NEW ISSUE
BOOK-ENTRY ONLY

Moody's	**"Aa1"**
Fitch:	**"AA+"**
S&P:	**"AA+"**

(see "RATINGS" herein)

In the opinion of Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the Bonds (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986 (the "Code"), and (ii) is not treated as a preference item in calculating the alternative minimum tax imposed under the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. See "TAX MATTERS".

In the opinion of Bond Counsel to the Authority, under existing statutes of the Commonwealth of Virginia, interest on the Bonds is not includable in computing the Virginia income tax.

OFFICIAL STATEMENT RELATING TO THE ISSUANCE OF

$41,220,000
ECONOMIC DEVELOPMENT AUTHORITY OF HENRICO COUNTY, VIRGINIA
REVENUE BONDS, SERIES 2024B
(HENRICO COUNTY GOVERNMENT PROJECT)

Dated: Date of Delivery **Due: As shown on the inside cover**

The Economic Development Authority of Henrico County, Virginia Revenue Bonds, Series 2024B (Henrico County Government Project) (the "Bonds") will be limited obligations of the Economic Development Authority of Henrico County, Virginia (the "Authority"), payable solely from payments to be made by the County of Henrico, Virginia (the "County"), pursuant to a Support Agreement, dated as of April 1, 2024 (the "Support Agreement"), by and between the Authority and the County. **THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS UNDER THE SUPPORT AGREEMENT IS SUBJECT TO ANNUAL APPROPRIATIONS BY ITS BOARD OF SUPERVISORS, WHICH IS UNDER NO LEGAL OBLIGATION TO MAKE SUCH APPROPRIATIONS. NEITHER THE BONDS NOR THE SUPPORT AGREEMENT WILL CONSTITUTE A DEBT OF THE AUTHORITY OR THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY OR THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.**

The Bonds will bear interest payable on August 1, 2024 and semiannually on each February 1 and August 1 thereafter. The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. The Bonds will be available to purchasers in the denomination of $5,000, or any integral multiple thereof, under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC participants. PURCHASERS WILL NOT RECEIVE DELIVERY OF THE BONDS. FOR AS LONG AS ANY PURCHASER IS THE BENEFICIAL OWNER OF A BOND, SUCH PURCHASER MUST MAINTAIN AN ACCOUNT WITH A BROKER OR DEALER WHO IS, OR ACTS THROUGH, A DTC PARTICIPANT TO RECEIVE PAYMENT OF PRINCIPAL AND REDEMPTION PRICE OF AND INTEREST ON SUCH BOND. See "DESCRIPTION OF THE BONDS -Book-Entry Only System".

The Bonds are subject to redemption prior to their stated maturities as provided herein.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about April 23, 2024.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, together with the attached Appendices, to obtain information essential to making an informed investment decision.

Date: April 9, 2024

$41,220,000
Economic Development Authority of Henrico County, Virginia
Revenue Bonds, Series 2024B
(Henrico County Government Project)

Year (August 1)	Principal Amount	Interest Rate	Yield	CUSIP**
2024	$2,060,000	5.00%	3.23%	42605PEJ0
2025	2,065,000	5.00	3.28	42605PEK7
2026	2,065,000	5.00	3.09	42605PEL5
2027	2,065,000	5.00	2.86	42605PEM3
2028	2,065,000	5.00	2.75	42605PEN1
2029	2,060,000	5.00	2.68	42605PEP6
2030	2,060,000	5.00	2.66	42605PEQ4
2031	2,060,000	5.00	2.65	42605PER2
2032	2,060,000	5.00	2.67	42605PES0
2033	2,060,000	5.00	2.70	42605PET8
2034	2,060,000	5.00	2.72	42605PEU5
2035	2,060,000	5.00	2.85*	42605PEV3
2036	2,060,000	5.00	2.92*	42605PEW1
2037	2,060,000	5.00	3.08*	42605PEX9
2038	2,060,000	5.00	3.13*	42605PEY7
2039	2,060,000	4.00	3.53*	42605PEZ4
2040	2,060,000	4.00	3.64*	42605PFA8
2041	2,060,000	4.00	3.73*	42605PFB6
2042	2,060,000	4.00	3.78*	42605PFC4
2043	2,060,000	4.00	3.90*	42605PFD2

* Yield to the August 1, 2034 optional redemption date.
** CUSIP numbers have been assigned by an organization not affiliated with the Authority or the County and are included solely for the convenience of the holders of the Bonds. Neither the Authority nor the County is responsible for the selection or uses of the CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated above.

THE COUNTY OF HENRICO, VIRGINIA

BOARD OF SUPERVISORS

TYRONE E. NELSON, *Chairman*

DANIEL J. SCHMITT, *Vice-Chairman*

ROSCOE D. COOPER III

JODY K. ROGISH

MISTY D. WHITEHEAD

COUNTY OFFICIALS

JOHN A. VITHOULKAS, *County Manager*

CARI M. TRETINA, *Deputy County Manager – Chief of Staff*

W. BRANDON HINTON, *Deputy County Manager 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*

ANDREW R. NEWBY, *County Attorney*

SHEILA S. MINOR, *Director of Finance*

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

FINANCIAL ADVISOR

Davenport & Company LLC
Richmond, Virginia

No dealer, broker, salesman or other person has been authorized by the Authority or the County to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement (which includes all Appendices to this Official Statement) has been obtained from the Authority and the County and other sources that are deemed reliable. The information in this Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. The delivery of this Official Statement, any sale made under it or any filing or other use of it will not, under any circumstances, create any implication that there has been no change in the affairs of the County since the date of this Official Statement or imply that any information in this Official Statement is accurate or complete as of any later date. This Official Statement is not to be construed as a contract or agreement between the Authority or the County and the purchasers or owners of any of the Bonds.

U.S. Bank Trust Company, National Association, as Trustee under that certain Indenture of Trust, dated as of April 1, 2024, has neither reviewed nor participated in the preparation of this Official Statement.

The Bonds will be exempt from registration under the Securities Act of 1933, as obligations of a political subdivision of the Commonwealth of Virginia. The Bonds also will be exempt from registration under the securities laws of the Commonwealth of Virginia.

The electronic distribution of this Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds described herein to the residents of any particular state and is not specifically directed to the residents of any particular state. The Bonds will not be offered or sold in any state unless and until they are either registered pursuant to the laws of such state, or qualified pursuant to an appropriate exemption from registration in such state.

In making an investment decision investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this offering document for purposes of, and as that term is defined in, Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend," "projection" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in APPENDIX A to this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Neither the Authority nor the County plans to issue any updates or revisions to those forward-looking statements.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

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OFFICIAL STATEMENT
RELATING TO THE ISSUANCE OF

$41,220,000
ECONOMIC DEVELOPMENT AUTHORITY OF
HENRICO COUNTY, VIRGINIA
REVENUE BONDS, SERIES 2024B
(HENRICO COUNTY GOVERNMENT PROJECT)

INTRODUCTION

The purpose of this Official Statement is to furnish information in connection with the issuance and sale by the Economic Development Authority of Henrico County, Virginia (the "Authority") of its $41,220,000 aggregate principal amount of its Revenue Bonds, Series 2024B (Henrico County Government Project) (the "Bonds"). The Bonds will be limited obligations of the Authority, payable solely from payments to be made by the County of Henrico, Virginia (the "County"). **The County's obligations to make payments with respect to the Bonds is subject to annual appropriation by the Board of Supervisors of the County (the "Board of Supervisors"). Payment of the principal and redemption price of and interest on the Bonds is more fully described under the caption "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" below.** Financial and other information contained in this Official Statement relating to the County has been prepared by the County from its records (except where other sources are noted).

The following introductory material is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement, including the Appendices hereto, reference to which is hereby made for all purposes.

The Bonds will be issued for the purpose of financing governmental facility projects for the County, including public safety projects, recreation and parks facilities projects, historical preservation projects, economic development projects and the acquisition of land to be used by the County for such governmental facility projects and other County purposes, and to pay costs of issuance of the Bonds.

Under the provisions of a Support Agreement, dated as of April 1, 2024 (the "Support Agreement"), by and between the County and the Authority, as security for the payment of the debt service on the Bonds, the County has agreed to make payments in each fiscal year of the County, subject to annual appropriation by the Board of Supervisors, in an amount equal to the debt service coming due on the Bonds in such fiscal year.

The Bonds will be limited obligations of the Authority and will be issued pursuant to the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49, Code of Virginia, 1950, as amended (the "Act"), and an Indenture of Trust, dated as of April 1, 2024 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, Richmond, Virginia, as Trustee (the "Trustee"). As security for the Bonds, the Authority will assign to the Trustee, for the benefit of the registered owners of the Bonds (the "Bondholders"), all of the Authority's rights under the Support Agreement (except its rights to receive certain notices and to give consents). Payments by the County under the Support Agreement, to the extent appropriated annually by the Board of Supervisors, are expected to be sufficient to enable the Authority to pay principal and redemption price of and interest on the Bonds. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS".

THE COUNTY HAS UNDERTAKEN UNDER THE TERMS OF THE SUPPORT AGREEMENT TO MAKE PAYMENTS, SUBJECT TO ANNUAL APPROPRIATION, IN AN AMOUNT EQUAL TO THE DEBT SERVICE COMING DUE ON THE BONDS IN EACH FISCAL YEAR. THE COUNTY'S OBLIGATION TO MAKE ANY SUCH PAYMENT IN ANY FISCAL YEAR IS SUBJECT TO AND DEPENDENT ON AN APPROPRIATION BY THE BOARD OF SUPERVISORS IN AN AMOUNT EQUAL TO THE PAYMENT DUE UNDER THE SUPPORT AGREEMENT FOR THE DEBT SERVICE COMING DUE ON THE BONDS FOR SUCH FISCAL YEAR. THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS UNDER THE SUPPORT AGREEMENT, WHICH INCLUDES ANY FEES AND EXPENSES OF THE TRUSTEE AND THE

AUTHORITY AND PAYMENTS OF ANY ARBITRAGE REBATE AMOUNTS DUE TO THE UNITED STATES, DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY. THE BONDS WILL NOT CONSTITUTE A DEBT OF THE COUNTY, THE COMMONWEALTH OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY, AND WILL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

A more complete description of the Indenture and the Support Agreement is provided in "EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE AND THE SUPPORT AGREEMENT" in Appendix C. All capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in said Appendix C.

THE AUTHORITY

The Authority was created by an ordinance adopted by the Board of Supervisors of the County on November 13, 1968 and readopted on December 11, 1968. Its name was changed to its current name pursuant to an ordinance adopted by the Board of Supervisors on July 13, 1999. The Authority is a political subdivision of the Commonwealth of Virginia governed by a ten-member board of directors appointed by the Board of Supervisors. The Authority is empowered, among other things, to acquire, construct, maintain, equip, own, lease and dispose of various types of facilities, including facilities for use by the County, and to finance and refinance the same by the issuance of its revenue bonds. The Board of Supervisors requested the Authority to undertake the financing of the Project for the County's governmental purposes. THE BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY AS DESCRIBED IN THE SECTION "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." The Authority has no taxing power.

The Authority has issued revenue obligations for various other projects. Each series of such other revenue bonds is payable from receipts and revenues derived by the Authority from the facility on behalf of which such bonds or notes were issued and is secured separately and distinctly from the issues for each other facility.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

The Bonds will be equally and ratably secured by (i) the assignment by the Authority of certain rights of the Authority under the Support Agreement, including the right to receive the payments the County has agreed to make on behalf of the Authority, subject to annual appropriation by the Board of Supervisors of the County, in an amount equal to the debt service coming due on the Bonds during such fiscal year, and (ii) amounts, if any, on deposit in the funds established under the Indenture.

THE BONDS AND THE INTEREST THEREON WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY UNDER THE SUPPORT AGREEMENT, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT THEREOF, AND FROM AMOUNTS, IF ANY, ON DEPOSIT IN CERTAIN FUNDS ESTABLISHED UNDER THE INDENTURE. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COST INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS UNDER THE SUPPORT AGREEMENT DOES NOT CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION NOR A LIABILITY OF OR A LIEN OR CHARGE UPON FUNDS OR PROPERTY OF THE COUNTY BEYOND ANY FISCAL YEAR FOR WHICH THE COUNTY HAS APPROPRIATED MONEYS TO MAKE SUCH PAYMENTS. NEITHER THE TRUSTEE NOR THE AUTHORITY SHALL HAVE ANY OBLIGATION OR LIABILITY TO THE BONDHOLDERS WITH RESPECT TO THE COUNTY'S OBLIGATIONS TO MAKE PAYMENTS UNDER THE SUPPORT AGREEMENT OR WITH RESPECT TO THE PERFORMANCE BY THE COUNTY OF ANY OTHER COVENANT CONTAINED THEREIN.

Support Agreement

Pursuant to the terms of the Support Agreement, the County has covenanted and agreed, subject to appropriation by the Board of Supervisors, to provide funds in each fiscal year of the County sufficient to pay the Authority's Payment Obligations (as defined in the Support Agreement and which includes debt service on the Bonds) as and when the same become due. The County has agreed in the Support Agreement to pay, subject to appropriation, debt service coming due on the Bonds, directly to the Trustee, at least fifteen (15) days prior to each regularly scheduled principal and interest payment date.

The County Manager of the County or other officer charged with the responsibility for preparing the County's budget must include in the proposed budget for each fiscal year beginning on and after July 1, 2024 the amount of the Authority's Payment Obligations payable during such fiscal year. The County Manager or other officer of the County shall use his or her best efforts to obtain the annual appropriations of the Authority's Payment Obligations.

In the event the Board of Supervisors fails to include in the adopted budget of the County for any fiscal year beginning on or after July 1, 2024 and fails to appropriate funds sufficient to pay the Authority's Payment Obligations for such fiscal year, the County Manager or other officer charged with the responsibility for preparing the County's budget shall immediately and in no event more than thirty (30) days after such failure is discovered make an urgent request to the Board of Supervisors to amend the budget of the County for such fiscal year and to appropriate funds sufficient to pay the Authority's Payment Obligations for such fiscal year. Under the Support Agreement, upon such amount being included in the annual budget of the County for such fiscal year and the appropriation therefor having been made, effective as of the first day of such fiscal year, the County shall be obligated to pay the Authority's Payment Obligations for such fiscal year. See Appendix C – "Excerpts of Certain Provisions of the Indenture and the Support Agreement."

Non-Appropriation

The County's obligation to provide funds sufficient to pay the Authority's Payment Obligations under the Support Agreement as and when due are subject to annual appropriation by the Board of Supervisors of the County. In the event the County fails to appropriate funds sufficient to pay the Authority's Payment Obligations, the Trustee will be unable to pay the principal of and interest on the Bonds. The failure of the Board of Supervisors to appropriate funds to pay the Authority's Payment Obligations shall not constitute an event of default under the Support Agreement. See Appendix C – "Excerpts of Certain Provisions of the Indenture and the Support Agreement."

Bonds Not Secured by a Debt Service Reserve Fund

The Bonds are not secured by a debt service reserve fund.

No Security Interest in Project or Other Facilities

The Indenture and the Support Agreement do not grant the Trustee a security interest in the Project or in any other facilities to be financed with the proceeds of the Bonds.

DESCRIPTION OF THE BONDS

Interest, Maturities and Places of Payment

The Bonds will be dated the date of their delivery, will bear interest from their date, payable on August 1, 2024 and semiannually on each February 1 and August 1 thereafter, at the rates per annum set forth on the inside cover page of this Official Statement and will mature on August 1 in each of the years and in the aggregate principal amounts set forth on the inside cover page of this Official Statement.

