(99,933)	(76,034)	(78,587)	(66,470)	23,622	116,735	97,984	219,911	411,500	42,174
<b>Total Governmental Activities Net Position</b>	<b>\$ 1,154,306</b>	<b>\$ 1,239,263</b>	<b>\$ 1,248,609</b>	<b>\$ 1,353,908</b>	<b>\$ 1,397,148</b>	<b>\$ 1,570,692</b>	<b>\$ 1,678,730</b>	<b>\$ 1,878,465</b>	<b>\$ 2,004,809</b>	<b>\$ 42,174</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 1,045,556	\$ 1,049,633	\$ 1,040,062	\$ 1,059,884	\$ 1,026,920	\$ 1,030,014	\$ 1,088,419	\$ 1,137,997	\$ 1,196,934	\$ -
Debt Service	21,532	21,532	27,247	30,421	30,376	30,353	29,649	29,664	29,664	-
Unrestricted	27,843	58,476	89,177	94,644	167,398	209,377	203,822	212,398	220,058	-
<b>Total Business-type Activities Net Position</b>	<b>\$ 1,094,931</b>	<b>\$ 1,129,641</b>	<b>\$ 1,156,486</b>	<b>\$ 1,184,949</b>	<b>\$ 1,224,694</b>	<b>\$ 1,269,744</b>	<b>\$ 1,321,890</b>	<b>\$ 1,380,058</b>	<b>\$ 1,446,655</b>	<b>\$ -</b>
<b>Primary Government:</b>										
Net Investment in Capital Assets	\$ 2,139,042	\$ 2,152,048	\$ 2,208,923	\$ 2,268,258	\$ 2,272,173	\$ 2,314,972	\$ 2,360,634	\$ 2,566,125	\$ 2,742,867	\$ -
Restricted For:										
Highways, Streets, and Buildings	74,460	128,255	75,065	120,048	76,830	107,047	241,224	154,767	-	-
Debt Service	56,815	54,850	66,136	73,333	31,147	30,673	30,828	30,862	29,664	-
Grants	51,010	51,309	44,380	49,044	50,673	61,632	66,129	74,461	47,377	-
Unrestricted	(72,091)	(17,558)	10,590	28,174	191,020	326,112	301,806	432,309	631,558	42,174
<b>Total Primary Government Net Position</b>	<b>\$ 2,249,236</b>	<b>\$ 2,368,904</b>	<b>\$ 2,405,094</b>	<b>\$ 2,538,857</b>	<b>\$ 2,621,842</b>	<b>\$ 2,840,436</b>	<b>\$ 3,000,620</b>	<b>\$ 3,258,523</b>	<b>\$ 3,451,465</b>	<b>\$ 42,174</b>

**Note:** Table may not foot due to rounding

**Source:** County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 1

(1) The County adopted GASB Statement No. 75 in fiscal year 2018. Fiscal years prior to the year ended June 30, 2018 have not been restated for the effects of GASB Statement No. 75.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA**  
**SCHEDULE OF CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*  
*(\$ in thousands)*

Table II

	2016	2017	2018 (1)	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 129,491	\$ 97,783	\$ 91,002	\$ 94,497	\$ 157,135	\$ 137,237	\$ 132,424	\$ 145,091	\$ 183,729	\$ 205,445
Judicial Administration	11,298	11,889	12,267	12,845	13,143	13,671	14,342	15,934	17,641	19,235
Public Safety	186,839	198,047	198,269	205,319	212,937	218,442	242,851	248,058	284,483	303,879
Public Works	80,918	89,386	87,221	91,603	87,460	78,804	89,729	92,020	126,914	127,330
Health and Welfare	66,956	70,840	74,941	79,862	82,090	68,770	73,514	80,815	92,379	101,662
Education	251,840	249,223	235,170	239,957	269,087	215,144	307,955	331,606	329,494	373,878
Parks, Recreation and Culture	37,434	40,309	42,123	43,429	45,451	44,371	48,759	46,168	63,378	62,638
Community Development	29,868	28,640	30,396	28,681	28,518	24,735	32,263	35,284	43,951	58,854
Interest on Long-term Debt	11,941	12,302	12,069	13,623	12,496	15,075	14,428	13,118	13,878	18,267
<b>Total Governmental Activities Expenses</b>	<b>806,585</b>	<b>798,419</b>	<b>783,458</b>	<b>809,815</b>	<b>908,317</b>	<b>816,249</b>	<b>956,265</b>	<b>1,008,095</b>	<b>1,155,845</b>	<b>1,271,187</b>
Business-type Activities:										
Water and Sewer	107,950	105,919	108,696	112,548	113,127	115,833	115,145	124,789	135,649	146,232
Belmont Park Golf Course (3)	1,082	1,001	926	896	552	-	-	-	-	-
<b>Total Business-type Activities Expenses</b>	<b>109,032</b>	<b>106,920</b>	<b>109,622</b>	<b>113,444</b>	<b>113,678</b>	<b>115,833</b>	<b>115,145</b>	<b>124,789</b>	<b>135,649</b>	<b>146,232</b>
<b>Total Primary Government Expenses</b>	<b>\$ 915,617</b>	<b>\$ 905,339</b>	<b>\$ 893,080</b>	<b>\$ 923,259</b>	<b>\$ 1,021,995</b>	<b>\$ 932,082</b>	<b>\$ 1,071,409</b>	<b>\$ 1,132,884</b>	<b>\$ 1,291,494</b>	<b>\$ 1,417,419</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General Government	\$ 11,969	\$ 13,659	\$ 16,613	\$ 14,225	\$ 16,202	\$ 15,703	\$ 18,633	\$ 16,176	\$ 23,493	\$ 26,928
Judicial Administration	957	982	972	1,015	955	913	781	1,076	294	460
Public Safety	2,878	5,029	3,142	3,791	3,434	4,980	3,616	4,520	4,316	3,048
Public Works	3,464	3,085	2,572	2,693	2,487	1,836	2,659	2,719	15,457	16,336
Health and Welfare	11,317	11,096	11,223	12,231	11,741	11,311	13,819	10,754	14,246	15,604
Parks, Recreation and Culture	1,250	1,249	1,208	1,237	761	382	646	741	891	865
Community Development	7,843	8,615	9,853	9,872	8,945	6,747	4,917	12,011	12,302	13,592
Operating grants and contributions	152,903	155,163	148,000	157,835	178,550	185,025	152,361	194,709	170,337	-
<b>Total Governmental Activities Revenues</b>	<b>192,581</b>	<b>198,878</b>	<b>193,583</b>	<b>202,899</b>	<b>223,076</b>	<b>226,898</b>	<b>197,431</b>	<b>242,707</b>	<b>241,336</b>	<b>76,833</b>
Business-type Activities:										
Water and Sewer	128,219	133,724	134,199	123,057	131,878	133,294	149,797	156,576	166,663	183,288
Belmont Park Golf Course (2)	823	694	697	782	459	-	-	-	-	-
<b>Total Business-type Activities Revenues</b>	<b>129,042</b>	<b>134,418</b>	<b>134,896</b>	<b>123,839</b>	<b>132,336</b>	<b>133,294</b>	<b>149,797</b>	<b>156,576</b>	<b>166,663</b>	<b>183,288</b>
<b>Total Primary Government Revenues</b>	<b>\$ 321,623</b>	<b>\$ 333,296</b>	<b>\$ 328,479</b>	<b>\$ 326,738</b>	<b>\$ 355,412</b>	<b>\$ 360,192</b>	<b>\$ 347,228</b>	<b>\$ 399,283</b>	<b>\$ 407,999</b>	<b>\$ 260,121</b>

**Note:** Table may not foot due to rounding

**Source:** County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 2

(1) The County adopted GASB Statement No. 75 in fiscal year 2018. Fiscal years prior to the year ended June 30, 2018 have not been restated for the effects of GASB Statement No. 75.