Book-Entry-Only Bonds

The Bonds will be issued in fully-registered form in the denominations of $5,000 or whole multiples thereof and will be held by The Depository Trust Company ("DTC"), or its nominee, as securities depository with respect to the Bonds. Purchases of beneficial ownership interest in the Bonds will be made only in book-entry form and individual purchasers will not receive physical delivery of Bond certificates. Reference is made to Appendix E for a description of DTC and DTC's book-entry system.

Optional Redemption

The Bonds maturing on and after August 1, 2035 may be redeemed prior to their respective maturity dates, on or after August 1, 2034, at the option of the County, as a whole or in part at any time, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with the interest accrued thereon to the date fixed for the redemption thereof.

Selection of Bonds for Redemption

If less than all of the Bonds are to be redeemed, the particular maturities of Bonds to be redeemed at the option of the Authority will be determined by the Authority in its sole discretion at the direction of the County. In the event less than all of the Bonds of a particular maturity are called for redemption, the particular Bonds of such maturity or portion thereof in installments of $5,000 to be redeemed shall be selected by lot. So long as the Bonds are in book-entry only form and registered in the name of Cede & Co., as nominee of DTC, if less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the interest of each Direct Participant in such issue being redeemed. See "DESCRIPTION OF THE DEPOSITORY TRUST COMPANY AND THE BOOK-ENTRY SYSTEM" in Appendix E.

Notice of Redemption

Notice of redemption will be given by the Trustee, not less than thirty (30) days nor more than forty-five (45) days before the redemption date by facsimile or other electronic means, registered or certified mail, overnight express delivery or such other means acceptable to the holders of the Bonds, the securities depositories and the MSRB, as applicable, (A) to the holder of each Bond to be redeemed at their address as it appears on the registration books kept by the Trustee, and (B) to all organizations registered with the Securities and Exchange Commission as securities depositories. The Trustee will file the redemption notice in electronic format with the MSRB through its Electronic Municipal Market Access (EMMA) System pursuant to procedures promulgated by the MSRB. Such notice must (i) specify the Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the Bonds are to be redeemed, the numbers of the Bonds and the portions of Bonds to be redeemed and (ii) state that on the redemption date, the Bonds to be redeemed will cease to bear interest. The Trustee may condition a call for redemption on the deposit with the Trustee of sufficient funds on or before the redemption date to retire the Bonds selected for redemption and, if sufficient funds are not available, such call for redemption will be revoked.

Effect of Redemption

If moneys are on deposit in the Bond Fund to pay the principal amount of the Bonds called for redemption and accrued interest thereon on a redemption date, Bonds or portions thereof thus called and provided for as specified in the Indenture will not bear interest after such redemption date and will not be considered to be Outstanding or to have any other rights under the Indenture other than the right to receive payment.

Certain Additional Provisions of the Indenture

Discharge. On payment in full of all of the Bonds, the Indenture shall cease, terminate and be discharged, and then the Trustee, on receipt by the Trustee of an opinion of Counsel stating that all conditions precedent to the satisfaction and discharge of the Indenture have been complied with, shall (i) cancel and discharge the Indenture and (ii) assign and deliver to the County any money held by it relating to the Bonds; *provided, however*, that the cancellation and discharge of the Indenture as described below under "Provision for Payment of Bonds" does not terminate the powers and rights granted to the Trustee, the Registrar and the Paying Agent with respect to the payment, registration of transfer and exchange of the Bonds.

Provision for Payment of Bonds. Bonds are deemed to have been paid within the meaning of the Indenture if:

(a) there has been irrevocably deposited with the Trustee either (1) sufficient money to pay the principal and interest due on all Outstanding Bonds or (2) Government Obligations of such maturities and interest payment dates and bearing such interest as will, in the opinion of a firm of independent certified public accountants or other verification agent acceptable to the Authority and the County, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (such earnings also to be held in trust), be sufficient together with any moneys referred to in (a)(1) above, for the payment at their respective maturities or redemption dates before maturity of the principal thereof, and the interest to accrue thereon at such maturity or redemption dates, as the case may be;

(b) there has been paid or provision duly made for the payment of all fees and expenses of the Trustee, the Registrar and the Paying Agent due or to become due; and

(c) if any Bonds are to be redeemed on any date before their maturity, the Trustee has received in form satisfactory to it irrevocable instructions from the Authority at the direction of the County to redeem such Bonds on such date and either evidence satisfactory to the Trustee that all redemption notices required by the Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices has been granted to the Trustee.

Supplemental Indentures. The Authority and the Trustee, but without the consent of or notice to any Owners, may enter into an indenture or indentures supplemental to the Indenture that do not materially adversely affect the interest of the Owners for one or more of the following purposes: (a) to grant to or confer on the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee, (b) to grant or pledge to the Trustee for the benefit of Owners any additional security other than that granted or pledged under the Indenture, (c) to modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute then in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the States of the United States, (d) to appoint a successor Trustee, separate trustees or co-trustees in the manner provided in the Indenture, (e) to modify, amend or supplement the Indenture for the purpose of obtaining or retaining a rating on the Bonds from a Rating Agency, (f) to modify, amend or supplement the Indenture to permit a transfer of Bonds from one securities depository to another or the discontinuance of the book-entry system and issuance of replacement Bonds to the beneficial owners, (g) to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indenture that may be defective or inconsistent with any provision contained therein, or to make such other provisions in regard to matters or questions arising under the Indenture which will not materially adversely affect the interest of the Owners, or (h) to modify, amend or supplement the Indenture to permit the Paying Agent or the Registrar to assume any administrative duties of the Trustee thereunder or for the Trustee to assume any administrative duties of the Paying Agent or the Registrar thereunder.

Amendments to Indenture; Consent of Owners. Exclusive of supplemental indentures described above and subject to the terms and provisions contained in the Indenture, and not otherwise, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and affected by such indenture or indentures supplemental thereto, have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and direct the execution by the Trustee of such other indenture or indentures supplemental thereto as the Authority in its sole discretion shall consent to for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; *provided, however,* that nothing described in this paragraph permits, or may be construed as permitting, without the consent of the Owners of all Outstanding Bonds, (a) an extension of the maturity of the principal of, or the mandatory redemption date of, or the interest payment date on, any Bond, (b) a reduction in the principal amount of, or the rate of interest on, any Bond, (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (d) a reduction in the aggregate principal amount of the Bonds required for any consent to any supplemental indenture or (e) a modification or change in the duties of the Trustee under the Indenture without the consent of the Trustee.

Amendments to Support Agreement Not Requiring Consent of Bondholders. Except as provided in the Indenture, the Authority, the County and the Trustee shall, without the consent of or notice to the Owners of the Bonds, consent to any amendment, change or modification of the Support Agreement, as may be required: (a) by the provisions of the Support Agreement or the Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission therein or (c) in connection with any other amendment, change or modification therein consented to by the County and the Authority.

Limitation on Amendments to Support Agreement. No amendment, change or modification may decrease the obligation of the County under the Support Agreement to pay, subject to annual appropriation, amounts sufficient to pay principal and redemption price of and interest on the Bonds as the same become due.

PLAN OF FINANCING

The proceeds of the sale of the Bonds, exclusive of the costs of issuance thereof, will be applied to provide financing for the County of the costs of governmental facility projects for the County, including public safety projects, recreation and parks facilities projects, historical preservation projects, economic development projects and the acquisition of land to be used by the County for such governmental facility projects and other County purposes.

SOURCES AND USES OF FUNDS

Sources:		
	Principal Amount of the Bonds	$41,220,000
	Original Issue Premium	4,148,926
	Total Sources	**$45,368,926**
Uses:		
	Deposit to Project Fund	$45,000,000
	Issuance Expenses	250,437
	Underwriting Compensation	118,489
	Total Uses	**$45,368,926**

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and validity of the Bonds are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority. The opinion of Bond Counsel relating to the Bonds, the form of which is set forth as Appendix D to this Official Statement, will be furnished at the expense of the County upon delivery of the Bonds and will be appended to the Bonds. Bond

Counsel will express no opinion of any kind as to the Official Statement, and its opinion will be limited to matters relating to the authorization, validity and tax status of the Bonds.

Certain legal matters are to be passed upon for the County by the County Attorney or Deputy County Attorney.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel to the Authority, under existing statutes and court decisions and assuming compliance with certain tax covenants described herein, interest on the Bonds (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and (ii) is not treated as a preference item in calculating the alternative minimum tax imposed under the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinions, Bond Counsel has relied on certain representations, certifications of fact and statements of reasonable expectations made by the Authority and the County in connection with the Bonds, and Bond Counsel has assumed compliance by the Authority and the County with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Authority, under existing statutes of the Commonwealth of Virginia, interest on the Bonds is not includable in computing the Virginia income tax.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

The proposed form of the opinion of Bond Counsel is set forth as Appendix D to this Official Statement.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, without regard to the date on which such noncompliance occurs or is discovered. The Authority and the County have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Bond Premium

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification", or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

SALE AT COMPETITIVE BIDDING

The Bonds were sold at competitive bidding on April 9, 2024.

The Bonds were awarded to Truist Securities, Inc. (the "Underwriter") at a price to the Authority that results in underwriting compensation in the amount of $118,489.20 from the initial public offering prices derived from the yields for the Bonds shown on the inside cover page of this Official Statement. The Underwriter supplied the information as to the initial public offering yields for the Bonds shown on such inside cover page. The Underwriter may offer to sell the Bonds to certain dealers and others at prices lower than the initial public offering prices, or prices derived from the yields, shown on such inside cover page.

RATINGS

The County, on behalf of the Authority, has applied to Fitch Ratings, Inc., Moody's Investors Service, Inc. and S&P Global Ratings for credit ratings on the Bonds. The initial credit ratings are set forth on the cover page of this Official Statement. An explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. The County furnished to such rating agencies the information contained in this Official Statement and certain publicly available materials and information about the County. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies, and assumptions of the rating agencies. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by one or more of such rating agencies if, in the judgment of one or more of them, circumstances so warrant. Such circumstances may include, without limitation, changes in or unavailability of information relating to the County. Any such downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Bonds.

LITIGATION

There are miscellaneous claims against the County including claims now in litigation. The County Attorney is of the opinion that there is no litigation pending or, to the best knowledge, information and belief of the County Attorney, threatened, in either Virginia or federal courts which would in any way affect the validity of the Bonds, seeking to restrain or enjoin the issuance or delivery of the Bonds, in any manner questioning the proceedings and authority under which the Bonds are being issued, or affecting the power and authority of the Authority, the County or the Board of Supervisors to execute or perform their respective obligations under the Indenture or the Support Agreement.

There is now no litigation of any nature to which the Authority is a party pending or, to the knowledge of the Authority, threatened against it to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds, or any proceedings taken with respect to the issuance or sale thereof, or in any way contesting or affecting the validity of or application of the moneys or the security provided for the Bonds. The foregoing does not include any litigation that may have been filed against but not served upon the Authority and of which it has no actual knowledge.

INDEPENDENT AUDITORS

The financial statements of the County, as of and for the year ended June 30, 2023, included in this Official Statement as Appendix B, have been audited by Cherry Bekaert LLP, independent auditors, as stated in their report appearing herein.

Cherry Bekaert LLP, independent auditors, has not been engaged to perform and has not performed, since the date of their report included in Appendix B, any procedures on the basic financial statements addressed in that report. Cherry Bekaert LLP also has not performed any procedures relating to this Official Statement or the issuance of the Bonds.

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the County in connection with the issuance of the Bonds. Although the Financial Advisor assisted in the preparation and review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement.

OFFICIAL STATEMENT

The execution of this Official Statement has been duly authorized by the Authority and the County. The Preliminary Official Statement has been deemed final by the Authority and the County for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), with the exception of certain pricing and other information permitted to be omitted by the Rule.

CERTIFICATES CONCERNING OFFICIAL STATEMENT

The County will furnish to the successful bidder a certificate dated the date of delivery of the Bonds, signed by the County Manager and the Director of Finance, and stating that, both as of the date of this Official Statement and the date of delivery of the Bonds, the descriptions and statements contained in this Official Statement (except in the section entitled "LITIGATION") were and are, to the best of their knowledge, true and correct in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and that no material adverse change has occurred in the financial condition of the County between the date of this Official Statement and the date of delivery other than as contemplated in this Official Statement. Such certificate will state, however, that the County Manager and the Director of Finance did not independently verify the information in this Official Statement indicated as having been obtained or derived from sources other than the County and its officers but that they have no reason to believe that such information is not accurate.

The County will also furnish to the successful bidder a certificate dated the date of delivery of the Bonds, signed by the County Attorney or Deputy County Attorney, on behalf of the County and the Authority, and stating that, both as of the date of this Official Statement and the date of delivery of the Bonds, the statements in the section herein entitled "Litigation" did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

The County will execute and deliver to the Underwriter a Continuing Disclosure Certificate, the form of which is attached as Appendix D to this Official Statement. Pursuant to the Continuing Disclosure Certificate the County will covenant and agree, for the benefit of the holders of the Bonds, consistent with the Rule to provide to the Municipal Securities Rulemaking Board (the "MSRB") annual financial information and operating data for the County, including audited financial statements of the County, within nine (9) months after the end of each fiscal year, beginning with the fiscal year ending June 30, 2024, and, in a timely manner not in excess of ten (10) business days after the occurrence thereof, notices of certain listed events with respect to the Bonds, as set forth in Appendix D and in accordance with the Rule; and, in a timely manner, notice to the Municipal Securities Rulemaking Board of any failure of the County to provide required annual financial information referred to above to the Municipal Securities Rulemaking Board. The continuing obligation of the County to provide annual financial information and notices referred to above will terminate with respect to the Bonds when the Bonds are no longer outstanding. Any failure by the County to comply with the foregoing will not constitute a default with respect to the Bonds.

The County has agreed in certain disclosure undertakings to provide certain information as to the County's budgeted annual fiscal plan in its annual financial and operating data report (the "Annual Report"). Although the Annual Report filed by the County on the MSRB's EMMA website ("EMMA") for the fiscal year ended June 30, 2018 provided the website address of the County where such annual fiscal plan information was posted, the County failed to include such annual fiscal plan information in the Annual Report filed on EMMA. On February 24, 2020, the County filed a notice on EMMA relating to the late filing of such information, together with the required information relating to the County's budgeted annual fiscal plan for the fiscal year ended June 30, 2018.

On July 2, 2020, the County defeased certain of its general obligation bonds. Although the County gave timely instructions to the escrow agent to post notice of defeasance of such bonds on EMMA, and the escrow agreement relating to such defeased bonds was also timely posted on EMMA, the escrow agent posted such notice of defeasance on EMMA eight days late.

The County's annual financial information for the fiscal year ended June 30, 2020 was timely filed on EMMA; however, such annual financial information was not linked to certain CUSIPs for certain of the County's outstanding bonds at the time of such filing. The County corrected the filing and linked those CUSIPs to the filing.

OTHER MATTERS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the holders thereof.

ECONOMIC DEVELOPMENT AUTHORITY
OF HENRICO COUNTY, VIRGINIA

By: *\/s/ Anthony Romanello*
Executive Director

APPROVED BY:

COUNTY OF HENRICO, VIRGINIA

By: */s/ John A. Vithoulkas*
County Manager

By: */s/ Sheila S. Minor*
Director of Finance

APPENDIX A

THE COUNTY OF HENRICO, VIRGINIA

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APPENDIX A

THE COUNTY

TABLE OF CONTENTS

Page No.

The County of Henrico, Virginia (the "County" or "Henrico"), is situated in central Virginia and surrounds the City of Richmond (the "City" or "Richmond") on the north side of the James River. Although much of the County's 244 square miles consists of highly developed urban and suburban areas, there is also a considerable amount of undeveloped agricultural and forest land. In Virginia, cities and counties are distinct units of government and do not overlap. Thus, the County is responsible for providing all local government services to its residents. The population of the County is estimated at 345,734 for 2023 (the most recent date for which data is available).

COUNTY GOVERNMENT

Form of Government

The County is governed by a five-member Board of Supervisors, which establishes policies for the administration of the County. Each member of the Board of Supervisors is elected by the voters of the magisterial district in which such member resides. The Chairman of the Board of Supervisors is elected annually by the members. Members of the Board of Supervisors serve four-year terms with no term limits.

The County elected in 1934 to operate under the County Manager Form of Government (as defined under Virginia law). Under this form of government, the Board of Supervisors appoints a County Manager to serve as the chief executive officer of the County. The County Manager serves at the pleasure of the Board of Supervisors, implements its policies, appoints department heads, and directs business and administrative procedures. Also, under the County Manager Form of Government, a County Code and modern zoning ordinances are administered and enforced.

Elected Officials

Tyrone E. Nelson, Chairman, was elected from the Varina Magisterial District in November of 2011 and re-elected in 2015, 2019 and 2023. Mr. Nelson has received degrees from J. Sargeant Reynolds, Virginia Commonwealth University, and Virginia Union University. He is the Pastor of Sixth Mount Zion Baptist Church, and he serves as a board member on several community and government boards.

Daniel J. Schmitt, Vice-Chairman, was elected at a special election in November 2018 to fill an unexpired term and re-elected in 2019 and 2023, to represent the Brookland Magisterial District. Mr. Schmitt is a graduate of the University of Richmond, where he earned a Bachelor of Science in Business Administration. He is the owner of RMC Events, an event staffing company.

Roscoe D. Cooper III was elected to the Board of Supervisors in November 2023 to represent the Fairfield Magisterial District. Mr. Cooper earned a bachelor's degree from Virginia Union University, a Master of Divinity from the Samuel DeWitt Proctor School of Theology at Virginia Union University and a Doctor of Divinity from Richmond Theological Seminary. He is the pastor of Rising Mount Zion Baptist Church. Prior to being elected to the Board of Supervisors, Mr. Cooper was elected twice by Fairfield voters as the district representative on the Henrico County School Board, on which he served from 2016 to 2023.

Misty D. Whitehead was elected from the Three Chopt Magisterial District in November of 2023. Ms. Whitehead earned a bachelor's degree from Virginia Commonwealth University and received her Juris Doctorate from the Marshall Wythe School of Law at the College of William and Mary. She is a veteran of the U.S. Army and a founding attorney of JustLaw, PLLC.

Jody K. Rogish was elected from the Tuckahoe Magisterial District in 2023. Mr. Rogish earned a bachelor's degree and a Master of Science in Public Policy and Management from Carnegie Mellon University. Mr. Rogish is a consultant with the consulting firm impact Makers and is an information technology project manager.

Certain County Staff Members

John A. Vithoulkas was appointed County Manager effective January 17, 2013. He has served the County as Deputy County Manager for Administration, Special Economic Advisor to the County Manager, Director of Finance, Director of the Office of Management and Budget, and a Budget Analyst. Prior to joining the County in 1997, Mr. Vithoulkas served Chesterfield County, Virginia, as the Lead Analyst in the Department of Budget and Management. Mr. Vithoulkas holds a bachelor's degree from Virginia Commonwealth University and a Master of Public Administration from the University of North Carolina at Charlotte.

Cari M. Tretina was appointed Deputy County Manager – Chief of Staff in October 2019. She also served the County as Director of Administration for the Division of Fire, Management Specialist in the County Manager's Office, and as a Budget Analyst as well as participating in the County's internship program. In her role as Deputy County Manager – Chief of Staff, she assists with the day-to-day management of government operations as well as handling special projects on issues impacting the interest and services of the County. She also oversees the Division of Recreation and Parks, Department of Emergency Management and Workplace Safety, and the James River Juvenile Detention Facility. Ms. Tretina earned a bachelor's degree in political science and public relations from Eastern Kentucky University and a graduate certificate in public management from Virginia Commonwealth University's Wilder Graduate School.

W. Brandon Hinton was appointed as Deputy County Manager for Administration and Community Services in 2018. Mr. Hinton previously served as the Deputy County Manager for Community Services from July 2016 until February 2018. Mr. Hinton also previously served as the Director of the County's Office of Management and Budget, and as a Budget Analyst, and has worked for the County for more than 16 years. He holds a bachelor's degree in Business Administration from East Carolina University and a Master of Business Administration from Virginia Commonwealth University.

Steven J. Yob was appointed Deputy County Manager for Community Operations effective March 28, 2020. He has served the County since 2001. He previously has served the County as the Director of Public Works, Assistant Director of Public Works, and as a division director with the Department of Public Utilities. He holds a Master of Business Administration degree from Virginia Polytechnic Institute and State University and a Master of Science of civil/geotechnical Engineering from Michigan State University. Mr. Yob is a registered Professional Engineer in the Commonwealth and serves on the Henrico Local Emergency Planning Committee.

Michael Y. Feinmel, Esquire, was appointed Deputy County Manager for Public Safety in 2022. Mr. Feinmel began his career with Henrico County as an Assistant Commonwealth Attorney in 2001. He was promoted to Deputy Commonwealth's Attorney in 2006. Mr. Feinmel earned a bachelor's degree in political science from James Madison University and his Juris Doctor from the University of Richmond School of Law. Mr. Feinmel has been a member of the Virginia State Bar since 1993.

Monica L. Smith-Callahan was appointed as Deputy County Manager for Community Affairs of the County on February 18, 2020. Ms. Smith-Callahan holds a bachelor's degree in mass communications from George Mason University and a Master of Business Administration from Strayer University. Prior to joining the County, Ms. Smith-Callahan most recently served as assistant superintendent of policy, equity and communication for the Virginia Department of Education. She has more than 20 years of experience in community engagement, public and media relations and event management in the public, nonprofit and business sectors.

Sheila S. Minor was appointed as Director of Finance of the County effective December 2021. Prior to joining the County, Ms. Minor worked as Director of Finance for the City of Colonial Heights and Prince George County and a budget and revenue analyst in Chesterfield County. Ms. Minor owned and operated Minor and Associates, which provided consulting services including serving as the Interim Finance Director to multiple Virginia localities and school divisions. Ms. Minor earned a Bachelor of Science and a Master of Public Administration from Virginia Tech. Ms. Minor is a certified public accountant, certified public finance officer, and a certified government finance manager.

Andrew R. Newby, Esquire, was appointed as County Attorney in 2022 and has been employed with the County since 2010. Prior to his appointment as County Attorney, Mr. Newby served as Deputy County Attorney. Mr. Newby holds a bachelor's degree from the University of Virginia and a juris doctor degree from the University of Richmond School of Law.

County Employees

As of June 30, 2023, the County employed 11,796 employees, including the Henrico public school system employees. The Virginia General Assembly passed legislation in 2020 that would permit the County and all other Virginia localities to adopt local ordinances authorizing them to

(i) recognize any labor union or other employee association as a bargaining agent of any public officers or employees, except for Constitutional officers and their employees, and including public school employees and (ii) collectively bargain or enter into any collective bargaining contract with any such union or association or its agents with respect to any matter relating to them or their employment. The legislation provides that for any governing body of a locality that has not adopted an ordinance or resolution providing for collective bargaining, such governing body is required, within 120 days of receiving certification from a majority of public employees in a unit considered by such employees to be appropriate for the purposes of collective bargaining, to take a vote to adopt or not adopt an ordinance or resolution to provide for collective bargaining by such public employees and any other public employees deemed appropriate by the governing body. The legislation provides that the prohibition against striking for public employees applies, irrespective of any such local ordinance. The legislation took effect May 1, 2021. The County has not enacted an ordinance or resolution recognizing a labor union or other employee association as a bargaining agent for any County employees and therefore is prohibited from collectively bargaining with any such union or its agents concerning any matter relating to those employees or their employment with the County.

Emergency Operations and Preparedness

In accordance with state law, the County has adopted an Emergency Operations Plan to provide procedures, planning and policies for emergency and disaster mitigation, preparedness, response, and recovery for both man-made and natural disasters. In accordance with state law, the Emergency Operations Plan is reviewed and updated annually and must be reissued and re-adopted in its entirety every four years. The County's most recent Emergency Operations Plan was reissued and adopted in 2021. The County's Department of Emergency Management and Workplace Safety coordinates with the Commonwealth and regional localities, including the Virginia Department of Emergency Management, on the regional hazard mitigation plan, which includes planning for climate change and related environmental hazards. The Virginia Department of Health has established a Climate Change Task Force, which is responsible for identifying health-related impacts of climate change in the Commonwealth, identifying vulnerable populations throughout the Commonwealth, review and assessment of scientific data and research, review and study of potential impacts on public health of various climate change related risks, such as rising sea levels, changes in air and water temperature and air quality, and other extreme weather events.

CERTAIN FINANCIAL PROCEDURES

Annual Financial Statements

The County's general-purpose financial statements are audited and reported on by independent certified public accountants each year. The County's audited General-Purpose Financial Statements for the fiscal year ended June 30, 2023 are included in APPENDIX B to this Official Statement. The County's independent certified public accountants have not reviewed, nor participated in the preparation of, this APPENDIX A or this Official Statement generally.

The County has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association ("GFOA") of the United States and Canada for its annual financial statements each year since the fiscal year ended June 30, 1981. The

Certificate of Achievement is awarded annually for excellence, clarity, and comprehensiveness in financial reporting. The County has also been awarded the Distinguished Budget Award by the GFOA of the United States and Canada for its Annual Fiscal Plan each year since the fiscal year beginning July 1, 1990.

Description of Funds

The accounts of the County are organized by fund, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance, revenues, and expenditures. The following is a description of the funds included in the financial records of the County.

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, meals taxes, license and permit fees, and revenues received from the Commonwealth. A significant part of General Fund revenues is used to maintain and operate the general government, which is accounted for in the General Fund, or is transferred to other funds principally to fund debt service requirements and capital projects. Expenditures include, among other things, those for general government, education, public safety, highways and streets, welfare, culture, and recreation.

Special Revenue Funds. Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the resources obtained and used relating to state and federal grants, mental health and developmental services programs, social services, the utility department’s solid waste and street lighting operations, and school cafeterias.

Enterprise Funds. Enterprise Funds account for operations financed 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. These funds account for the operation, maintenance, and construction of the County-owned water and sewer system (considered a single segment for financial reporting purposes). 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 to take over the operation and maintenance of Belmont Golf Course. As of June 30, 2021, the County discontinued reporting the operations of Belmont Golf Course as an enterprise fund.

Debt Service Fund. This fund accounts for the accumulation of financial resources for the payment of interest and principal on all long-term debt other than that accounted for in the Enterprise Funds. Debt Service Fund resources are derived from transfers from the General Fund.

Internal Service Fund. An Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the government on a cost-reimbursement basis. The Internal Service Fund accounts for the County’s Central Automotive Maintenance operations, Technology Replacement Fund operations, and self-funded health insurance fund. Resources for these funds come from interdepartmental charges.

Agency Funds. Agency Funds account for fiduciary funds administered by the County, custodial in nature, and do not involve measurement of results of operations.

Capital Projects Fund. The Capital Projects Fund accounts for all capital projects other than those accounted for within Enterprise Funds.

Budgetary Procedure

Virginia law requires the County to maintain a balanced budget in each fiscal year. The County lacks legal authority to borrow in anticipation of future years' revenues, except by the issuance of short-term bonds or notes or bond anticipation notes.

Prior to the beginning of each fiscal year, the Board of Supervisors adopts a budget consisting of contemplated expenditures and estimated revenues for such fiscal year. Based on the approved budget, the Board of Supervisors appropriates funds for expenditures and establishes tax rates sufficient to produce the revenues contemplated in the budget.

The annual budget process for a fiscal year begins early in the second quarter of the preceding fiscal year. At that time the County Manager issues pertinent guidelines to department heads and other key officials to be observed during budget development. Each department head will submit all desired personnel change requests and detailed budget requests.

The County Manager and his staff hold hearings with the various departments, and after review, submit a proposed budget to the Board of Supervisors. The Board of Supervisors also holds hearings with the departments, and after revisions, authorizes a final budget for publication and public hearing. After the public hearing, further changes may be made before final adoption, which generally occurs in the month of April preceding the start of the fiscal year on July 1 when funding is appropriated.

SELECTED FINANCIAL AND OPERATING INFORMATION

General Fund Revenues and Disbursements

The General Fund is maintained by the County to account for revenue derived from Countywide ad valorem taxes, other local taxes, licenses, fees, permits, certain revenue from federal and state governments, and interest earned on invested cash balances in the General Fund. General Fund disbursements include the costs of general County government, School Operations, and transfers to the Debt Service and Capital Projects Funds to pay debt service on the County's general obligation bonds and certain capital improvement projects.

The following is a discussion of the General Fund revenue structure and major classifications of General Fund disbursements. For a five-year summary of General Government revenues, expenditures, fund balances, and a summary of the fiscal plan for fiscal year 2024, see "Summary of General Fund Revenues, Expenditures and Fund Balances" below. The County's audited General-Purpose Financial Statements include a detailed review of General Fund revenues and expenditures for the fiscal year ended June 30, 2023. The County's audited financial statements are attached to this Official Statement as APPENDIX B.

Revenues

Property Taxes. An annual ad valorem tax is levied by the County on the assessed value of real and tangible personal property located within the County as of January 1. The ratio of the assessed value of property to its appraised value is 100 percent in the case of real property, and varies for the several classes of personal property, but generally is 100 percent. Both real and personal property taxes are collected on June 5 and December 5. There is no legal limit at the present time on the property tax rates which may be established by the County. In the fiscal year ended June 30, 2023, property taxes (including penalties for late payment of prior years' taxes) represented approximately 43.8% of total General Fund and Component Unit School Operating revenues. Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes. Property taxes are levied in April and recorded as receivables, net of allowance for estimated uncollectible accounts, to the extent that they are currently due.

In April 1998, the Virginia General Assembly passed the Personal Property Tax Relief Act of 1998. The Act provides for the Commonwealth to reimburse a portion of the tangible Personal Property Tax levied on personal use cars, motorcycles, and trucks. Initially, the reimbursement was 12.5% of the tax on the first $20,000 of the value of the qualifying vehicle in tax year 1998. The reimbursement rate was 27.5% for tax year 1999 and increased to 47.5% for tax year 2000, and 70% for tax years 2001 through 2005. Beginning in 2006, the reimbursement funds were capped at $950 million statewide with those funds being distributed to localities on a prorated basis. Henrico County is allocated $37.0 million of those funds per year. The percentage of tax relief allocated to each qualifying vehicle is annually determined by each locality based on the value of qualifying vehicles within that locality. Revenue for the State reimbursement is recorded as non-categorical aid from the State. For the tax year 2023, the County's personal property tax relief percentage was 42%.

Other Local Taxes. The County levies various other local taxes including a 1% sales tax (collected by the State and remitted to the County), a 4% meals tax, various business, professional and occupational license taxes, property transfer recordation taxes, and motor vehicle and other vehicle taxes. These receipts represented 16.1% of total General Fund and Component Unit School Operating revenues in the fiscal year ended June 30, 2023.