(2) The First Tee of Greater Richmond is leasing Belmont Golf Course for twenty years, effective January 1, 2020.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
SCHEDULE OF CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

**(Unaudited)**  
(accrual basis of accounting)  
(in thousands)

Table II (Cont'd)

	2016	2017	2018 (1)	2019	2020	2021	2022	2023	2024	2025
<b>Net (Expense) Revenue</b>										
<b>Governmental Activities:</b>										
General Government	\$ (115,290)	\$ (82,401)	\$ (71,887)	\$ (76,100)	\$ (139,463)	\$ (120,048)	\$ (112,337)	\$ (127,425)	\$ (158,511)	\$ (177,326)
Judicial Administration	(4,694)	(4,906)	(5,297)	(5,776)	(6,271)	(7,770)	(8,322)	(9,711)	(11,251)	(12,069)
Public Safety	(155,208)	(163,389)	(166,276)	(172,147)	(164,262)	(159,316)	(209,336)	(205,774)	(241,282)	(262,781)
Public Works	(3,916)	(12,399)	(20,316)	(22,168)	(11,734)	(7,495)	(15,275)	6,952	(43,597)	(21,645)
Health and Welfare	(21,119)	(24,174)	(25,558)	(26,640)	(25,637)	(11,145)	(23,609)	(27,009)	(30,735)	(33,292)
Education	(251,840)	(249,223)	(235,170)	(239,957)	(269,087)	(215,144)	(307,955)	(331,606)	(329,494)	(373,878)
Parks, Recreation and Culture	(35,984)	(38,845)	(40,701)	(39,077)	(43,503)	(43,757)	(47,850)	(45,120)	(62,177)	(61,439)
Community Development	(14,010)	(11,901)	(12,600)	(11,427)	(12,788)	(9,600)	(19,722)	(12,577)	(23,583)	(36,259)
Interest on Long-term Debt	(11,941)	(12,302)	(12,069)	(13,623)	(12,496)	(15,075)	(14,428)	(13,118)	(13,878)	(18,267)
<b>Total Governmental Activities Net Expense</b>	<b>(614,002)</b>	<b>(599,540)</b>	<b>(589,874)</b>	<b>(606,916)</b>	<b>(685,241)</b>	<b>(589,351)</b>	<b>(758,834)</b>	<b>(765,388)</b>	<b>(914,509)</b>	<b>(996,957)</b>
<b>Business-type Activities:</b>										
Water and Sewer	20,270	27,805	25,503	10,509	18,751	17,462	34,653	31,787	31,014	37,056
Belmont Park Golf Course (2)	(259)	(307)	(229)	(114)	(93)	-	-	-	-	-
<b>Total Business-type Activities Net Revenue</b>	<b>20,011</b>	<b>27,498</b>	<b>25,274</b>	<b>10,395</b>	<b>18,658</b>	<b>17,462</b>	<b>34,653</b>	<b>31,787</b>	<b>31,014</b>	<b>37,056</b>
<b>Total Primary Government Net Expense</b>	<b>\$ (593,991)</b>	<b>\$ (572,042)</b>	<b>\$ (564,600)</b>	<b>\$ (596,521)</b>	<b>\$ (666,583)</b>	<b>\$ (571,890)</b>	<b>\$ (724,181)</b>	<b>\$ (733,601)</b>	<b>\$ (883,495)</b>	<b>\$ (959,901)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes										
Property	\$ 387,744	\$ 403,164	\$ 420,886	\$ 446,944	\$ 468,650	\$ 489,264	\$ 543,940	\$ 606,671	\$ 646,492	\$ 690,891
Local Sales and Use	62,286	64,666	68,256	68,775	69,908	75,613	87,994	92,752	93,070	96,438
Business License	33,521	35,432	35,618	38,308	39,627	38,591	46,330	51,162	51,344	50,649
Hotel and Motel	13,169	13,448	13,898	14,045	11,275	8,890	14,944	16,430	17,420	18,111
Bank Franchise	12,133	17,318	17,775	18,241	16,508	18,148	17,980	4,755	7,433	6,238
Other	48,614	49,828	50,948	52,026	50,229	51,465	61,157	63,335	68,580	71,949
Interest and Investment Earnings	2,945	2,045	5,305	18,052	15,303	2,127	911	34,829	55,000	43,802
Grants and Contributions	50,633	55,243	50,576	50,983	51,918	77,944	92,460	93,482	99,828	127,150
Miscellaneous/Donated Assets	1,121	4,976	1,685	4,840	5,063	1,148	1,155	1,707	1,685	2,516
<b>Total Governmental Activities</b>	<b>612,166</b>	<b>646,120</b>	<b>664,947</b>	<b>712,215</b>	<b>728,481</b>	<b>763,190</b>	<b>866,872</b>	<b>965,123</b>	<b>1,040,853</b>	<b>1,107,744</b>
<b>Business-type Activities:</b>										
Interest and Investment Earnings	1,020	975	1,122	1,037	3,684	339	94	3,123	5,958	5,428
Grants and Contributions	1,650	1,608	1,609	15,336	16,548	24,961	16,800	22,650	28,949	30,765
Miscellaneous/Donated Assets	1,340	1,923	1,712	1,695	855	1,184	599	608	677	733
<b>Total Business-type Activities</b>	<b>4,010</b>	<b>4,506</b>	<b>4,443</b>	<b>18,069</b>	<b>21,087</b>	<b>26,484</b>	<b>17,493</b>	<b>26,381</b>	<b>35,584</b>	<b>36,926</b>
<b>Total Primary Government</b>	<b>\$ 616,176</b>	<b>\$ 650,626</b>	<b>\$ 669,390</b>	<b>\$ 730,283</b>	<b>\$ 749,568</b>	<b>\$ 789,675</b>	<b>\$ 884,365</b>	<b>\$ 991,504</b>	<b>\$ 1,076,437</b>	<b>\$ 1,144,671</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (1,836)	\$ 46,580	\$ 75,073	\$ 105,299	\$ 43,240	\$ 173,839	\$ 108,038	\$ 199,735	\$ 126,344	\$ 110,788
Business-type Activities	24,021	32,004	29,717	28,464	39,745	43,946	52,146	58,168	66,598	73,982
<b>Total Primary Government Net Position</b>	<b>\$ 22,185</b>	<b>\$ 78,584</b>	<b>\$ 104,790</b>	<b>\$ 133,763</b>	<b>\$ 82,985</b>	<b>\$ 217,785</b>	<b>\$ 160,184</b>	<b>\$ 257,903</b>	<b>\$ 192,942</b>	<b>\$ 184,770</b>

Note: Table may not foot due to rounding

Source: County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 2

(1) The County adopted GASB Statement No. 75 in fiscal year 2018. Fiscal years prior to the year ended June 30, 2018 have not been restated for the effects of GASB Statement No. 75.