Revenues from the Commonwealth of Virginia and Federal Aid. The County is reimbursed by the Commonwealth of Virginia for a portion of shared expenses, including certain expenditures for the Sheriff's office, courts, the office of the Commonwealth Attorney and the Clerk of the Circuit Court. The County also receives a significant amount of State aid in support of public school operations. Revenue from the Commonwealth of Virginia (inclusive of Personal Property Tax reimbursement) and Federal Aid represented approximately 34.9% of total General Fund and Component Unit School Operating revenues in the fiscal year ended June 30, 2023.

Other Revenue. Other sources of revenue including charges for services, recovered costs, permits, privilege fees, regulatory licenses, fines and forfeitures, and revenues from the use of money and property accounted for approximately 5.2% of total General Fund and Component Unit School Operating revenues for the fiscal year ended June 30, 2023.

Disbursements

Costs of Education. The County pays from the General Fund a portion of the costs of operating the public school system. Federal government and Commonwealth of Virginia funds are credited to the Schools' revenue accounts and used exclusively to finance Schools' operating expenditures. No debt service on School general obligation bonds is paid from funds from the federal government or the Commonwealth of Virginia. This classification represented approximately 53.0% of the total General Fund and School Operating expenditures for the fiscal year ended June 30, 2023.

Costs of General County Government. The County pays from the General Fund the costs of general County government. These costs include expenditures for public safety (police, fire, sheriff, etc.), courts, administration and support, libraries, health, recreation, community development and street and highway maintenance. This classification represented 47.0% of total estimated General Fund and School Operating expenditures in the fiscal year ended June 30, 2023.

Transfer to Debt Service Fund. The County transfers from the General Fund to the Debt Service Fund an amount sufficient to pay principal and interest on County general obligation bonds. Transfers to the Debt Service Fund represented approximately $78.5 million of total General Fund and School Operating expenditures in the fiscal year ended June 30, 2023.

Transfer to Capital Projects Fund. The County transfers from the General Fund to the Capital Projects Fund moneys to pay the cost of certain capital improvements. The General Fund transfer to the Capital Projects Fund represented approximately $92.1 million of total General Fund expenditures in the fiscal year ended June 30, 2023.

Summary of General Fund Revenues, Expenditures and Fund Balances

The financial data shown in the following table represents a summary for each of the five previous fiscal years ended June 30 of the County's General and Component Unit School Operating Fund revenues, expenditures and fund balances. This summary has been derived from the audited financial statements of the County for fiscal years ended June 30, 2019 through June 30, 2023 and should be read in connection with the financial statements and notes for those years.

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Summary of General Fund Annual Fiscal Statements for the Fiscal Year Ending June 30

	2019	2020	2021	2022	2023
Revenues:					
General Property Taxes	$447,469,395	$466,198,104	$487,532,127	$538,134,543	$607,588,432
Other Local Taxes	186,843,818	183,290,660	188,049,081	222,552,512	222,617,999
Permits, Fees & Licenses	7,800,531	8,620,648	8,617,724	11,308,150	10,059,483
Fines & Forfeitures	2,146,622	1,885,334	1,678,666	1,674,840	1,683,002
Revenues from Use of Money & Property	16,054,752	13,106,965	2,830,644	1,739,092	28,345,062
Charges for Services	4,329,505	3,579,388	3,070,720	3,561,012	3,458,718
Miscellaneous	10,364,855	8,922,332	8,699,073	12,368,946	21,869,539
Recovered Costs	5,787,389	6,937,082	6,316,478	6,596,963	7,297,629
Intergovernmental	405,588,016	433,409,639	461,624,190	443,248,903	483,018,372
Total Revenues	$1,086,384,883	$1,125,950,152	$1,168,418,703	$1,241,184,961	$1,385,938,236
Expenditures:					
General Govt. Admin.	$71,186,977	$72,008,900	$72,952,802	$75,630,631	$91,178,588
Judicial Admin.	11,325,715	11,842,556	12,308,544	12,873,375	14,355,903
Public Safety	196,062,839	206,397,562	211,292,966	230,743,089	246,457,389
Public Works	55,966,276	54,569,872	44,374,920	50,024,602	60,438,358
Health & Social Services	2,432,912	2,537,998	2,484,119	2,888,239	3,130,561
Education	508,020,540	513,729,672	497,239,892	589,691,945	615,605,597
Parks, Recreation & Cultural	37,029,570	37,782,922	36,148,711	40,562,724	46,157,149
Community Development	25,943,567	24,884,307	21,332,877	26,921,548	29,243,094
Miscellaneous	24,767,577	23,127,793	24,415,804	47,232,200	50,688,826
Capital Outlay	-	-	-	-	24,039,192
Total Expenditures	$932,735,973	$946,881,582	$922,550,635	$1,076,568,353	$1,181,294,657
Excess of Revenue over Expenditures	$153,648,910	$179,068,570	$245,868,068	$164,616,608	$204,643,579
Other Financing Sources (Uses):					
Issuance of Cap. Lease Obligation	$21,565,513	$555,605	$248,604	$22,983,785	$36,546,300
Operating Transfers In (Out)					
To Debt Service Fund	(63,468,451)	(70,570,276)	(71,665,830)	(78,346,649)	(78,452,484)
To Capital Projects Fund	(80,735,668)	(85,954,676)	(16,212,903)	(62,704,083)	(92,117,600)
To Other Funds	(29,039,697)	(30,349,220)	(25,936,906)	(31,638,587)	(36,138,617)
Total Other Financing Sources (Uses)	($151,678,303)	($186,318,567)	($113,567,035)	($149,705,534)	($170,162,401)
Excess (deficiency) Revenue & Other Sources Over Expend. & Other Uses	$1,970,607	($7,249,997)	$132,301,033	$14,911,074	$34,481,178
Fund Balance, July 1	279,925,660	281,896,267	* 281,010,558	413,311,591	428,222,665
Fund Balance, June 30	$281,896,267	$274,646,270	$413,311,591	$428,222,665	$462,703,843
Fund Balances:					
Reserved & Designated	$146,256,805	$136,394,453	$276,934,656	$266,492,649	$297,167,473
Undesignated	135,638,462	138,251,817	136,376,935	161,730,016	165,536,370
TOTAL	**$281,896,267**	**$274,646,270**	**$413,311,591**	**$428,222,665**	**$462,703,843**

*Fund Balance July 1, 2021 as adjusted for GASB 84 implementation

At the April 25, 2023 Board of Supervisors meeting, the Board voted unanimously to adopt the fiscal year 2024 budget. The $1.7 billion budget will accommodate a number of fixed costs increases including those related to rates set by the Virginia Retirement System and additional staffing for the planned opening of additional schools, and substantial pay increases. The plan prioritizes people through these raises and continues the County's commitment to education and public safety, with nearly 78% of general fund resources dedicated to those core service areas. There are no pay cuts, furloughs or layoffs contemplated in the adopted fiscal year 2024 budget. The fiscal year 2024 budget holds the real estate tax rate at 85 cents, the 45th consecutive year without a rate increase.

The revenue estimates for the FY2023-24 budget reflect stable growth. The plan reflects an increase of $102.2 million, or 8.4%, when compared to the FY2022-23 budget, approved by the Board on April 12, 2022. Real estate tax revenues in the budget are anticipated to be $471.0 million and reflect an overall increase of $56.0 million. The total real estate tax base, inclusive of new construction and reassessment, reflects a net increase of $6.6 billion. Residential reassessments increased 5.6%, reflective of a housing market with high demand and commercial reassessments reflect a net increase of 6.0%.

The fiscal year 2024 Capital Improvement Plan (CIP) includes the first debt-funded projects from the 2022 referendum, including $13.3 million for the relocation of Fire House 6, $10 million for Three Chopt Area Park, $2.5 million for Tuckahoe Creek Park Phase III, $2.5 million for drainage improvements, $12 million for the Environmental Center Living Building, $32.5 million for Jackson-Davis Elementary School replacement, $31.5 million for Longan Elementary School replacement and $10 million to start the Quioccasin Middle School replacement. In addition, the CIP also includes $101.6 million for various pay-as-you-go projects and $100.9 million for water and sewer rehabilitation projects which are expected to be funded directly by collections for service.

Overall, this plan accomplishes the overarching goals of the Board of Supervisors to prioritize County residents while limiting additional financial burdens on them, to help Henrico's businesses, and to reward the hard work of the County's workforce. Further, as revenues have outperformed the original estimates of the County's fiscal position, the County believes that the fiscal year 2024 budget is fiscally conservative.

The adopted fiscal year 2023-24 Annual Fiscal Plan was approved with the following expectations for General Fund revenues, expenditures and transfers.

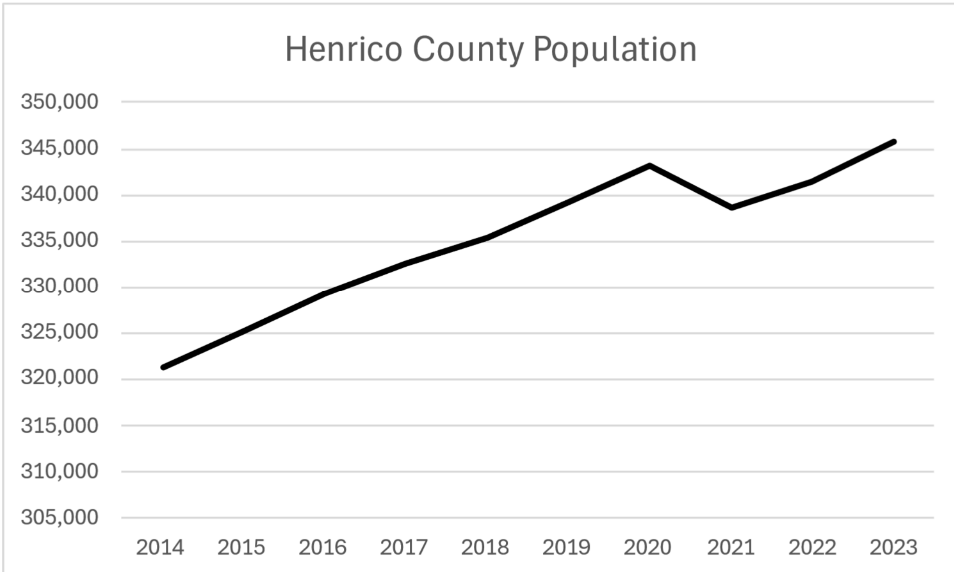
FY2023-24 Annual Fiscal Plan (General Fund)

Revenues and Transfers		**Expenditures**	
General Property Taxes	$641,410,000	General government administration	$78,592,275
Other local taxes	203,060,000	Public safety	254,143,711
Revenue from use of money and Property	3,314,000	Public works	59,414,272
Intergovernmental revenue	454,094,730	Health and welfare	3,130,561
Permits, fees & licenses	6,481,000	Education	650,376,582
Fines and forfeitures	1,575,000	Parks, recreation and cultural	49,552,181
Charges for services	3,335,000	Judicial administration	11,725,928
Miscellaneous	3,659,000	Community development	33,995,841
Transfers	(227,009,528)	Miscellaneous	16,127,079
Recovered Costs	4,168,500		
Use of Fund Balance	62,970,728		
Total Projected Revenues and Transfers	**$1,157,058,430**	**Total Budgeted Expenditures**	**$1,157,058,430**

Source: County of Henrico Approved Budget, Fiscal Year ending June 30, 2024.

Population

The County's population has increased steadily for the past few decades. For 2023, population increased 1.3% over 2022, with the ten-year average increasing at approximately 0.8% per year. Increases for the past ten years are shown in the following chart:



Source: FY2023 Annual Comprehensive Financial Report, Statistical Table XI.

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Taxable Retail Sales Data

The following table presents the calendar year taxable retail sales, fiscal year sales tax revenue and calendar year taxable retail sales per capita.

Year	Population [1]	Calendar Year Taxable Retail Sales (000's omitted) [2]	Fiscal Year Local Sales Tax Revenue (000's omitted) [3]	Calendar Year Taxable Retail Sales Per Capita
2013	318,158	5,117,598	55,852	15,924
2014	321,374	5,214,320	55,825	16,030
2015	325,283	5,430,593	58,428	16,512
2016	329,227	5,479,745	62,286	16,479
2017	332,538	5,656,613	64,666	17,010
2018	335,283	5,740,328	68,256	17,121
2019	339,191	5,732,999	68,775	17,262
2020	343,258	5,522,136	69,908	17,432
2021	338,620	6,340,141	75,613	18,723
2022	341,365	7,041,995	87,994	20,629

(1) Source: Henrico County FY2023 Annual Comprehensive Financial Report.
(2) Source: Commonwealth of Virginia, Department of Taxation. Data excludes automobile and prescription drug sales.
(3) Reflects actual revenue received.

Construction Activity

In the ten-year period noted below, the County's construction activity, in both the residential and commercial development areas, has consistently increased with the growth in population and economic activity. In the most recent fiscal year that ended June 30, 2023, the number of permits issued and the value of these permits remained in line with trends for the past few years. In fiscal year 2018 there was a spike in permit values related to construction of a Facebook data center that continued to subsequent years as Meta (Facebook's parent company) accelerated plans for additional phases, and other commercial and industrial developments, including the Amazon distribution center, commenced or were completed.

Fiscal Year	Total Dwelling Units[1]		Total Permits Issued[2]	
	No.	Value	No.	Value
2014	779	$141,891,636	13,972	$411,113,599
2015	707	120,816,404	13,577	582,961,941
2016	757	132,494,528	13,693	520,972,529
2017	789	146,576,045	15,603	596,817,908
2018	1,089	189,703,945	16,322	1,136,177,550
2019	922	147,847,740	15,922	935,779,209
2020	800	131,818,392	15,724	941,289,245
2021	824	135,065,746	15,225	1,304,790,857
2022	627	115,696,797	9,960	1,337,655,768
2023	695	135,302,568	12,309	1,551,829,007

Source: Henrico County Department of Building Construction and Inspections.
(1) Dwelling Unit is defined as a single-family residence.
(2) Includes all residential and commercial construction and trade permits.

Building Construction Permit Values by Classification
Fiscal Years Ended June 30[1]
(000's omitted)

	2019	2020	2021	2022	2023
Single Family	$147,848	$131,819	$135,066	$115,697	$135,303
Multi-Family	54,362	102,233	59,967	275,987	137,647
Office	170,993	6,845	197,391	190,960	138,274
Institutional	17271	14,481	0	0	0
Commercial & Etc.	210,760	405,532	375,053	474,268	685,238
Total	$601,234	$660,910	$767,477	$1,056,912	$1,096,462

Source: Henrico County Department of Building Construction and Inspections.
(1) Excludes trade permits issued.

Housing

The data in the table below present the characteristics of residential housing in the County. As of December 2022, single family housing units represented approximately 64.0 percent of all residential housing. The percentage of housing stock consisting of multifamily units has remained constant throughout the period.

	2018		2019		2020		2021		2022	
	Units	% of Housing	Units	% of Housing	Units	% of Housing	Units	% of Housing	Units	% of Housing
Single Family	89,336	65.71%	89,856	65.56%	90,315	65.64%	90,707	64.73%	91,043	64.03%
Multi-Family	47,283	34.29%	48,363	34.44%	48,684	34.36%	49,422	35.27%	51,144	35.97%
Total	136,619	100.00%	138,219	100.00%	138,999	100.00%	140,129	100.00%	142,187	100.00%

Source: Continuing, Comprehensive, and Coordinated Transportation Data for Henrico County, Virginia by Traffic Zone (3 C Report), 2018 – 2021. 2022 figures reflect Henrico County Finance Department estimates.

Commerce, Industry and Employment

The County has experienced consistent economic growth over the last ten years. During this time, real estate reassessments grew, local consumer spending remained strong, and the business community continued to invest and drive growth in the County.

Henrico continues to evaluate its governmental practices, identifying areas that exist for greater operational efficiencies, and thereby best utilizing taxpayer provided resources. As evidenced by a long history of prudent financial management - and the distinction of being one of the elite triple AAA rated counties in the U.S. - the County continues to demonstrate its commitment to achieving excellence in local government finance and administration. Henrico is committed to creating an environment conducive to positive economic growth.

Henrico residents live in a low-tax, high-quality community with one of the premier public school systems in the nation. The Board of Supervisors has fostered this environment through consistent innovation, effective planning and financial prudence when allocating public resources, while also incrementally reducing tax rates when economically feasible, and exploring less burdensome revenue enhancements when necessary. With an emphasis on prudent financial management and sustainable economic development, the County is committed to being a community of choice for residents and businesses.

The Richmond Metropolitan Area continues to garner recognition for its financial strength, workforce, business environment, and attractive lifestyle. For example, U.S. News and World Report named Richmond as #50 in the "Best Places to Live in 2022" and Stacker singled out the areas of Short Pump and Innsbrook in its "Top 50 Places to Live" 2022-2023. Richmond was also named in "52 Places to Go" in the New York Times, 2022. Site Selection Magazine highlighted the Richmond Metropolitan Statistical Area (MSA) as one of the top "10 U.S. Metro with 1M+ Population" and Business Facilities Magazine listed it as a Top 10 Location for Corporate Headquarters, 2021-2023. The Richmond area is also cited by SmartAsset as a "Top 10 Location for Black Entrepreneurs." The area was ranked #2 best place in the world for transport and warehousing strategy by fDi Intelligence in 2020. Richmond also offers attractive educational opportunities as evidenced by U.S. News and World Report naming the University of Richmond its #25 "Best Liberal Arts College", and Virginia Commonwealth University in the "Top 20 Most Innovative Public Universities", 2024. Washington Monthly Magazine highlighted Virginia State University as "Best HCBU in Virginia", 2022. In addition, the City of Richmond was cited as a 'culinary powerhouse" by Food and Wine Magazine, March 2023.

Population growth of the County is supported by the presence of global corporate leaders like Meta and Amazon and the more than 25,000 businesses that call Henrico home. In fact, the U.S. Census Bureau revealed the Richmond MSA population increased by almost 10% from 2010-2020, while Henrico's population is expected to grow 26.4% by 2050, according to a 2022 projection led by Weldon Cooper Center's Demographics Research Group.

A dynamic range of businesses – including six Fortune 1000 companies – continue to contribute to the County's $32 billion local economy. Henrico serves as the corporate headquarters for Altria Group, ASGN, Arko Corp., Brink's, Genworth Financial, and Markel Corporation. Some of the other companies with a major presence within Henrico include Allianz, Berkley Insurance Company, a subsidiary of W. R. Berkley Corporation; BHE GT&S, a subsidiary of Berkshire Hathaway Energy; Coca-Cola Consolidated; EAB; Kroger Mid-Atlantic; Mondelez; Polykon; SimpliSafe; Thermo Fisher Scientific, and T-Mobile. All of these companies have invested heavily in the County, benefitting the County and the Richmond MSA.

The County's diverse labor pool, low tax structure, a regional economy that supports low operating expenses, and the County's strategic location collectively are just some of the components that make Henrico a desirable location for outside companies to relocate to, or for existing companies to expand. One such example of this is Facebook which, in October 2017, announced that it would be investing $1.0 billion by building a new data center in Henrico. To follow that up, in September 2018 Facebook announced that it would commence Phase II of its data center development in Henrico by investing an additional $1.0 billion.

Richmond Raceway, located in the County, has a seating capacity of 60,000 and hosts NASCAR races that attract fans from across the United States. Richmond Raceway is one of the most popular facilities among NASCAR drivers and fans. Known as America's Premier Short Track, Richmond Raceway annually hosts two NASCAR Doubleheader weekends, featuring the NASCAR Monster Energy Cup Series and NASCAR Xfinity Series. Only three tracks in the U.S. have continuously hosted NASCAR races at their present locations longer than Richmond Raceway. A unique feature of Richmond Raceway's strategic placement within Henrico is that it is accessible within a day's travel to 50 percent of the country's population which makes it a popular destination for race enthusiasts.

The County's employment statistics compare favorably relative to national and state averages. According to the Virginia Employment Commission, as of October 2023, the County's unemployment rate (not seasonally adjusted) of 3.0% is equal to the Virginia rate of 3.0% and lower than the National rate of 3.6%. This historic level of relatively low unemployment is indicative of the fundamental economic strength of the County, as well as the resiliency and perseverance of state and local employers and the County's educated, talented workforce. Reinforcing this assumption is the strength of wages in Henrico relative to both the Commonwealth and the nation.

For the 2023 assessment of new and existing commercial and residential real estate, the total taxable assessed value for real property of the County was approximately $56.1 billion, representing an increase of about $6.6 billion, or 13.2% compared to 2022. Reassessment for both residential and commercial real estate increased the taxable base by $5.5 billion. In reviewing year-over-year reassessments (excluding new construction) the County's tax base increased 9.8% in 2023.

There are some consistent trends occurring in Virginia's housing market, and in the Central Virginia/Richmond region, with positive trends in the year-over-year median sales price through December 2023. The median sale price for a single-family home in the County was $340,500 in December 2022. According to the Virginia REALTORS association, the median sale price of single-family homes in December 2023 was 9.8% higher than 2022 at $374,000.

In 2023, Henrico ranked 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 of Taxation shows that the County's annual taxable sales for 2022 were approximately $7.0 billion, almost an 11.6% increase from 2021. These statistics are another indication that the County is a destination for shoppers locally, regionally and statewide. Henrico established itself as a destination for shoppers starting in the 1970s, and this trend has continued more recently with shopping centers including, among others, Short Pump Town Center in Western Henrico, White Oak Village in Eastern Henrico, and Short Pump Station in Western Henrico.

The presence of these business and corporate entities would not be possible were it not for the favorable business environment that Henrico has fostered throughout the years. Since 1978, the Board of Supervisors has decreased the Real Estate Tax Rate seven times. In addition to these decreases, Henrico residents enjoy the lowest tax burden of the 10 largest localities in the Commonwealth. The low tax burden combined with a record of prudent fiscal management and excellent services creates an enticing environment for businesses that are looking to relocate or expand their operations.

Area Total Employment by Place of Residence, 2013- 2022

Year	Henrico County	Unemployment Rate (%)	Chesterfield County	Unemployment Rate (%)	City of Richmond	Unemployment Rate (%)	Hanover County	Unemployment Rate (%)	Goochland County	Unemployment Rate (%)
2013	164,651	5.4	165,077	5.5	103,127	6.6	52,693	4.9	9,854	5.0
2014	168,004	5.0	169,093	5.0	105,947	6.0	53,492	4.5	10,080	4.7
2015	170,112	4.2	171,090	4.2	107,324	5.1	54,307	3.8	10,220	4.1
2016	172,221	3.8	174,105	3.8	109,549	4.6	55,280	3.4	10,443	3.7
2017	175,322	3.6	178,778	3.6	112,921	4.3	56,750	3.3	10,548	3.5
2018	176,032	3.0	181,386	2.9	113,838	3.6	57,471	2.6	10,836	3.0
2019	178,033	2.8	184,840	2.7	115,433	3.3	58,169	2.4	11,162	2.7
2020	168,231	6.7	175,853	6.1	109,002	9.1	54,782	5.0	10,786	5.0
2021	172,692	4.0	180,538	3.6	111,931	5.3	56,232	3.0	11,088	3.1
2022	180,462	2.8	188,569	2.8	116,881	3.4	58,700	2.4	11,535	2.7

Source: Virginia Employment Commission, Local Area Unemployment Statistics, and Bureau of Labor Statistics. 2022 labor statistics represent most recent data available (not annualized).

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EMPLOYMENT BY INDUSTRY TYPE

Industry	2023		
	Richmond MSA(1)(2)	Henrico County(1)	Henrico as a % of Richmond MSA
Agriculture, Forestry, Fishing & Hunting	1,540	68	4.4%
Mining	456	10	2.2
Utilities	1,742	563	32.3
Construction	40,040	9,759	24.4
Wholesale Trade	23,352	6,898	29.5
Information	5,973	2,557	42.8
Finance and Insurance	34,902	11,834	33.9
Real Estate and Rental and Leasing	11,601	4,013	34.6
Professional and Technical Services	43,982	18,939	43.1
Management of Companies and Enterprises	22,016	8,502	38.6
Administrative and Waste Services	42,589	14,922	35.0
Educational Services	9,541	2,417	25.3
Health Care and Social Assistance	85,916	28,192	32.8
Arts, Entertainment, and Recreation	15,556	3,909	25.1
Accommodation and Food Services	52,822	15,155	28.7
Other Services, Ex. Public Admin	21,299	6,144	28.8
Public Administration	109,545	19,944	18.2
Manufacturing	32,022	7,372	23.0
Retail Trade	63,835	20,456	32.0
Transportation and Warehousing	32,391	5,159	15.9
Unclassified Establishments	1,996	515	25.8
Total, All Industries	653,116	187,328	28.7%

Source: Virginia Employment Commission – Quarterly Census of Employment and Wages (QCEW)

(1) Data represents total employment in each locality as of second quarter CY23.

(2) Richmond MSA defined as: Amelia County, Caroline County, Charles City County, Chesterfield County, Dinwiddie County, Goochland County, Hanover County, Henrico County, King William County, New Kent County, Powhatan County, Prince George County, Sussex County, City of Colonial Heights, City of Hopewell, City of Petersburg, and City of Richmond.

Median Household Income

	Calendar Year 2018	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022
Henrico County	$68,069	$68,024	$72,295	$78,868	$81,985
Commonwealth of Virginia	72,577	76,456	76,398	80,963	85,873
United States	61,937	65,719	64,994	69,717	74,755

Source: U.S. Census Bureau Information; represents the latest information available.

Top 20 Principal Employers

Numerous business types are located within the County and offer employment in such diversified areas as wholesale distribution, contract construction, research and technical manufacturing, marketing and banking. The following table presents data regarding some of the principal employers in the County, which accounted for approximately 28.0% of total employment in the County as of the first quarter of 2023.

	2022			2023 (1)		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Henrico County School Board	5,000-9,999	1	3.9%	5,000-9,999	1	4.0%
County of Henrico	1,000-4,999	2	2.3%	1,000-4,999	2	2.3%
Bon Secours Richmond Health System (2)	1,000-4,999	3	1.6%	1,000-4,999	3	1.6%
Henrico Doctors' Hospital (HCA)	1,000-4,999	4	1.6%	1,000-4,999	4	1.6%
Ppd Development	1,000-4,999	8	1.6%	1,000-4,999	5	1.6%
Wal Mart	1,000-4,999	5	1.6%	1,000-4,999	6	1.6%
United States Postal Service	1,000-4,999	6	1.6%	1,000-4,999	7	1.6%
Bank of America	1,000-4,999	11	1.6%	1,000-4,999	8	1.6%
Anthem (Blue Cross & Blue Shield)	1,000-4,999	7	1.6%	1,000-4,999	9	1.6%
Apex Systems, Inc.	1,000-4,999	10	1.6%	1,000-4,999	10	1.6%
Ensemble Rcm, LLC	500-999	14	0.4%	1,000-4,999	11	1.6%
Amazon	500-999	19	0.4%	1,000-4,999	12	1.6%
Wells Fargo Bank NA	500-999	12	1.6%	1,000-4,999	13	1.6%
Publix Nc Employee Services LLC	500-999	16	0.4%	1,000-4,999	14	1.6%
Kroger	500-999	15	0.4%	500-999	15	0.4%
Abacus Corporation	500-999	13	0.4%	500-999	16	0.4%
Capital One Bank	500-999	9	1.6%	500-999	17	0.4%
Markel Service, Inc	500-999	17	0.4%	500-999	18	0.4%
Virginia Department of Social Services	500-999	20	0.4%	500-999	19	0.4%
Access America		NA		500-999	20	0.4%
T Mobile USA, Inc.	500-999	18	0.4%			
Total Employment	185,186		25.7%	186,931		28.0%

Source: Virginia Employment Commission
Employees and percentage of employment based on size code as published by VEC Monthly (June) Not Seasonally Adjusted Labor Force

(1) 2023 Data as of 1st Qtr 2023 (the most recent data available).
(2) Non-Resident Employer of Henrico County Citizens.

Economic Development

Henrico has a history of contributing to Virginia's economy while advancing its own by attracting major investment projects and creating substantial job growth. Several recent efforts have been recognized with Shovel awards by Area Development magazine, the leading corporate site selection and facility planning resource. This annual program honors extraordinary state and local economic development efforts. Awards include:

- Gold Shovel Award, Virginia, PPD Expansion, $63.7 million investment, 200 new jobs (2020)
- Silver Shovel Award, Henrico, T-Mobile Customer Experience Center, $30 million investment, 500 new jobs created (2021)
- Silver Shovel Award SimpliSafe, Henrico, Customer Support Center, $5.5 million investment, 572 new jobs created (2021)

- Gold Shovel Award, Virginia, Amazon Fulfillment Center, undisclosed investment, 1000+ new jobs created (2022)
- Silver Shovel Award, Virginia, Thermo Fisher Scientific Bioanalytical Lab, $92.3 million investment, 400 new jobs created (2023)

A wide variety of small businesses and entrepreneurial endeavors drive the County's diverse, $32.1 billion economy. Eleven companies with a significant presence in Henrico netted spots on the 2023 Inc. 5000 List, a prestigious ranking of the fastest-growing private companies in America.

Henrico is home to six of the 11 Greater Richmond region's Fortune 1000 companies, as well as approximately 25,000 businesses. Major business presences within Henrico include but are not limited to Allianz, Berkley Insurance Company, a subsidiary of W. R. Berkley Corporation; BHE GT&S, a subsidiary of Berkshire Hathaway Energy; Coca-Cola Consolidated; EAB; Kroger Mid-Atlantic; Mondelez; Polykon; SimpliSafe; Thermo Fisher Scientific, and T-Mobile. During 2022 and 2023, American Paper Converting, BHE GT&S, W.R. Berkley Corporation, Richmond National, Mondelez, QTS, and EAB all made expansion announcements or expanded their current operations in Henrico.

Cybersecurity

The County, like many other municipalities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other such attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. To transfer and share these risks, the County has purchased Cyber liability insurance that covers a broad range of impacts. The County's Department of Information Technology includes a dedicated cyber security team that focuses on system-wide hardware and software mitigation solutions, back-ups for redundancy or critical records and system processes, as well as limitations on user downloads and system uses. Further, to assess and mitigate threats as a result of human error, the County requires security awareness with training throughout the workforce.

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TAX BASE DATA

The following data is presented to illustrate characteristics of the assessed value of real and personal property, which are major sources of County-derived revenue. Of Henrico's $56.1 billion in taxable real estate in 2023, 30.4% was classified as commercial.

	Assessed Value (000s)				
	Residential & Commercial		Public Service Corp (1)		Total Taxable
Year	Real Property	Personal Property	Real Property	Personal Property	Assessed Value
2014	$31,908,424	$3,585,703	$908,401	$3,305	$36,405,833
2015	33,103,077	3,766,963	962,217	2,529	37,834,786
2016	34,175,523	4,013,147	1,004,054	2,222	39,194,946
2017	35,742,298	4,087,035	1,129,400	2,130	40,960,863
2018	37,893,754	4,241,370	1,162,001	1,994	43,299,119
2019	40,203,888	4,610,809	1,195,272	2,225	46,012,194
2020	42,657,980	4,557,328	1,229,029	1,796	48,446,133
2021	44,118,384	5,345,993	1,212,770	1,716	50,678,863
2022	49,558,930	6,586,172	1,273,603	1,411	57,420,116
2023	56,121,154	6,985,525	1,460,793	1,764	64,569,236

Source: Henrico County Department of Finance.