(2) The First Tee of Greater Richmond is leasing Belmont Golf Course for twenty years, effective January 1, 2020.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA**  
**FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
(modified accrual basis of accounting)  
(\$ in thousands)

Table III

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Fund:</b>										
Nonspendable	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	5,277	6,886	3,966	1,692	3,308	7,192	7,761	9,904	4,700	9,915
Committed	33,206	35,454	65,937	56,630	8,579	28,201	41,750	36,400	56,250	63,148
Assigned	62,420	77,076	69,467	75,745	115,498	213,844	191,415	216,077	207,336	191,397
Unassigned	119,346	123,934	127,744	133,163	138,252	134,164	154,451	165,536	181,969	197,905
<b>Total General Fund</b>	<u>220,362</u>	<u>243,463</u>	<u>267,227</u>	<u>267,342</u>	<u>265,750</u>	<u>383,401</u>	<u>395,377</u>	<u>427,917</u>	<u>450,256</u>	<u>462,365</u>
<b>All Other Governmental Funds:</b>										
Restricted	29,018	26,844	20,853	25,137	28,482	43,441	45,663	49,153	47,377	42,174
Committed	140,570	242,931	211,810	280,751	355,128	338,363	346,889	289,676	404,009	332,607
Assigned	23,139	24,668	24,705	24,150	22,961	18,511	21,645	26,506	24,790	29,385
<b>Total All Other Governmental Funds</b>	<u>192,727</u>	<u>294,443</u>	<u>257,368</u>	<u>330,037</u>	<u>406,572</u>	<u>400,315</u>	<u>414,197</u>	<u>365,335</u>	<u>476,176</u>	<u>404,167</u>
<b>Total Fund Balances</b>	<u>\$ 413,089</u>	<u>\$ 537,906</u>	<u>\$ 524,595</u>	<u>\$ 597,380</u>	<u>\$ 672,322</u>	<u>\$ 783,717</u>	<u>\$ 809,575</u>	<u>\$ 793,252</u>	<u>\$ 926,432</u>	<u>\$ 866,532</u>

**Notes:** The Governmental Funds Fund Balances do not include the School Board or JRJDC component units to be consistent with the ACFR Financial Section.

GASB 54 classification of fund balances was implemented in fiscal year 2011.

**Source:** County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 3

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA**  
**CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
(modified accrual basis of accounting)  
(\$ in thousands)

Table IV

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues:</b>										
General Property Taxes	\$ 387,388	\$ 402,026	\$ 420,786	\$ 447,469	\$ 466,198	\$ 487,532	\$ 538,135	\$ 607,588	\$ 645,719	\$ 690,784
Other Local Taxes	165,920	176,154	182,032	186,844	183,291	188,049	222,553	222,618	231,837	237,303
Licenses and Permits	4,744	5,385	9,811	7,368	8,221	8,611	11,136	9,760	15,647	19,001
Fines and Forfeitures	1,945	2,110	2,161	2,147	1,885	1,679	1,675	1,683	1,636	1,612
Use of Money and Property	4,194	3,295	6,286	19,023	15,739	3,523	2,516	35,375	54,680	43,339
Charges for Services	29,317	31,325	29,196	30,451	29,885	27,581	34,480	31,931	39,086	40,679
Miscellaneous	10,681	12,628	12,306	16,549	13,617	6,753	5,405	12,946	10,994	15,869
Recovered Costs	5,599	7,617	6,313	6,670	7,444	8,228	7,052	8,380	11,238	9,145
Intergovernmental Revenue	180,066	188,030	184,786	189,626	209,132	247,742	229,143	251,976	271,503	304,373
<b>Total Government Revenues</b>	<b>789,854</b>	<b>828,570</b>	<b>853,677</b>	<b>906,146</b>	<b>935,412</b>	<b>979,699</b>	<b>1,052,093</b>	<b>1,182,257</b>	<b>1,282,340</b>	<b>1,362,106</b>
<b>Expenditures:</b>										
General Government	71,692	82,816	77,501	76,033	76,231	77,318	79,632	96,828	94,529	98,394
Judicial Administration	11,212	11,801	12,182	12,755	13,255	13,701	14,175	15,941	17,418	19,014
Public Safety	178,206	187,857	192,828	201,996	211,279	216,505	239,074	252,531	276,075	303,127
Public Works	61,463	66,543	69,029	70,318	70,176	61,188	66,504	77,260	88,038	99,563
Health and Welfare	66,583	70,532	74,643	79,599	82,336	68,710	68,683	80,683	91,398	100,767
Parks, Recreation and Culture	32,431	35,962	36,546	37,094	37,788	36,149	40,576	46,198	50,787	54,976
Community Development	29,648	28,412	30,185	28,517	28,406	24,560	32,021	35,157	42,718	56,105
Education	211,399	223,786	223,845	228,648	266,525	207,841	274,331	319,339	310,023	346,988
Miscellaneous	18,373	8,146	20,141	24,991	22,691	25,225	45,755	49,006	45,031	39,895
Debt Service - Principal	38,935	41,963	40,305	44,493	49,642	48,202	54,922	57,199	61,193	74,946
Debt Service - Interest	17,488	16,765	17,167	19,728	21,143	24,472	25,351	24,097	22,117	25,821
Capital Outlay	56,145	45,478	75,029	117,730	165,577	184,370	137,300	168,704	238,072	233,776
<b>Total Government Expenditures</b>	<b>793,575</b>	<b>820,061</b>	<b>869,401</b>	<b>941,902</b>	<b>1,045,049</b>	<b>988,243</b>	<b>1,082,278</b>	<b>1,222,944</b>	<b>1,337,398</b>	<b>1,453,372</b>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(3,721)	8,509	(15,724)	(35,755)	(109,636)	(8,544)	(30,184)	(40,687)	(55,058)	(91,266)
<b>Other Financing Sources (Uses):</b>										
Transfers-in	123,971	109,542	123,601	161,744	146,589	113,816	154,464	147,110	211,047	194,077
Transfers-out	(123,971)	(109,542)	(123,601)	(161,744)	(146,589)	(113,816)	(154,464)	(147,110)	(211,047)	(194,077)
Issuance of Bonds	-	156,010	-	99,395	195,690	135,085	48,115	-	162,575	-
Issuance of Bond Premiums	-	20,766	-	9,065	22,558	17,903	6,268	-	20,017	-
Loan Financing	34,000	-	-	-	-	-	-	-	-	1
Lease Obligations Incurred	158	913	2,415	80	535	322	1,660	24,364	5,646	31,366
Payments to Escrow Agent	-	(61,386)	-	-	(34,204)	(32,414)	-	-	-	1
Total Other Financing Sources, Net	34,158	116,303	2,415	108,540	184,579	120,896	56,042	24,364	188,238	31,368
Net Change in Fund Balances	\$ 30,437	\$ 124,812	\$ (13,309)	\$ 72,785	\$ 74,943	\$ 112,352	\$ 25,858	\$ (16,323)	\$ 133,180	\$ (59,898)
Debt service as a percentage of noncapital expenditures	7.37%	7.54%	7.36%	7.86%	7.84%	9.13%	8.47%	8.18%	7.21%	6.93%

Note: Table may not foot due to rounding

Source: County of Henrico, Virginia Annual Comprehensive Financial Reports Exhibit 4

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
**(\$ in thousands)**

Table V

Year	Real Property				Personal Property					Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value of Taxable Property
	Residential Property	Commercial Property (1)	Public (3) Service Corp.	Total Real Property	Real Property Tax Rate (2)	Personal Property	Public (3) Service Corp.	Total Personal Property	Personal Property Tax Rate (2)			
2016	23,518,182	10,657,341	1,004,054	35,179,577	0.87	4,013,147	2,222	4,015,369	3.50	39,194,946	5.47 (5)	39,194,946
2017	24,611,556	11,130,742	1,129,400	36,871,698	0.87	4,087,035	2,130	4,089,165	3.50	40,960,863	5.47 (5)	40,960,863
2018	26,117,583	11,776,171	1,162,001	39,055,755	0.87	4,241,370	1,994	4,243,364	3.50	43,299,119	5.47 (5)	43,299,119
2019	27,424,613	12,779,275	1,195,272	41,399,160	0.87	4,610,809	2,225	4,613,034	3.50	46,012,194	5.47 (5)	46,012,194
2020	28,778,727	13,879,253	1,229,029	43,887,009	0.87	4,557,328	1,796	4,559,124	3.50	48,446,133	5.47 (5)	48,446,133
2021	30,410,639	13,707,745	1,212,770	45,331,154	0.87	5,345,993	1,716	5,347,709	3.50	50,678,863	5.47 (5)	50,678,863
2022	33,930,579	15,628,350	1,273,603	50,832,533	0.85	6,586,172	1,411	6,587,583	3.50	57,420,116	5.45 (5)	57,420,116
2023	38,995,183	17,125,970	1,460,793	57,581,947	0.85	6,985,525	1,764	6,987,289	3.50	64,569,236	5.45 (5)	64,569,236
2024	41,480,526	17,734,763	1,584,150	60,799,439	0.85	7,188,574	1,498	7,190,072	3.50	67,989,511	5.45 (5)	67,989,511
2025	45,209,792	18,851,161	1,487,076	64,060,953	0.83	7,500,924	1,487	7,502,411	3.35	71,563,364	5.28 (5)	71,563,364

Source: County of Henrico Director of Finance

Notes: The County assesses property annually. Property is assessed at market value in accordance with State law, except as noted below in Virginia's Land Use Code.