(1) State Corporation Commission and Henrico County Annual Comprehensive Financial Reports for the fiscal years ended June 30, 2013 through 2023.

Property Tax Rates

Property tax rates are established each year by the Board of Supervisors during the annual budget process. Property tax rates for the past ten calendar years are as set forth in the table below:

Tax Rates
(per $100 of Assessed Value)(1)

Calendar Year	Real Property	Tangible Personal Property	Machinery and Tools	Aircraft	Semi-Conductor
2014	0.87	3.50	1.00	1.60	0.40
2015	0.87	3.50	0.30	1.60	0.30
2016	0.87	3.50	0.30	0.50	0.30
2017	0.87	3.50	0.30	0.50	0.30
2018	0.87	3.50	0.30	0.50	0.30
2019	0.87	3.50	0.30	0.50	0.30
2020	0.87	3.50	0.30	0.50	0.30
2021	0.87	3.50	0.30	0.50	0.30
2022	0.85	3.50	0.30	0.50	0.30
2023	0.85	3.50(2)	0.30	0.50	0.30

Source: Henrico County Department of Finance.

(1) There are no overlapping tax rates within the County. 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 vehicles and for the handicapped are taxed at the rate of $.01 per $100 of assessed value.

(2) In calendar year 2023, the Board of Supervisors changed the rate for vehicles (cars, trucks, and motorcycles) to $3.40 but commercial tangible personal property remains at $3.50.

Property Tax Levies and Collections for Last Ten Fiscal Years

Year	Original Fiscal Year Levy	Collections within the Fiscal Year of Levy: Amount	Collections within the Fiscal Year of Levy: Percentage of Original Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Adjusted Levy
2014	361,689,033	358,676,284	99.2	2,067,461	360,743,745	99.74
2015	373,457,423	357,897,136	95.8	14,263,496	372,160,632	99.65
2016	376,051,530	370,592,134	98.5	5,220,897	375,813,031	99.94
2017	389,341,072	384,815,669	98.8	4,288,915	389,104,584	99.94
2018	409,079,914	404,970,529	99.0	3,002,249	407,972,778	99.73
2019	433,549,534	429,914,099	99.2	1,516,567	431,430,666	99.51
2020	455,725,784	433,994,901	95.2	19,385,830	453,380,731	99.49
2021	479,221,598	463,357,848	96.7	13,226,643	476,584,491	99.45
2022	529,024,451	502,526,040	95.0	12,214,935	514,740,975	97.30
2023	589,480,761	566,810,027	96.2	N/A[1]	566,810,027	96.15

Source: County of Henrico Annual Comprehensive Financial Report.
[1] Fiscal year 2023 collections in subsequent years will be available at a later date.

Vehicle and Business License Receipts
Last Ten Fiscal Years

Fiscal Year	**Vehicle Receipts**	**Business Receipts**	**Fiscal Year**	**Vehicle Receipts**	**Business Receipts**
2014	$6,714,426	$29,827,991	2019	$7,387,991	$38,307,817
2015	6,573,762	32,086,401	2020	7,480,192	39,626,918
2016	6,919,081	33,520,678	2021	7,113,387	38,591,364
2017	7,199,016	35,432,437	2022	7,445,801	46,330,255
2018	7,246,984	38,618,257	2023	7,527,292	51,162,465

Source: County of Henrico Annual Comprehensive Financial Report, fiscal years ended 2014-2023 Exhibit of Revenues.

Principal Taxpayers as of June 30, 2023

The following data shows the assessed value of the real and personal property of the ten largest holders of real property and personal property in the County as of June 30, 2023. The estimated assessed value of real and personal property of these large entities in the County represents approximately 6.83% of the projected total assessed value of all real property and personal property of $64,569,235,699. This total also includes Public Service Corporation properties assessed by the State Corporation Commission.

HENRICO COUNTY, VIRGINIA
PRINCIPAL PROPERTY TAX PAYERS
TWO MOST RECENT FULL CALENDAR YEARS AND TEN YEARS AGO
(Unaudited)

		Calendar Year 2023			Calendar Year 2022			Calendar Year 2014		
Taxpayer	Type of Business	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	$1,902,671,844	1	2.95%	$1,359,531,360	1	2.37%	-	N/A	
Virginia Power Company	Utility	1,013,976,824	2	1.57%	842,366,522	2	1.47%	492,287,626	1	1.35%
Short Pump Town Centers LLC (Queensland) (1)	Mall	311,500,800	3	0.48%	307,750,100	3	0.54%	-	N/A	-
Quality Invest. Prop Richmond LLC (3)	Data Center	241,684,600	4	0.37%		N/A		-	N/A	-
Raceway Commerce Center Proj. LLC (4)	Distribution Center	193,322,100	5	0.30%		N/A		-	N/A	-
Verizon	Telecommunication	180,355,130	6	0.28%	182,275,544	4	0.32%	224,264,870	5	0.62%
HCA Health Services of VA	Hospital & Medical Offices	151,979,387	7	0.24%	142,537,020	7	0.25%	176,107,056	8	0.48%
Highwoods Property	Off. & Warehouses	151,843,500	8	0.24%	150,025,400	6	0.26%	252,115,000	3	0.69%
Bank of America	Data Ctr. & Bank	132,661,200	9	0.21%	129,064,300	9	0.22%	-	N/A	-
PFI VPN Portfolio	Offices	132,436,900	10	0.21%	127,594,200	10	0.22%	-	N/A	-
Liberty Property, LP	Off. & Warehouses	-	N/A	-	180,247,100	5	0.31%	-	N/A	-
IBM Credit LLC	Pers. Prop. Leasing	-	N/A	-	133,297,752	8	0.23%	-	N/A	-
Forest City (Short Pump TC, White Oak, etc.) (1)	Retail and Offices	-	N/A	-	-	N/A	-	270,597,900	2	0.74%
The Wilton Companies	Offices, Retail & Warehouses	-	N/A		-	N/A		220,243,100	6	0.61%
General Services Corporation	Apartments	-	N/A		-	N/A		230,479,500	4	0.63%
Weinstein Family	Apartments	-	N/A		-	N/A		181,384,200	7	0.50%
Excel Reality Hold. (West Broad Village)	Offices	-	N/A		-	N/A		128,490,700	10	0.35%
United Dominion Realty Trust	Apartments	-	N/A	-	-	N/A	-	132,713,200	9	0.37%
Totals		$4,412,432,285		6.83%	$3,554,689,298		6.19%	$2,308,683,152		6.34%
Total Assessed Values		$64,569,235,699			$57,420,115,849			$36,405,832,733		

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 Investment Prop. Richmond LLC includes the expansion of the QTS data center at White Oak Technology Park
(4) Raceway Commerce Center Project LLC includes the new Amazon fulfillment center near the Richmond Raceway

DEBT ADMINISTRATION

Issuance and Authorization of Bonded Indebtedness

Pursuant to the Constitution of Virginia and the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of such bonds the governing body of a county is required to levy, if necessary, an ad valorem tax on all property in the county subject to local taxation. Although the issuance of general obligation bonds by Virginia counties is not subject to any limitation on amount, counties are prohibited from issuing general obligation bonds unless the issuance of such bonds has been approved by public referendum, or unless such issuance is for refunding bonds or is through the Virginia Public School Authority, the Literary Fund, or other state agency prescribed by law. Payment of general government and school bonded indebtedness is provided for in the Debt Service Fund of the County.

Revenue bonds of a county are payable from revenues of the undertaking and do not require a referendum thereon. Payment of water and sewer utility revenue bonds is provided for in the County's Water and Sewer Enterprise Fund.

As of June 30, 2023, the County's outstanding bonded indebtedness was as follows*:

General Obligation Bonds	$530,280,000
Water and Sewer Revenue Bonds	$414,820,000
Subtotal	$945,100,000
Less: Water and Sewer Revenue Bonds	(414,820,000)
Total Net Debt	$530,280,000

Source: Henrico County Department of Finance.
* Excludes (i) all Economic Development Authority Revenue Bonds issued for the benefit of the County and subject to annual appropriation by the County and (ii) $8,520,000 of outstanding principal of Virginia Resource Authority Special Fund Revenue Funds, Series 2021A. In addition, the County issued $121,355,000 aggregate principal amount of General Obligation Public Improvement Bonds on March 26, 2024, which are not reflected in the table above.

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General Obligation Bond Amortization Requirements

Principal and interest payments on the outstanding general obligation bonded indebtedness of the County as of June 30, 2023 are presented in the following table:

Total General Obligation Bonds*

Fiscal Year Ending June 30	Principal	Interest	Total
2024	$48,485,000	$20,108,772	$68,593,772
2025	48,515,000	17,803,137	66,318,137
2026	46,670,000	15,500,864	62,170,864
2027	42,850,000	13,327,001	56,177,001
2028	39,270,000	11,326,247	50,596,247
2029	37,750,000	9,510,246	47,260,246
2030	31,055,000	7,953,132	39,008,132
2031	30,370,000	6,577,713	36,947,713
2032	26,345,000	5,426,218	31,771,218
2033	23,020,000	4,588,241	27,608,241
2034	23,015,000	3,872,079	26,887,079
2035	23,015,000	3,213,356	26,228,356
2036	23,010,000	2,593,604	25,603,604
2037	23,010,000	1,957,139	24,967,139
2038	23,010,000	1,305,424	24,315,424
2039	17,890,000	744,247	18,634,247
2040	12,925,000	355,522	13,280,522
2041	7,670,000	124,800	7,794,800
2042	2,405,000	24,050	2,429,050
Total	$530,280,000	$126,311,791	$656,591,791

Source: Henrico County Department of Finance.
*Excludes (i) all Economic Development Authority Revenue Bonds issued for the benefit of the County and subject to annual appropriation by the County and (ii) $8,520,000 of outstanding principal of Virginia Resource Authority Special Fund Revenue Funds, Series 2021A. In addition, the County issued $121,355,000 aggregate principal amount of General Obligation Public Improvement Bonds on March 26, 2024, which are not reflected in the debt service table above.

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Economic Development Authority (EDA) Revenue Bond and Virginia Resource Authority (VRA) Special Fund Revenue Bond Amortization Requirements

Principal and interest payments on the outstanding EDA obligations of the County and VRA special fund revenue bonded indebtedness of the County as of June 30, 2023 are presented in the table below. The table below does not include the Economic Development Authority of the County of Henrico, Virginia Revenue Bonds, Series 2024B (Henrico County Government Project), which are expected to be issued on April 23, 2024, as described in this Official Statement.

Total Economic Development Authority and VRA Bonds

Fiscal Year Ending June 30	Principal	Interest	Total
2024	5,550,000	1,456,150	7,006,150
2025	5,745,000	1,269,499	7,014,499
2026	5,935,000	1,072,948	7,007,948
2027	3,000,000	945,678	3,945,678
2028	3,055,000	891,143	3,946,143
2029	3,110,000	832,963	3,942,963
2030	3,175,000	771,091	3,946,091
2031	3,240,000	706,111	3,946,111
2032	3,305,000	637,742	3,942,742
2033	3,380,000	565,358	3,945,358
2034	3,455,000	489,345	3,944,345
2035	2,695,000	414,480	3,109,480
2036	2,760,000	348,957	3,108,957
2037	2,830,000	278,689	3,108,689
2038	2,905,000	203,436	3,108,436
2039	2,985,000	124,677	3,109,677
2040	3,070,000	42,197	3,112,197
Total	$60,195,000	$11,050,464	$71,245,464

Source: Henrico County Department of Finance. Debt service payments with respect to EDA Revenue Bonds and VRA Special Fund Revenue Bonds are subject to annual appropriation by the County.

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Debt Ratios

The following data is presented to show trends in the relationship of the net long term indebtedness of the County to the estimated market value of taxable property in the County and the trend of debt service requirements as a percentage of General Fund and School Operating disbursements.

Trend of Net-Long-Term Indebtedness as Percentage of Assessed Value of Taxable Property

Fiscal Year Ended June 30	Net Long-term Indebtedness[1]	Assessed Value	Percentage
2014	453,820,000	36,405,833,000	1.25%
2015	411,405,000	37,834,786,000	1.09%
2016	406,150,000	39,194,946,000	1.04%
2017	464,530,000	40,960,863,000	1.13%
2018	424,685,000	43,299,119,000	0.98%
2019	480,305,000	46,012,194,000	1.04%
2020	593,260,000	48,446,133,000	1.22%
2021	649,040,000	50,678,863,000	1.28%
2022	644,910,000	57,420,115,700	1.12%
2023	590,475,000	64,569,235,500	0.91%

Source: Henrico County Department of Finance.

(1) Includes general obligation bonds, and the County's subject to appropriation EDA lease revenue bonds and VRA bonds outstanding as of June 30, 2023

Trend of Debt Service Requirements as Percentage of General Disbursements

Fiscal Year	Debt Service Requirements[1]	Disbursements[2]	Percentage
2014	$58,747,033	$1,007,135,736	5.83%
2015	57,676,778	1,011,225,959	5.70
2016	56,086,434	1,029,532,864	5.45
2017	58,843,763	1,078,925,592	5.45
2018	56,988,406	1,090,373,499	5.23
2019	64,405,006	1,166,762,617	5.52
2020	70,302,453	1,190,174,491	5.91
2021	72,248,121	1,189,470,763	6.07
2022	77,487,256	1,368,616,935	5.66
2023	78,433,800	1,446,457,620	5.42

Source: Henrico County Department of Finance.
(1) Includes general obligation bonds, and the County's subject to appropriation EDA revenue bonds and VRA bonds outstanding as of June 30, 2023
(2) Includes General, Special Revenue, and Debt Service Funds.

Lease Commitments and Contractual Obligations

The County is obligated to make lease payments for computer hardware, automotive vehicles, equipment, and office space according to lease commitments outstanding as of June 30,

2023. In accordance with legal requirements, all lease obligations are contingent upon the Board of Supervisors appropriating funds for each year's payments. Future minimum lease payments on obligations entered into through June 30, 2023 under these capital and operating leases for fiscal years ending June 30 are as follows:

Fiscal Year Ending June 30	Amount
2024	$8,921,728
2025	3,494,231
2026	2,674,090
Thereafter	8,989,528
Total Minimum Lease Payments	$24,079,577
Less Amount Representing Interest	507,866
Present Value of All Future Minimum Lease Payments	$23,571,711

MISCELLANEOUS

Certain Contingent Environmental 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 does the County have knowledge of any condition which impairs a third-party's property or person.

Joint Ventures

Capital Region Airport Commission. The Capital Region Airport Commission (the "Commission") was created in 1975 pursuant to Virginia statute. On January 1, 1976, the Commission became effective, and the County and the City of Richmond entered into an agreement with the Commission, which was responsible for the operation of the Richmond International Airport (the "Airport"). As part of the agreement, the City of Richmond 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 a 40% interest in the venture. The Counties of Chesterfield and Hanover became Commission participants in fiscal year 1984 and fiscal year 1986, respectively. The Commission operates independently as a separate political subdivision, with four participating member jurisdictions, as described below.

The Commission is comprised of a fourteen-member board of directors, with four members each being appointed by the governing bodies of the City of Richmond, the County of Henrico and the County of Chesterfield 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 statutes require that the Commission annually submit a budget showing estimated revenues and expenditures to the governing bodies of the City of Richmond 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 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 of Richmond and the three counties may, at their discretion, appropriate funds necessary to fund the deficit.

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	9.12
	100.00%

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 1 Richard E. Byrd Terminal Drive, Suite C, Richmond International Airport, Virginia 23250-2400 or at https://flyrichmond.com/airport-information/ under the financials sub-section, annual comprehensive financial reports.

Greater Richmond Convention Center Authority. The Greater Richmond Convention Center Authority (the "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, Code of Virginia (1950). The local governments participating in the incorporation of the Convention Authority were the City of Richmond and the Counties of Henrico, Chesterfield and Hanover. The Convention Authority is governed by a five-member board comprised of the chief administrative officer of each of the four incorporating local governments 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 Greater Richmond Convention Center. The primary purpose of the Convention Authority is to issue revenue bonds to finance the expansion of the facility and to construct access, streetscape, or other on-site/off-site improvements. After the completion of the project, the Convention Authority assumed 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 8.0 percent transient occupancy tax imposed and collected by the localities. The County recorded an expenditure of $16,672,050 for transient occupancy tax to the Convention Authority during the year ended June 30, 2023.

Complete financial statements for the Convention Authority can be obtained from Chesterfield County, Accounting Department, Post Office Box 40, Chesterfield, Virginia 23832.

Central Virginia Transportation Authority. The Central Virginia Transportation Authority (the "CVTA") is a newly established regional authority created by the Virginia General Assembly to provide funding for transportation projects in the Counties of Henrico, Chesterfield, Goochland, Hanover, New Kent, Powhatan and Charles City, as well as the Town of Ashland and the City of Richmond (collectively, the "CVTA Member Localities"). The CVTA's authority became effective July 1, 2020. The CVTA receives the revenues from a 0.7% sales and use tax to be imposed in the CVTA Member Localities, in addition to a wholesale tax of 7.6 cents per gallon of gas and 7.7 cents per gallon of diesel fuel which became effective in the CVTA Member Localities in July 2020. Pursuant to the CVTA's statute, 50% of the revenues received by the CVTA will be distributed proportionally to the CVTA Member Localities, 35% of the revenues will be disbursed at the discretion of the CVTA governing board for transportation projects that benefit the CVTA Member Localities, and 15% of the revenues will be distributed to the Greater Richmond Transit Company. The CVTA has the authority to issue bonds to finance transportation projects in the CVTA Member Localities. The CVTA governing board consists of representatives of the CVTA Member Localities, representatives from the Virginia General Assembly and the Commonwealth Transportation Board, in addition to certain non-voting ex-officio representatives. Voting on actions taken by the CVTA governing body are weighted, with more votes given to the most populous CVTA Member Localities, as follows: any vote of any of the representatives of Henrico, Chesterfield and the City of Richmond counts for four votes for each such representative, any vote of the representative of Hanover County counts for three votes, any vote of any of the representatives of Goochland, New Kent and Powhatan counts for two votes for each of such representatives, and any vote of any of the representatives of Ashland and the County of Charles City counts for one vote for each such representative. In addition, the CVTA representatives of the General Assembly and the Commonwealth Transportation Board each get one vote per representative. The CVTA statute requires that each of the CVTA Member Localities maintains local funding of transportation needs at least equal to 50% of the funding level as of July 1, 2019 (adjusted annually starting in fiscal year 2023).

Employee Retirement and Pension Plans

All full-time, salaried permanent employees of Henrico County are automatically enrolled in the Virginia Retirement System ("VRS"), except law enforcement officers, who are enrolled in the Law Enforcement Officers Retirement System, which is also administered by VRS. Retirement, group life insurance coverage, disability and death benefits are provided under these plans. The County fully funds the VRS Board of Trustees certified contribution rates for all General Government employees. Professional instructional personnel in the Henrico County School System are also automatically enrolled in the VRS, but in accordance with Chapter 1, Title 51.1 of the Code of Virginia (1950), the employer contribution costs are partially borne by the Commonwealth of Virginia and the contribution rates for professional instructional personnel are established by the Virginia General Assembly. The Henrico County School System fully funds the contribution rates established by the Virginia General Assembly. Additional information concerning the Employee Retirement and Pension Plans and Other Post-Employment Benefits is contained in the financial statements of the County attached as APPENDIX B, see Notes 9, 10, 11, 12, 13, 14, and 15.

Other Post-Employment Benefits

Expenses associated with retirees' health benefits are funded annually on a cash basis. Current Henrico County retirees who qualify for health benefits receive an implicit subsidy by participating in the active employee health care risk pool; as well, the County offers a health care credit based upon years of service. Eligibility for health care benefits is based on the retiree being immediately eligible to receive a VRS monthly retirement payment. Under age 65, the retiree and his or her dependents can remain in the County's health and dental plans and pay the full active premium. Over age 65, a retiree and his or her dependents move to a Medicare plan. Certain classes of employees are eligible for a health care credit paid through VRS.

Retirees who are not eligible for the VRS Health Care Credit may qualify for the County supplement. Retirees must have a minimum of 20 full years of VRS service, 10 years of which must be with the County. The supplement will be paid only to eligible retirees who choose to remain in the County's plan. This supplement is $3 per month for each full year of service.

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The County adopted Statement No. 75 for fiscal year ended June 20, 2018. 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, 2018. 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, 2023, the County's Governmental Activities and School Board reported a net postemployment healthcare OPEB liability of $13,862,451 or 44.42 percent, and $16,549,635 or 53.04 percent for its proportionate share of the net pension liability. For the fiscal year ended June 30, 2023, the County's Governmental Activities and School Board recognized healthcare OPEB expense of $1,263,712 and $3,202,607 respectively. The County's Governmental Activities recognized line of duty OPEB expense of $1,717,017. See Note 12 in the financial statements attached as APPENDIX B for additional information.

Capital Improvement Program

The County's Capital Improvement Program (the "CIP") represents infrastructure improvements needed over the next ten years by the County and provides for the orderly and systematic financing and acquisition of public improvements. The first five years of the CIP are utilized for appropriations and budget related planning while years six through ten are utilized for project pipeline planning. In evaluating each of the proposed projects, the CIP process takes into account such factors as population growth, density, economic development concerns, the County's fiscal ability, and the desired service levels. The amount appropriated for capital projects each year is based on the CIP in effect at the time of the development of the County's budget. Recommendations in subsequent CIP's may result in revisions to the amounts appropriated for specific projects.

The fiscal year 2024 CIP totals $316.8 million and includes funding for ongoing maintenance as well as new infrastructure. The funded projects in the fiscal year 2024 CIP include eight projects included in the 2022 G.O. Bond projects (funded with a portion of the County's

2024 G.O. Bonds) including the Environmental Center Living Building, Jackson-Davis Elementary School Replacement, Longan Elementary School Replacement, Quioccasin Middle School Replacement, Firehouse 6, Three Chopt Area Park, Tuckahoe Creek Park Phase III, Drainage Improvements, and Department of Public Works Stormwater projects. Water and sewer rehabilitation projects funded by enterprise fund revenues are also included.

Projects shown in fiscal year 2025-2028 in the following chart are representative of projects requested by departments in the first five years of the CIP and are subject to appropriation in the approved budgets for those years. The following is a summary of the approved CIP for fiscal year 2024 and the requested expenditures for the subsequent four fiscal years.

Capital Improvement Program Requests Summary

Fiscal Year 24 through Fiscal Year 28

By Department	Approved FY24	Requested FY24	Requested FY25	Requested FY26	Requested FY27	Requested FY28	Total Requested
Capital Projects Fund							
Community Revitalization	4,750,000	-	-	-	-	-	-
Education	105,550,000	117,600,000	99,500,000	43,000,000	61,500,000	60,500,000	382,100,000
Fire	13,300,000	14,549,000	8,665,000	14,149,000	1,929,000	4,668,000	43,960,000
General Services	7,500,000	7,934,400	8,330,350	6,090,700	7,050,000	7,050,000	36,455,450
Information Technology	1,650,000	10,067,750	11,398,250	2,958,500	3,178,000	3,370,000	30,972,500
Mental Health	-	-	-	-	2,335,000	16,330,000	18,665,000
Police	15,000,000	11,217,000	4,844,596	1,193,000	-	4,539,000	21,793,596
Public Library	-	-	173,000	1,203,000	1,012,000	-	2,388,000
Public Safety	-	-	1,861,000	13,616,000	11,022,000	6,348,000	32,847,000
Public Works - Environmental	7,598,000	15,098,000	15,098,000	15,098,000	15,098,000	15,098,000	75,490,000
Public Works - Roadway	30,000,000	221,840,000	221,840,000	221,840,000	221,840,000	221,840,000	1,109,200,000
Public Utilites - Solid Waste	-	5,000,000	-	-	-	-	5,000,000
Recreation	15,750,000	17,600,000	12,350,000	10,930,000	6,780,000	13,861,000	61,521,000
Sheriff	-	721,000	-	-	-	-	721,000
Emergency Management	-	1,909,645	-	-	-	-	1,909,645
Total	**201,098,000**	**423,536,795**	**384,060,196**	**330,078,200**	**331,744,000**	**353,604,000**	**1,823,023,191**
Vehicle Replacement Reserve							
Education	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	30,000,000
Fire	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	17,500,000
Police	5,300,000	5,300,000	5,300,000	5,300,000	5,300,000	5,300,000	26,500,000
Total	**14,800,000**	**14,800,000**	**14,800,000**	**14,800,000**	**14,800,000**	**14,800,000**	**74,000,000**
Enterprise Fund - Utilities							
Public Utilities - Sewer	87,400,000	87,400,000	66,233,000	66,400,000	27,241,000	108,946,000	356,220,000
Public Utilities - Water	13,500,000	13,500,000	16,000,000	19,500,000	13,000,000	9,000,000	71,000,000
Total	**100,900,000**	**100,900,000**	**82,233,000**	**85,900,000**	**40,241,000**	**117,946,000**	**427,220,000**
Grand Total	**316,798,000**	**539,236,795**	**481,093,196**	**430,778,200**	**386,785,000**	**486,350,000**	**2,324,243,191**

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE COUNTY OF HENRICO, VIRGINIA FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Cherry Bekaert LLP
Your Guide Forward

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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,* and the Specifications, we:

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

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

Required Supplemental Information

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

Other Supplemental Information Schedules

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 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 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 November 27, 2023, 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
November 27, 2023

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

The following discussion and analysis of the County's financial performance provides an overview of the County's financial activities, as of the end of fiscal year June 30, 2023 (FY 2023). 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 FY 2023

On a government-wide basis for governmental activities, the County had expenses net of program revenues of $765.4 million. General revenues of $965.1 million exceeded expenses, net of program revenues, by $199.7 million (Exhibit 2).

The County's total net position, excluding component units, on the government-wide basis totaled $3,258.5 million at June 30, 2023 (Exhibit 1).

The General Fund, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures by $32.5 million (Exhibit 4) after making transfers out of $147.1 million, which include transfers to the Capital Projects Fund for $32.5 million, Special Revenue Fund for $36.1 million and Debt Service Fund for $78.5 million. In addition, the General Fund contributed $319.3 million to the County's component units (Exhibit 12).

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The County's Annual Comprehensive Financial Report (ACFR) is comprised of three sections: Introductory, Financial, and Statistical. The Financial Section, which includes the audited basic financial statements, is comprised of four components: 1) the report of the independent auditor, 2) management's discussion and analysis (MD&A), 3) the basic financial statements, and 4) notes to the basic 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.

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

These 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 – the County of Henrico School Board (School Board) 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 information about the County's most significant funds, not the County as a whole.

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 is 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 ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position

The following table reflects a summary of the County's net position (in millions) at June 30, 2022, and 2023:

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2022	2023	2022	2023	2022	2023	2022	2023
Current Assets	$1,224.3	$1,341.9	$278.0	$275.1	$1,502.3	$1,617.0	$163.2	$220.6
Noncurrent Other Assets	30.2	20.1	4.0	3.8	34.2	23.9	19.7	0.2
Capital and Intangible Assets	1,811.5	1,946.2	1,525.2	1,562.3	3,336.7	3,508.5	301.7	302.3
Total Assets	3,066.0	3,308.2	1,807.2	1,841.2	4,873.2	5,149.4	484.6	523.1
Deferred Outflows of Resources	103.1	93.3	37.0	34.2	140.1	127.4	147.2	133.0
Total Current Liabilities	264.3	340.8	50.4	45.2	314.7	386.0	94.3	98.0
Net Pension Liability	82.2	181.3	6.6	12.7	88.8	194.0	276.0	349.6
Net OPEB Liability	51.2	52.4	1.5	1.6	52.7	54.0	78.7	78.6
Liabilities due in more than a year	671.5	617.8	451.9	431.4	1,123.4	1,049.2	21.0	15.4
Total Liabilities	1,069.2	1,192.3	510.4	490.9	1,579.6	1,683.2	470.0	541.6
Deferred Inflows of Resources	421.2	330.7	11.9	4.4	433.1	335.1	230.6	87.7
Net Position:								
Net Investment in Capital Assets	1,272.2	1,428.2	1,088.5	1,138.0	2,360.7	2,566.2	282.7	302.6
Restricted	308.5	230.3	29.6	29.7	338.1	260.0	6.0	1.7
Unrestricted (deficit)	98.0	219.9	203.8	212.4	301.8	432.3	(357.5)	(277.5)
Total Net Position (deficit)	$1,678.7	$1,878.4	$1,321.9	$1,380.1	$3,000.6	$3,258.5	$(68.8)	$26.8

The County's net position increased by 8.6%, or $258.0 million to $3,258.5 million from 3,000.6 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 11.9%, or $199.7 million to $1,878.4 million (Exhibit 2).

The governmental Net Investment in Capital Assets increased by $156.0 million. GAAP requires the County to report all assets financed by the issuance of general obligation bonds backed by the full faith and credit of the County. This is because the County has taxing authority to raise funds and pay the general obligation debt. This Included assets utilized by the School Board, a Component unit of the County. Such assets used by component units will be reported by the County until the debt matures. With debt retirements in fiscal year 2023, some assets that had been reported as County assets were recharacterized as School Board assets during the year.

Restricted net position decreased by $78.2 million due to capitalizing projects and by additional funds reserved for grants. The unrestricted net position increased by $121.9 million to $219.9 million at June 30, 2023, due mainly to the changes in the deferred pension and OPEB outflows and inflows (Exhibit 1).

The net position of business-type activities increased by 4.4%, or $58.2 million from $1,321.9 million to $1,380.1 million (Exhibit 2). Unrestricted net position available for the continuing operation of the water and sewer activities was $212.4 million as of June 30, 2023 (Exhibit 1).

The net deficit of the aggregate discretely presented component units improved by 139.0%, or $95.6 million from ($68.8) million to $26.8 million, due to increased General Fund contributions in the last two years. Net Investment in Capital Assets increased by $19.9 million due to debt payments above and beyond the acquisition of new assets. Unrestricted net deficit improved by $80.0 million to ($277.5) million at June 30, 2023, compared to the prior year (Exhibit 1).