- (1) Includes commercial, industrial, manufacturing and agriculture
- (2) Per \$100 of assessed value
- (3) Source: State Corporation Commission and Department of Taxation
- (4) Includes Machinery and Tools (\$.30), Aircraft (\$1.60) and Semi-Conductor (\$.30)
- (5) Includes Machinery and Tools (\$.30), Aircraft (\$.50) and Semi-Conductor (\$.30)

Title 58.1-3201 of the Code of Virginia provides for the assessment of real property at 100% of fair market value.

Title 58.1-3230 through 3244 of the Code of Virginia provides for the assessment of land based on use value rather than market value.

Use value is the assessment of the land for a specific purpose and is generally lower than market value. This is a local option statute adopted by Henrico County in 1976.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA**  
**DIRECT TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

Table VI

Tax Year	Real Property	Tangible Personal Property	Vehicles	Machinery and Tools	Aircraft	Semi- Conductor	Total Direct Rate
2025	\$ 0.83	\$ 3.35	\$ 3.35	\$ 0.30	\$ 0.50	\$ 0.30	\$ 5.28
2024	\$ 0.85	\$ 3.50	\$ 3.40	\$ 0.30	\$ 0.50	\$ 0.30	\$ 5.45
2023	0.85	3.50	3.40 (1)	0.30	0.50	0.30	5.45
2022	0.85	3.50	3.50	0.30	0.50	0.30	5.45
2021	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2020	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2019	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2018	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2017	0.87	3.50	3.50	0.30	0.50	0.30	5.47
2016	0.87	3.50	3.50	0.30	0.50	0.30	5.47

**Source:** County of Henrico Director of Finance

**Notes:** There are no overlapping tax rates within County of Henrico.

Qualifying volunteer rescue squad and fire department vehicles are taxed at the rate of \$1.00 per \$100 of assessed value.

Specially equipped vehicles for disabled veterans and for the handicapped are taxed at the rate of \$.01 per \$100 of assessed value.

(1) The County approved a vehicle tax levy decrease of \$0.10 per \$100 of assessed valuation in 2023.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR, PRIOR YEAR AND TEN YEARS AGO  
(Unaudited)**

Table VII

Taxpayer	Type of Business	Calendar Year 2025			Calendar Year 2024			Calendar Year 2016		
		Real/Personal Property Assessed Valuation	Rank	Percent of Total Valuation	Real/Personal Property Assessed Valuation	Rank	Percent of Total Valuation	Real/Personal Property Assessed Valuation	Rank	Percent of Total Valuation
Scout Development LLC (2)	Data Center	\$ 2,364,906,425	1	3.23%	\$ 2,045,241,378	1	3.01%	-	N/A	-
Virginia Power Company	Utility	1,258,588,516	2	1.72%	1,115,843,135	2	1.64%	566,897,490	1	1.39%
Short Pump Town Centers LLC (Queensland) (1)	Mall	299,287,400	3	0.41%	315,477,900	4	0.46%	-	N/A	-
QTS Richmond I DC 3 LLC (3)	Data Center	252,262,700	4	0.34%	148,667,600	7	0.22%	-	N/A	-
Quality Investment Prop Richmond LLC	Data Center	225,407,900	5	0.31%	-	N/A	-	-	N/A	-
Raceway Commerce Center Project LLC (4)	Distribution Center	195,738,700	6	0.27%	349,790,303	3	0.51%	-	N/A	-
Verizon	Telecommunication	192,793,347	7	0.26%	185,359,913	5	0.27%	211,796,458	6	0.59%
HCA Health Services of VA	Hospital & Medical Offices	164,623,545	8	0.22%	160,438,183	6	0.24%	176,879,724	8	0.46%
Bank of America	Data Center & Bank	155,098,400	9	0.21%	132,731,600	10	0.20%	-	N/A	-
Amazon.com Services LLC	Distribution Center	153,709,456	10	0.21%	-	N/A	-	-	N/A	-
PFI VPN Portfolio	Offices	-	N/A	0.00%	133,225,400	9	0.20%	-	N/A	-
Highwoods Properties	Offices and Warehouses	-	N/A	0.00%	135,363,500	8	0.20%	231,574,600	5	0.61%
Forest City (Short Pump TC, White Oak, etc) (1)	Retail and Offices	-	N/A	-	-	N/A	-	329,240,600	2	0.84%
The Wilton Companies	Offices, Retail and Warehouses	-	N/A	-	-	N/A	-	234,398,900	4	0.59%
General Services Corporation	Apartments	-	N/A	-	-	N/A	-	242,778,800	3	0.62%
Weinstein Family	Apartments	-	N/A	-	-	N/A	-	200,172,600	7	0.49%
Gumenick	Apartments and Retail	-	N/A	-	-	N/A	-	150,721,600	9	0.38%
United Dominion Realty Trust	Apartments	-	N/A	-	-	N/A	-	141,402,800	10	0.36%
<b>Totals</b>		<u>\$ 5,262,416,389</u>		<u>7.18%</u>	<u>\$ 4,722,138,912</u>		<u>6.95%</u>	<u>\$ 2,485,863,572</u>		<u>6.33%</u>
<b>Total Assessed Values</b>		<u>\$ 73,302,862,015</u>			<u>\$ 67,989,510,987</u>			<u>\$ 39,194,946,557</u>		

Source: County of Henrico Director of Finance

(1) Short Pump Town Centers LLC bought Forest City in July 2018.

(2) Scout Development LLC bought and developed the site that is home to the Facebook, Inc. data center.

(3) Quality Technology Services(QTS), previously reported as Quality Investment Prop Richmond is QTS Richmond I DC3 LLC and QTS Richmond II LLC

(4) Raceway Commerce Center Project LLC includes the new Amazon fulfillment center near the Richmond Raceway.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Table VIII

Year	Original Fiscal Year Levy	Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2016	376,051,530	370,592,134	98.5%	5,220,897	375,813,031	99.9%
2017	389,341,072	384,815,669	98.8%	4,288,915	389,104,584	99.9%
2018	409,079,914	404,970,529	99.0%	3,002,249	407,972,778	99.7%
2019	433,549,534	429,914,099	99.2%	1,516,567	431,430,666	99.5%
2020	455,725,784	433,994,901	95.2%	19,385,830	453,380,731	99.5%
2021	479,221,598	463,357,848	96.7%	13,226,643	476,584,491	99.4%
2022	529,024,451	502,526,040	95.0%	15,040,632	517,566,672	97.8%
2023	589,480,761	566,810,027	96.2%	9,518,644	576,328,671	97.8%
2024	627,479,544	605,406,704	96.5%	5,116,332	605,406,704	96.5%
2025	670,671,610	650,677,117	97.0%	N/A (1)	650,677,117	97.0%

**Notes:**

(1) PPTRA amounts are no longer included in Levy or Collections as of FY2007.

(1) Fiscal year 2025 collections in subsequent years will be available as of the next reporting period.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
RATIOS OF OUTSTANDING DEBT BY TYPE (1)  
LAST TEN FISCAL YEARS  
(Unaudited)**

Table IX

Fiscal Year	General Bonded Debt						Percentage of Personal Income (3)	Percentage of Estimated Actual Value of Taxable Property	Per Capita Debt	Lease Liability	SBITA Liability	Component Units			
	General Obligation Bonds (2)	EDA Lease Revenue Bonds	VRA Special Revenue Bonds	Less, Amounts Designated for Principal Payments		Net Bonded Debt						School Board		JRJDC	
				Lease Liability	SBITA Liability							Lease Liability	SBITA Liability	Facility Bond	Lease Liability
2016	384,048,359	-	-	1,148,179	382,900,180	2.0%	1.0%	1,163	53,336,713	-	25,965,793	-	-	6,508	
2017	461,714,254	-	-	202,833	461,511,421	2.3%	1.1%	1,389	46,420,396	-	26,086,650	-	-	4,333	
2018	421,919,118	-	-	1,178,658	420,740,460	2.0%	1.0%	1,255	41,643,906	-	14,835,498	-	-	1,610	
2019	485,511,538	-	-	242,103	485,269,435	2.2%	1.1%	1,431	34,939,140	-	26,976,897	-	-	-	
2020	558,035,689	-	-	770,870	557,264,819	2.4%	1.2%	1,623	88,116,739	-	16,651,291	-	-	-	
2021	632,990,481	-	13,560,000	319,820	646,230,661	2.6%	1.3%	1,908	61,844,395	-	6,946,638	-	-	10,411	
2022	632,466,561	54,485,000	11,080,000	1,179,213	696,852,348	2.7%	1.2%	2,041	12,814,473	-	19,055,430	-	-	7,704	
2023	573,390,554	51,675,000	8,520,000	1,197,897	632,387,657	2.3%	1.0%	1,829	10,466,489	18,896,504	13,095,622	6,190,809	-	4,505	
2024	657,128,494	90,040,000	5,825,000	2,877,532	750,115,962	2.7%	1.1%	2,156	9,166,151	18,684,914	13,065,672	15,093,388	-	702	
2025	548,570,000	85,075,000	2,985,000	2,146,244	634,483,756	2.2%	0.9%	1,793	11,521,964	35,133,830	6,625,731	18,324,515	-	-	

Fiscal Year	Governmental-Type Activities						Business-Type Activities			Total Primary Government	Percentage of Personal Income (3)	Percentage of Estimated Actual Value of Taxable Property	Per Capita Debt
	General Obligation Bonds (2)	EDA Lease Revenue Bonds	VRA Special Revenue Bonds	Lease Liability	SBITA Liability	Water & Sewer Revenue Bonds (2)	Lease Liability	Percentage of Estimated Actual Value of Taxable Property					
								Lease Liability	SBITA Liability				
2016	384,048,359	-	-	53,336,713	-	321,833,554	20,769	759,239,395	3.9%	1.9%	2,306		
2017	461,714,254	-	-	46,420,396	-	310,040,991	25,885	818,201,526	4.0%	2.0%	2,462		
2018	421,919,118	-	-	41,643,906	-	404,656,626	13,303	868,232,953	4.1%	2.0%	2,590		
2019	485,511,538	-	-	34,939,140	-	463,978,992	15,285	984,444,955	4.4%	2.1%	2,902		
2020	558,035,689	-	-	88,116,739	-	448,256,027	13,155	1,094,421,610	4.7%	2.3%	3,188		
2021	632,990,481	-	13,560,000	61,844,395	-	474,903,035	15,140	1,183,313,051	4.8%	2.3%	3,495		
2022	632,466,561	54,485,000	11,080,000	12,814,473	-	467,749,780	10,112	1,178,605,926	4.6%	2.1%	3,453		
2023	573,390,554	51,675,000	8,520,000	10,466,489	18,896,504	447,944,759	5,095	1,110,898,401	4.1%	1.7%	3,213		
2024	657,128,494	90,040,000	5,825,000	9,166,151	18,684,914	427,404,738	2,175	1,208,251,472	4.3%	1.8%	3,473		
2025	548,570,000	85,075,000	2,985,000	11,521,964	35,133,830	427,404,738	2,176	1,110,692,708	3.8%	1.6%	3,140		

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) There are no limitations imposed by State Law or Local Ordinance on the amount of general obligation debt that may be issued either directly or indirectly. However, with certain exceptions, all debt, which is secured by the general obligation of a county, must be approved at public referendum prior to issuance.
- (2) The Bond (plus Literary Loans, if applicable), net of related premium and discounts.
- (3) Calculations based on calculated trend (see Table XI Sources).

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
 PLEDGED REVENUE COVERAGE <sup>(1)</sup>  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

Table X

Fiscal Year	Operating Revenues	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2016	107,480,177	66,069,889	41,410,288	7,705,000	9,300,077	17,005,077	2.44
2017	112,157,060	62,813,358	49,343,702	9,740,000	11,578,096	21,318,096	2.31
2018	115,946,048	64,393,573	51,552,475	9,460,000	12,069,272	21,529,272	2.39
2019	119,911,922	65,281,033	54,630,889	11,630,000	15,616,588	27,246,588	2.01
2020	127,586,484	67,089,381	60,497,103	13,385,000	17,035,992	30,420,992	1.99
2021	128,450,586	69,202,142	59,248,444	15,610,000	14,311,305	29,921,305	1.98
2022	137,065,315	70,425,114	66,640,201	17,265,000	12,389,660	29,654,660	2.25
2023	144,250,176	78,817,807	65,432,369	17,325,000	12,320,998	29,645,998	2.21
2024	159,568,567	89,588,620	69,979,947	18,060,000	11,588,861	29,648,861	2.36
2025	170,375,870	97,284,879	73,090,991	18,610,000	11,039,168	29,649,168	2.47

**Notes:** Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Water and Sewer Fund only.

(2) The calculation of bond coverage operating expenses has been reduced by depreciation.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Table XI

Year	County Population (1)	Total Personal Income (2) (\$000)	Per Capita Income	Average Daily Student Enrollment (3)	Unemployment Rate (4)
2016	329,227	19,467,155	59,130	50,173	3.7%
2017	332,368	20,458,315	61,553	50,330	3.7%
2018	335,283	21,170,015	63,141	50,182	3.2%
2019	339,191	22,493,998	66,317	50,406	2.9%
2020	343,258	23,159,228	67,469	50,486	8.7%
2021	338,620	24,781,249	73,183	48,702	4.6%
2022	341,365	25,706,948	75,306	48,977	3.0%
2023	345,734	26,911,548 (5)	77,839	48,936	2.8%
2024	347,938	28,172,593 (5)	80,970	48,831	2.9%
2025	353,770	29,492,731 (5)	83,367	49,007	3.7%

**Sources:**

- (1) Henrico County 3-C Reports. Estimates from these reports are as of December 31 of the previous year.
- (2) U.S. Department of Commerce (Bureau of Economic Analysis in Henrico County, Annual)
- (3) Henrico County Public Schools Adopted/Approved Annual Financial Plan
- (4) Virginia Employment Commission (Henrico County Economic Profile 6/30/2024)
- (5) Based on a trend average 2018 - 2022

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
TOP TWENTY PRINCIPAL EMPLOYERS  
LAST FIVE FISCAL YEARS  
(Unaudited)**

Table XII

Employer	2025 (1)			2024			2023			2022			2021		
	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Henrico County School Board	5,000-9,999	1	4.1%	5,000-9,999	1	4.1%	5,000-9,999	1	4.0%	5,000-9,999	1	3.9%	5,000-9,999	1	4.0%
County of Henrico	1,000-4,999	2	2.4%	1,000-4,999	2	2.4%	1,000-4,999	2	2.3%	1,000-4,999	2	2.3%	1,000-4,999	2	2.4%
Bon Secours Richmond Health System (2)	1,000-4,999	3	1.6%	1,000-4,999	3	1.6%	1,000-4,999	3	1.6%	1,000-4,999	3	1.6%	1,000-4,999	3	1.7%
Henrico Doctors' Hospital (HCA)	1,000-4,999	4	1.6%	1,000-4,999	4	1.6%	1,000-4,999	4	1.6%	1,000-4,999	4	1.6%	1,000-4,999	4	1.7%
Amazon	1,000-4,999	5	1.6%	1,000-4,999	9	1.6%	1,000-4,999	12	1.6%	500-999	19	0.4%	-	N/A	-
Ppd Development	1,000-4,999	6	1.6%	1,000-4,999	5	1.6%	1,000-4,999	5	1.6%	1,000-4,999	8	1.6%	500-999	11	0.4%
United States Postal Service	1,000-4,999	7	1.6%	1,000-4,999	6	1.6%	1,000-4,999	7	1.6%	1,000-4,999	6	1.6%	1,000-4,999	8	1.7%
Bank of America	1,000-4,999	8	1.6%	1,000-4,999	8	1.6%	1,000-4,999	8	1.6%	1,000-4,999	11	1.6%	1,000-4,999	10	1.7%
Walmart	1,000-4,999	9	1.6%	1,000-4,999	7	1.6%	1,000-4,999	6	1.6%	1,000-4,999	5	1.6%	1,000-4,999	7	1.7%
Ensemble Rcm, LLC	500-999	10	1.6%	1,000-4,999	10	1.6%	1,000-4,999	11	1.6%	500-999	14	0.4%	500-999	12	0.4%
Markel Service, Inc	500-999	11	0.4%	500-999	11	0.4%	500-999	18	0.4%	500-999	17	0.4%	500-999	18	0.4%
Kroger	500-999	12	0.4%	500-999	13	0.4%	500-999	15	0.4%	500-999	15	0.4%	500-999	13	0.4%
Publix Ne Employee Services, LLC	500-999	13	0.4%	500-999	12	0.4%	1,000-4,999	14	1.6%	500-999	16	0.4%	500-999	14	0.4%
Abacus Corporation	500-999	14	0.4%	500-999	14	0.4%	500-999	16	0.4%	500-999	13	0.4%	500-999	16	0.4%
Virginia Department of Social Services	500-999	15	0.4%	500-999	16	0.4%	500-999	19	0.4%	500-999	20	0.4%	-	N/A	-
Colonial Mechanical Corporation	500-999	16	0.4%	-	N/A	-									
American Infrastructure Inc	500-999	17	0.4%	500-999	15	0.4%	-	N/A	-	-	N/A	-	-	N/A	-
Dominion Virginia Power	500-999	18	0.4%	500-999	19	0.4%	-	N/A	-	-	N/A	-	-	N/A	-
ALCS LLC	500-999	19	0.4%	500-999	17	0.4%	-	N/A	-	-	N/A	-	-	N/A	-
Security Forces, Inc.	500-999	20	0.4%	500-999	20	0.4%	-	N/A	-	-	N/A	-	-	N/A	-
Wells Fargo Bank NA	-	N/A	-	500-999	18	0.4%	1,000-4,999	13	1.6%	1,000-4,999	12	1.6%	1,000-4,999	9	1.7%
Anthem (Blue Cross & Blue Shield)	-	N/A	-	-	N/A	-	1,000-4,999	9	1.6%	1,000-4,999	7	1.6%	1,000-4,999	6	1.7%
Apex Systems, Inc.	-	N/A	-	-	N/A	-	1,000-4,999	10	1.6%	1,000-4,999	10	1.6%	500-999	15	0.4%
Capital One Bank	-	N/A	-	-	N/A	-	500-999	17	0.4%	1,000-4,999	9	1.6%	1,000-4,999	5	1.7%
Access America	-	N/A	-	-	N/A	-	500-999	20	0.4%	-	N/A	-	-	N/A	-
T Mobile USA, Inc.	-	N/A	-	-	N/A	-	-	N/A	-	500-999	18	0.4%	500-999	20	0.4%
GNA Corporation	-	N/A	-	500-999	17	0.4%									
Truist Financial (BB&T & SunTrust Banks)	-	N/A	-	500-999	19	0.4%									
Totals			23.3%			23.3%			28.0%			25.7%			23.8%
<b>Total County Employment (3)</b>	<u>187,210</u>			<u>186,866</u>			<u>186,931</u>			<u>185,186</u>			<u>180,323</u>		

**Source:** Virginia Employment Commission  
 Employees and percentage of employment based on size code as published by VEC  
 (1) 2025 Data as of 1st Qtr 2025  
 (2) Non-Resident Employer of Henrico County Citizens  
 (3) VEC Monthly (June) Not Seasonally Adjusted Labor Force

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA**  
**GOVERNMENT EMPLOYEES BY DEPARTMENT (1)**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Table XIII

<b>Function/Program</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Agriculture & Home Extension	2	2	2	2	2	2	2	2	2	2
Belmont Golf Course	8	8	8	8	-	-	-	-	-	-
Board of Supervisors	4	4	4	4	4	4	4	4	4	4
Building Inspections	53	55	55	58	58	58	58	58	58	58
Central Automotive Maintenance	67	67	70	71	71	71	71	72	72	72
Circuit Court Services	8	8	8	10	48	50	50	50	50	51
Commonwealth's Attorney	56	56	57	57	62	61	62	62	63	67
Community Corrections	2	2	2	2	2	4	4	5	5	5
Community Revitalization	17	18	18	19	19	19	20	20	22	24
County Attorney	20	20	20	21	21	21	22	23	23	24
County Manager	14	13	13	12	12	12	12	12	12	12
Electoral Board	8	8	9	9	10	10	9	10	10	10
Emergency Communications (7)	-	-	-	-	-	-	-	-	91	91
Emergency Management (3)	-	-	-	-	-	8	8	8	8	8
Finance	168	163	163	163	170	163	165	163	170	171
Fire	548	562	589	596	606	621	626	638	658	686
General District Court Services (8)	-	-	-	-	-	-	-	-	-	1
General Services	119	118	118	118	118	118	111	104	104	104
Human Resources	57	57	58	58	47	48	48	51	52	49
Hold Complement (2)	6	3	7	1	7	2	4	3	8	7
Information Technology	90	97	97	98	99	107	113	114	112	115
Internal Audit	4	4	4	4	6	6	6	6	7	7
Juvenile Detention & VJCCA	33	33	33	34	34	34	34	34	34	34
Library	197	206	206	210	228	228	228	227	227	227
Mental Health	219	219	219	222	222	222	216	218	217	223
Permit Centers	16	16	16	16	16	16	16	15	15	15
Planning	45	45	45	45	45	45	45	44	43	43
Police	827	842	852	855	864	864	872	894	817	815
Public Relations & Media Services	19	19	19	20	20	20	20	19	20	24
Public Utilities	307	307	309	312	314	309	307	316	322	322
Public Works	259	259	262	263	269	269	288	295	300	313
Real Property (6)	7	7	7	7	7	7	-	-	-	-
Recreation & Parks	170	170	177	177	186	183	181	190	192	200
Outreach and Engagement (9)	-	-	-	-	-	-	-	-	-	6
Risk Management (4)	-	-	-	-	-	7	7	8	8	8
Sheriff	390	390	394	394	396	396	396	397	401	402
Social Services	177	185	192	201	213	213	216	216	219	239
Solid Waste	69	69	67	66	69	69	69	71	71	71
Sports and Entertainment Authority (5)	-	-	-	-	-	-	4	6	7	-
<b>Sub-total General Government</b>	<b>3,986</b>	<b>4,032</b>	<b>4,100</b>	<b>4,133</b>	<b>4,245</b>	<b>4,267</b>	<b>4,294</b>	<b>4,355</b>	<b>4,424</b>	<b>4,510</b>
<b>Education</b>	<b>6,762</b>	<b>6,832</b>	<b>6,868</b>	<b>6,972</b>	<b>7,116</b>	<b>7,146</b>	<b>7,288</b>	<b>7,441</b>	<b>7,620</b>	<b>7,798</b>
<b>Total Government Employees</b>	<b>10,748</b>	<b>10,864</b>	<b>10,968</b>	<b>11,105</b>	<b>11,361</b>	<b>11,413</b>	<b>11,582</b>	<b>11,796</b>	<b>12,044</b>	<b>12,308</b>

**Source:** County of Henrico, Virginia Department of Human Resources (Education complement verified by School Finance Office)

- (1) The County's personnel complement reflected here includes only those positions funded either wholly or in part with County funds. Positions funded 100% by other agencies (384 as of March 4, 2024) are not included. General Government positions are based on headcount while Education positions are measured using FTE.
- (2) Certain approved, vacant and frozen positions have been removed from the department where previously assigned and are being held in the Hold Complement until reassignment is made.
- (3) Prior to 2021, Emergency Management and Workplace Safety fell under the Division of Fire.
- (4) Prior to 2021, Risk Management fell under the Department of Finance.
- (5) The Sports & Entertainment Authority was established in April 2021 and moved to the Special Revenue Fund in FY25.
- (6) Real Property was absorbed by Public Works in November 2021.
- (7) Emergency Communications became a Department on July 1, 2023.
- (8) Judicial Administrative Support position added in FY25.
- (9) Outreach and Engagement became a department in July 2024.

See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Table XIV

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (1)
<b>General Government</b>										
<b>Finance:</b>										
Standard & Poor's G.O. Bond Rating	AAA									
Moody's Investor Service G.O. Bond Rating	Aaa									
Fitch IBCA G.O. Bond Rating	AAA									
Land Parcels Reviewed	114,840	115,532	116,482	117,845	118,300	119,000	120,550	120,742	121,476	122,648
Vehicles Assessed	364,000	389,491	383,083	398,815	405,798	397,458	403,824	403,196	406,527	406,096
GFOA Award Budget - # of Years	27	28	29	30	31	32	33	34	35	36
GFOA Award ACFR - # of Years (2)	36	37	38	39	40	41	42	43	44	45
GFOA Award PAFR - # of Years (9)	-	-	-	1	2	3	4	5	6	7
<b>General Services:</b>										
Fleet Annual Miles Driven	24,262,178	25,273,320	17,956,232	24,805,401	22,527,054	18,352,586	20,557,130	20,557,130	26,812,238	27,000,000
Gallons of Fuel Consumed	2,974,784	3,045,532	2,982,165	3,029,706	2,612,758	2,030,793	2,762,704	2,762,704	2,855,029	2,875,000
Total Work Orders Completed	20,676	20,782	21,995	22,729	26,500	22,997	23,893	21,795	25,592	25,375
<b>Information Technology (4)</b>										
Support Desk - Tickets	5,035	7,419	8,859	10,402	10,823	13,729	17,782	17,782	20,354	20,900
Support Desk - Call Queue	-	-	6,322	6,127	5,286	6,227	6,976	6,976	8,192	8,600
Systems - Virtual Servers	310	375	354	348	331	486	507	552	549	510
Systems - Physical Servers	99	104	77	78	78	60	202	182	169	102
Systems - Onsite Storage in TB	310	451	318	322	550	1,182	1,500	1,500	1,149	1,611
Systems - Cloud Storage in TB	6	6	7	8	16	17	20	20	43	56
<b>Judicial Administration</b>										
<b>Clerk of Circuit Court:</b>										
Deed Book Entries	43,000	42,752	43,000	40,194	42,750	57,027	64,339	41,520	30,530	33,156
Civil Cases	4,000	4,659	4,100	5,493	2,467	2,383	4,909	4,971	5,078	5,083
Criminal Cases	5,650	6,650	5,600	5,554	5,551	4,660	5,450	6,075	6,023	6,335
<b>General District Courts:</b>										
New Criminal Cases Filed	14,574	15,573	15,402	16,962	16,851	13,481	13,130	13,027	13,100	13,316
New Civil Cases Filed	34,411	36,935	36,223	38,862	38,497	24,553	27,711	34,958	38,364	42,355
New Traffic Cases Filed	54,325	53,817	54,784	56,173	54,785	36,244	46,481	47,699	47,699	56,993
<b>Commonwealth's Attorney:</b>										
Criminal Cases	41,890	45,037	45,284	46,175	50,108	47,538	47,538	41,640	41,752	42,100
Traffic Cases	79,778	76,134	77,622	77,022	92,375	78,521	78,521	71,089	77,258	72,100
<b>Public Safety</b>										
<b>Police:</b>										
Calls for Service	211,832	212,154	217,971	208,950	194,591	187,276	195,368	196,265	185,522	181,979
Criminal Arrests	20,111	22,689	20,969	21,519	21,188	36,283	25,444	26,833	24,327	23,429
Traffic Arrests	43,149	44,613	40,931	47,191	41,786	31,354	32,942	33,703	30,569	28,686
<b>Fire Protection:</b>										
Calls For Service	47,948	49,235	50,287	48,004	46,006	48,080	48,080	54,542	57,094	59,676
EMS and Rescue Calls	39,660	41,216	41,688	39,965	38,296	40,259	40,259	45,775	47,666	49,493
Fire Incidents	764	768	774	637	806	7,821	7,821	8,767	9,428	10,183
<b>Sheriff:</b>										
Civil Papers Served	117,462	122,337	123,896	120,566	121,907	68,588	89,124	132,000	111,866	132,500
Annual Commitals to Jail	15,613	15,049	14,516	14,741	13,368	11,275	11,796	12,500	12,636	13,500
Average Daily Inmate Population	1,177	1,350	1,436	1,403	1,337	1,178	1,037	1,200	1,300	1,400
<b>Building Inspections:</b>										
Total Permits Issued	13,700	15,773	16,322	15,998	15,724	16,624	11,252	15,493	15,168	14,104
Total Inspections	69,931	81,983	92,685	96,611	87,157	91,157	65,489	73,423	70,315	66,084
<b>Public Works</b>										
<b>Public Works:</b>										
Lane Miles Maintained	3,498	3,516	3,524	3,533	3,547	3,555	3,563	3,575	3,643	3,655
Traffic Signals Maintained	150	154	155	156	161	169	175	179	185	200
Development Plans Reviewed	1,828	1,922	2,315	1,929	1,606	882	1,404	1,325	1,550	1,475
<b>Health and Social Services</b>										
<b>Public Health:</b>										
Nursing Home Screening (5)	707	729	703	663	700	606	622	625	793	880
WIC Average Monthly Participation (6)	5,099	4,776	4,671	4,583	4,800	5,279	5,113	5,282	4,600	5,300
Patient Visits	13,787	15,117	14,259	14,472	14,100	7,033	8,334	9,259	9,540	9,500
<b>Social Services:</b>										
Clients Entering Employment	436	511	527	414	292	161	197	219	391	292
Foster Home Approval (Kinship & Non-relative) (10)	10	8	12	21	31	28	30	31	56	65
<b>Education</b>										
<b>Schools:</b>										
Cost Per Student	\$ 9,644	\$ 9,790	\$ 10,051	\$ 10,586	\$ 10,848	\$ 11,375	\$ 12,981	\$ 13,556	\$ 14,959	\$ 15,590
Teaching Positions	3,833	3,906	3,917	3,993	4,056	4,076	4,181	4,212	4,339	4,385
Student/Teacher Ratio	13.1	12.9	12.8	12.6	12.4	11.9	11.7	11.6	11.3	11.2
<b>Parks, Recreation and Cultural:</b>										
<b>Recreation:</b>										
Park Visitation	3,334,908	3,570,480	3,492,505	3,756,148	4,091,180	5,250,825	6,295,787	6,552,624	6,295,787	6,700,000
Program Participants	40,350	25,804	97,487	97,726	84,530	31,510	41,574	105,663	75,835	83,790
Recreation Programs	1,199	1,147	1,322	1,311	1,215	480	975	1,344	1,700	1,700
<b>Library:</b>										
Customer Visits	1,958,700	2,137,664	2,145,850	2,055,948	1,386,023	550,665	1,100,350	1,338,271	1,419,633	1,476,418
Annual Circulation of Materials	4,051,024	4,201,479	4,164,126	4,147,567	3,394,797	2,551,085	3,333,305	3,546,845	3,675,228	3,833,501
<b>Community Development</b>										
<b>Economic Development (3):</b>										
Square Footage of New Businesses	208,544	81,897	1,145,045	1,564,114	248,150	3,133,600	1,200,000	28,797,000	1,576,209	775,000
New Jobs Created	163	173	433	320	978	1,417	1,271	641	396	700
<b>Planning:</b>										

**HENRICO COUNTY, VIRGINIA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Table XIV

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (1)
Reviews Completed	342	314	360	288	323	282	347	306	314	260
Petitions and Permits Processed	92	123	103	121	103	148	152	115	152	176
Maps Prepared	1,154	1,296	979	1,274	1,207	1,178	1,142	963	1,080	786
<b>Community Development (con't)</b>										
<b>Community Revitalization:</b>										
Community Maintenance Cases	12,496	13,040	11,170	12,793	10,581	7,580	8,638	9,190	7,618	8,379
Inspections Made	32,532	35,600	30,451	37,117	30,929	21,868	27,199	26,453	17,403	19,143
Volunteers Hours Worked (8)	4,638	4,336	2,256	3,099	475	-	504	356	339	373
<b>Permit Center:</b>										
Permit Applications Received (11)	5,519	5,214	4,004	5,616	5,248	4,933	7,432	9,178	7,854	6,792
Permit Applications Reviewed	10,283	9,178	8,724	6,509	7,550	9,244	6,925	11,339	13,422	13,519
Permits Issued	5,375	4,718	5,201	4,264	4,911	4,444	4,688	6,333	5,210	4,859
Inquiries	16,345	15,556	17,955	11,916	14,056	14,773	10,178	34,017	29,896	37,397
<b>Public Utilities</b>										
<b>Solid Waste:</b>										
Number of Customers	46,586	47,955	49,088	50,127	50,730	52,472	53,735	54,893	55,503	56,000
Tons of Waste Collected (7)	47,511	52,774	50,340	55,384	55,235	58,296	57,597	55,070	56,036	56,350
Tons Deposited in Public Use Areas	23,903	27,836	25,504	26,791	29,075	32,530	29,095	28,563	26,626	29,000
<b>Water and Sewer:</b>										
Number of Water Customers	96,811	97,546	98,527	99,435	100,259	100,964	101,667	102,305	103,083	104,100
Number of Sewer Customers	93,939	94,538	95,493	96,383	97,208	97,892	98,591	99,231	99,965	100,800
Fire Hydrants in Service	12,880	13,011	13,236	13,388	13,513	13,668	13,849	14,044	14,256	14,350

Source: Approved County Budget

- (1) FY2025 column data is revised budget not actual, where actual data is not yet available.
  - (2) Error reported in previous years was corrected in 2017.
  - (3) New metrics used beginning in 2018. Data for prior years listed when obtainable.
  - (4) New metrics used beginning in 2018. Data for prior years listed when obtainable.
  - (5) New metric used beginning in 2020. Data for prior years listed.
  - (6) New metric used beginning in 2020. Data for prior years listed when obtainable.
  - (7) Bulky waste pickups and neighborhood cleanups were halted during FY21 in response to COVID-19. Bulky waste pickups are now being performed by contractors.
  - (8) In response to COVID-19, all volunteer assistance programs were suspended beginning in March 2020.
  - (9) Received a GFOA Award for the 2019 PAFR during 2020. The 2019 PAFR was Henrico County's first issuance.
  - (10) New metric used beginning in 2021. Data for prior years listed when obtainable.
  - (11) Measure renamed Completeness Checks (POSSE) in FY25
- See accompanying independent auditors' report.

**HENRICO COUNTY, VIRGINIA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Table XV

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (1)
<b>General Government</b>										
Vehicles	482	602	598	611	493	594	612	631	622	637
Building Square Footage	2,810,500	2,810,500	2,821,706	2,914,383	2,930,423	2,944,374	2,944,374	2,944,374	2,979,377	2,667,377
Food Service Facilities (5)	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
<b>Police:</b>										
Vehicles	778	803	820	830	865	829	842	833	839	877
Police Stations	3	3	3	3	3	3	3	3	3	3
Police Field Offices	2	2	2	2	2	1	1	2	2	1
<b>Sheriff:</b>										
Vehicles	71	75	75	76	68	84	84	85	82	82
Prisoner Facilities	2	2	2	2	2	2	2	2	2	2
<b>Juvenile &amp; Domestic Relations</b>										
Juvenile Detention Facilities	2	2	2	2	2	2	2	2	2	2
<b>Fire Protection:</b>										
Vehicles	226	205	210	209	205	210	219	235	216	226
Stations	20	20	21	21	21	21	21	22	22	23
<b>Public Works:</b>										
Vehicles	357	347	346	349	343	361	364	359	370	365
Miles of Maintained Roads	1,370	1,376	1,379	1,382	1,390	1,392	1,393	1,399	1,413	1,416
Miles of Storm Drainage	1,553	1,600	1,636	1,639	1,666	1,686	1,691	1,693	1,750	1,697
<b>Education</b>										
<b>Schools:</b>										
Vehicles	1,203	1,220	1,184	1,179	1,186	1,184	1,158	1,201	1,164	1,127
School Facilities	72	72	72	72	72	74	75	75	74	72
<b>Recreation and Cultural</b>										
<b>Recreation:</b>										
Recreation/Community Centers	21	21	21	20	20	20	20	20	20	20
Developed Park Acreage	2,584	2,584	2,792	3,346	3,355	3,364	3,364	3,364	3,364	3,364
Athletic Fields/Courts	200	200	210	225	235	248	248	248	248	248
County Golf Courses (4)	1	1	1	1	-	-	-	-	-	-
<b>Library:</b>										
Number of Libraries (3)	11	10	10	10	10	10	10	10	10	10
Titles in Collection	329,139	328,026	276,482	315,711	335,919	341,035	334,197	328,261	339,067	352,170
Volumes in Collection	833,141	741,877	754,993	809,032	873,939	913,188	865,646	878,980	871,705	913,927
<b>Public Utilities</b>										
<b>Water and Sewer:</b>										
Vehicles	393	370	376	380	343	390	398	407	384	391
Miles of Water Mains	1,607	1,622	1,634	1,641	1,647	1,657	1,670	1,683	1,697	1,697
Miles of Sewer Mains	1,491	1,504	1,514	1,522	1,528	1,532	1,540	1,551	1,559	1,559
Landfills (2)	-	-	-	-	-	-	-	-	-	-

Source: Approved County Budget

(1) FY2025 column data is revised budget not actual, where actual data is not yet available.

(2) The Springfield Landfill was closed June 30, 2014.

(3) As of 2017, bookmobile no longer included in total.

(4) The First Tee of Greater Richmond is leasing Belmont Golf Course for twenty years, effective January 1, 2020.

(5) Café 1611 closed during the COVID-19 pandemic and hasn't reopened yet.

See accompanying independent auditors' report.