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, 2022, and 2023:

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2022	2023	2022	2023	2022	2023	2022	2023
Revenues:								
Program Revenues:								
Charges for Services	$45.1	$48.0	$134.9	$141.6	$180.0	$189.6	$6.3	$10.2
Operating Grants and Contributions	152.4	194.7	-	-	152.4	194.7	411.8	443.6
Capital Grants and Contributions	-	-	14.9	15.0	14.9	15.0	-	-
General Revenues:								
Property Taxes	543.9	606.7	-	-	543.9	606.7	-	-
Other Taxes	228.4	228.4	-	-	228.4	228.4	-	-
Other	94.5	130.0	17.4	26.4	111.9	156.4	13.8	14.0
Payment from Primary Government	-	-	-	-	-	-	274.3	319.3
Total Revenues	$1,064.3	$1,207.8	$167.2	$183.0	$1,231.5	$1,390.8	$706.2	$787.1
Expenses:								
General Government	132.4	145.1	-	-	132.4	145.1	-	-
Judicial Administration	14.3	15.9	-	-	14.3	15.9	-	-
Public Safety	242.9	248.1	-	-	242.9	248.1	5.8	6.1
Public Works	89.7	92.0	-	-	89.7	92.0	-	-
Health and Welfare	73.5	80.8	-	-	73.5	80.8	-	-
Education	308.0	331.6	-	-	308.0	331.6	615.2	685.4
Parks, Recreation and Cultural	48.8	46.2	-	-	48.8	46.2	-	-
Community Development	32.3	35.3	-	-	32.3	35.3	-	-
Interest on Long-term Debt	14.4	13.1	-	-	14.4	13.1	-	-
Water and Sewer	-	-	115.1	124.8	115.1	124.8	-	-
Total Expenses	$956.3	$1,008.1	$115.1	$124.8	$1,071.3	$1,132.9	$621.0	$691.6
Change in Net Position	108.0	199.7	52.1	58.2	160.1	257.9	85.2	95.6
Net Position (deficit), beginning of year	1,570.7	1,678.7	1,269.8	1,321.9	2,840.5	3,000.6	(154.0)	(68.8)
Net Position (deficit), end of year	$1,678.7	$1,878.5	$1,321.9	$1,380.1	$3,000.6	$3,258.5	($68.8)	$26.8

REVENUES

For the fiscal year ended June 30, 2023, revenues from governmental activities totaled $1,207.8 million, an increase of $143.5 million from fiscal year 2022. Real estate tax revenue is the County's largest revenue source and reflects the recognition of the second half of calendar year 2022 and the first half of calendar year 2023 real property tax. The Real estate tax revenue collected during fiscal year 2023 was $452.7 million, an increase of $46.5 million or 11.4% from fiscal year 2022 (Exhibit 12). Property values increased approximately 13% in the thriving Henrico real estate market. The increase in assessed value for real estate was offset slightly as the County Board of Supervisors reduced the real estate tax rate by 2 cents to 85 cents per $100 of assessed value in calendar year 2022. The same rate was maintained in calendar year 2023. The County reduced the impact of rising real estate taxable values by providing a credit of 2 cents per $100 of taxable value for the second consecutive year.

During fiscal year 2023, the County collected $126.5 million in personal property tax revenue from County residents and received Personal Property Tax Relief from the Commonwealth of Virginia (the Commonwealth) of $37.0 million for total personal property tax related receipts of $163.5 million. Under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA), the Commonwealth's share of the local personal property tax payment for a calendar year was frozen at 70 percent for qualified vehicles. During the 2004 General Assembly, the Commonwealth's obligation for car tax relief was capped at $950 million annually. Each jurisdiction's share of the $950 million is based on the total 2004 reimbursement as of December 31, 2005. The County's share of $37.0 million is paid in three installments. At June 30, 2022, the County accrued $18.5 million for the first half of the calendar year.

The fiscal year 2023 property tax collections were up by $16.2 million or 14.7% over fiscal year 2022 because the value of almost all vehicles was up for the year. A smaller used car inventory, and an increased demand for vehicles drove the motor vehicle valuations higher. Used vehicle wholesale prices increased by almost 12% in 2023.

Business-type activities produced total revenues of $183.0 million, an increase of $15.8 million from fiscal year 2022. The County's Water and Sewer activity produced $141.6 million in charges for services and $15.0 million in capital grants and contributions (Exhibit 2).

EXPENSES

For the fiscal year ended June 30, 2023, expenses for governmental activities totaled $1,008.1 million, an increase of $51.8 million or 5.5% from fiscal year 2022 (Exhibit 2). Included in this activity are employee compensation and benefits, payments for educational expenses to the School Board, and the cost of general governmental activities such as public safety, recreation, and libraries. The largest expense increases occurred in Education, Public Works and Public Safety.

Education continues to be one of the County's highest priorities and commitments. Spending on Education was up $23.6 million or 7.66% with a direct payment by the primary government of $319.3 million for School operations (Exhibit 4). The increase is primarily for general raises for teachers, and market adjustments for administrative school positions.

Public Works expenses increased by $2.3 million or 2.6%. Henrico's Public Works Department maintains over 3500 lane miles of road, the third largest road network in Virginia. Roads, bridges, and sidewalk projects account for most of the increase.

Parks and Recreation spending decreased by 2.6 million or 5.3%. The personnel component increased 7.3% because of adjusted salaries and rising benefit costs. The department has pushed to increase special events for the past two years. An emphasis on Sports and Entertainment is focused on promoting Henrico as a desirable destination for Sports Tourism and Entertainment.

Public Safety expenses increased by $5.2 million or 2.1%. In addition to pay raises for Police Officers, Firefighters and Sheriff's Deputies and regular vehicle replacement, the County hired 25 additional Police Officers.

The expenses of business-type activities, the result of County Water and Sewer activity totaled $124.8 million, an increase of $9.7 million or 8.4% over fiscal year 2022 business-type activities (Exhibit 2).

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

For the fiscal year ended June 30, 2023, the governmental funds reflect a combined fund balance of $793.3 million, a decrease of ($16.3) million from fiscal year 2022 (Exhibit 4), driven by a ($57.2) million net change in Capital Projects fund balance. The General Fund accounts for $427.9 million (Exhibit 4) of the total combined balance. This is an increase of $32.5 million or 8.2% from the General Fund balance of $395.4 million recorded at June 30, 2022. The current General Fund Balance was impacted by General Fund Revenues, which increased by $114.6 million or 12.4% from fiscal year 2022.

The largest increases occurred in General property taxes, which increased by $69.5 million. Real property values increased approximately 13% in the thriving Henrico real estate market. Personal property appraisals were also up because of a smaller used car inventory, and an increased demand for vehicles which drove the motor vehicle valuations higher. Used vehicle wholesale prices increased by almost 12% in 2023. In addition to General property tax increases, the County benefited from a $26.6 million increase in Interest revenue (Revenue from use of money & property).

At the same time, General Fund Expenditures increased by $123.8 million or 16.3% from fiscal year 2022. The FY 2022 budget as a return to normal after COVID-19. The FY 2023 budget continued the post COVID trend, but was also a response to the inflationary pressure seen in the previous year (over 8% in calendar year 2022). Other Financing Uses decreased by ($29.8) million or 19.5% from fiscal year 2022. Finally, the following items affected the fund balance and should be noted:

- The General Fund transferred $32.5 million to the Capital Projects Fund to finance various capital projects, $36.1 million to the Special Revenue Fund and $78.5 Million for debt service. The total transfers were reduced $7.4 million from the previous year.
- The General Fund contributed $319.3 million to fund fiscal year 2023 School Board operations, an increase of $45.0 million or 16.4% from the fiscal year 2022 contribution. School expenses increased 4.9% over FY 2022 (Schedule 9).

Highlights of other Governmental Funds are as follows:

- The Special Revenue Fund Balance of $74.5 million (Exhibit 4) increased by $8.3 million or 12.6% from fiscal year 2022. The increase is due to revenues of $87.0 million and other financing sources of $36.5 million exceeding expenditures of $115.1 million. The major function of the Special Revenue Fund is to account for State and Federal grants received by the County, Social Services programs, and solid waste operations. State and Federal grants are received on a reimbursement basis and contributed $54.9 million in revenues. The County's Social Services operations accounted for $25.0 million in State and Federal grant revenues (Exhibit 12) and $32.5 million in expenditures during fiscal year 2023 (Exhibit 13).
- The Debt Service Fund Balance remained at $1.2 million in fiscal year 2023 (Exhibit 4). The fund received transfers from the General Fund of $78.5 million to cover the scheduled debt payments in fiscal year 2023. The actual expenditures for the Debt Service Fund were $78.4 million.
- The Capital Projects Fund Balance of $289.7 million (Exhibit 4) is a decrease of $57.2 million, or 16.5% in comparison to fiscal year 2022. During the fiscal year, expenditures for capital projects

were $144.3 million, and revenues were $54.6 million. Other financing sources include transfers from the General Fund of $32.5 million during fiscal year 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Budget
(in millions)

	Original	Revised	Actual
Revenues:			
Taxes	$736.5	$736.5	$830.2
Intergovernmental	134.4	138.6	149.8
Other	23.2	23.2	60.7
Total Revenues	$894.1	$898.3	$1,040.6
Expenditures and Other Uses:			
Expenditures	$808.4	$880.6	$861.0 *
Other Financing Uses	120.5	120.5	123.1
Total Expenditures and Other Financing Uses	928.9	1,001.1	984.1
Change in Fund Balance	($34.9)	($102.8)	$32.5

*Actual expenditures do not include right-to-use capital outlay of $24.0 million (Exhibit 13).

Revenues exceeded expenditures and other financing uses by $32.5 million in the General Fund for fiscal year 2023.

Actual General Fund revenues were more than the original budgeted revenues by $146.5 million during fiscal year 2023. Actual revenue collections exceeded the revised budget by $142.3 million. This increase is attributable in part to collections of general property taxes such as real property and personal property taxes, which exceeded the revised budget by $69.5 million, and other local taxes, such as meals tax and bank franchise taxes, which exceeded the revised budget by $0.6 million (Exhibit 12). In addition, revenue from use of money and property exceeded revised budget by $26.6 million (Exhibit 12). Actual General Fund expenditures were greater than the original budget by $52.6 million, and less than the revised budget by ($19.6) million.

During fiscal year 2023, the County Board of Supervisors amended the budget nine times. These budget amendments or supplemental appropriation resolutions were primarily for the following purposes:

- To reappropriate monies to pay for continuing programs whose fiscal year extended beyond June 30, 2022.
- To reappropriate grant revenues authorized in fiscal year 2022 or earlier, but not expended or encumbered as of June 30, 2022 and to appropriate grants or donation accepted or adjusted in fiscal year 2023.
- To appropriate funds for program enhancements, capital projects or other operational needs that were not anticipated in the original fiscal year budget.
- To appropriate Federal American Rescue Plan Act (ARPA) funds received in FY 2023 for COVID-19 related expenditures.

CAPITAL AND INTANGIBLE ASSETS

The three tables below provide a summary of the County's capital and intangible assets. 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	
	2022	2023	2022	2023	2022	2023	2022	2023
Non-Depreciable Assets:								
Land	$405.2	$415.7	$22.2	$22.5	$427.4	$438.2	$52.2	$52.2
Construction in Progress	148.7	242.2	350.0	361.2	498.6	603.4	4.7	5.9
Other Capital Assets:								
Buildings	1,210.3	1,231.4	403.7	404.7	1,614.0	1,636.1	414.4	415.3
Infrastructure	757.3	808.0	1,308.6	1,362.7	2,065.9	2,170.7	-	-
Equipment	308.4	317.1	171.4	171.8	479.8	488.9	183.5	188.5
Improvements	131.4	138.9	1.4	1.4	132.9	140.3	42.6	39.4
Accumulated Depreciation On Other Capital Assets	(1,149.8)	(1,207.0)	(732.0)	(762.0)	(1,881.8)	(1,969.0)	(395.7)	(399.0)
Total Net of Depreciation	$1,811.5	$1,946.2	$1,525.3	$1,562.3	$3,336.7	$3,508.6	$301.7	$302.3

	Governmental Activities		Business-type Activities		Total		Component Units	
	2022	2023	2022	2023	2022	2023	2022	2023
Right to Use Lease Assets:								
Equipment	$1.8	$1.8	$ -	$ -	$1.8	$1.8	$ -	$ -
Building	11.8	11.7	-	-	11.8	11.7	4.7	4.4
Other	1.9	1.9	-	-	1.9	1.9	19.0	19.0
Accumulated Amortization	(2.9)	(5.2)	-	-	(2.9)	(5.2)	(4.1)	(9.6)
Total Net of Amortization	$12.6	$10.1	$ -	$ -	$12.6	$10.1	$19.6	$13.8

	Governmental Activities		Business-type Activities		Total		Component Units	
	2022	2023	2022	2023	2022	2023	2022	2023
Right to Use Subscription Assets:								
Subscription Assets	$ -	$24.0	$ -	$ -	$ -	$24.0	$ -	$9.4
Accumulated Amortization	-	(3.4)	-	-	-	(3.4)	-	(3.1)
Total Net of Amortization	$ -	$20.6	$ -	$ -	$ -	$20.6	$ -	$6.3

At the end of fiscal year 2023, the County's governmental activities (including Internal Service Funds) had net capital assets totaling $1,946.2 million, which represents a net increase of $134.7 million or 7.4% over the previous fiscal year-end balance. Infrastructure assets include roads, bridges, and water and wastewater systems.

The business-type net activities capital assets grew by $37.0 million to $1,562.3 million, an increase of 2.4% over the previous fiscal year. The County's business-type activities are made up of the County's water and sewer activities.

The Component Units' capital assets increased by $0.6 million to $302.3 million, a increase of 0.2% from the previous fiscal year. The School Board accounted for the major portion of the net increase. More detailed information about the County's capital and intangible assets is presented in Note 6 of the notes to the financial statements.

LONG-TERM DEBT

At the end of fiscal year 2023, the County had $530.3 million in outstanding General Obligation Bonds, a decrease of $49.0 million, or 8.5 percent, over last fiscal year. More detailed information about the County's long-term liabilities is presented in Note 7 of the notes to the 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 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.

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 (Schedule 9) and Statement of Changes in Fiduciary Net Position (Schedule 10) 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 laws of the Commonwealth of Virginia that restrict the placement of public funds.

At June 30, 2023, the County's investment portfolio amounted to $1,103.1 million, an increase of $50.1 million. Henrico experienced a steady increase in Investment yields during fiscal year 2023 due to Federal Reserve rate hikes. In the rising rate environment, the fair value of County investments experienced declines. They are unrealized losses but will be reflected in the County Net Position at June 30th. The expectation is that County will hold the investments until maturity without actual losses. The County portfolio contained United States Treasury and Agency obligations, high quality municipal bonds, prime commercial paper and Commonwealth of Virginia Local Government Investment Pool shares. This strategy enabled the County to maximize returns without experiencing any significant adverse credit exposure. More detailed information about the County's investments is presented in Note 2 of the notes to the financial statements.

ECONOMIC FACTORS

According to the Virginia Employment Commission, as of June 30, 2023, the County had a net decrease of 4,037 jobs since 2019, resulting in total employment of 186,931. The County's unemployment rate, which was reported at 2.8 percent as of June 30, 2023, matched the State's unemployment rate of 2.8 percent, and was below the federal rate of 3.8 percent. As of 2022 (the latest data available from the U.S. Bureau of Economic Analysis), the County's per capita income of $76,327 registered higher than both the national average of $65,470, and the Commonwealth of Virginia average of $68,985.

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. This report may also be found online at the County's official website www.henrico.us./finance/Public-data/.

HENRICO COUNTY, VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2023

Exhibit 1

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets:				
Current assets:				
Cash, cash equivalents, and temporary investments	$ 954,275,702	$ 189,247,276	$ 1,143,522,978	$ 143,063,002
Receivables, net	266,281,948	29,406,676	295,688,624	54,753
Due from other governments	54,958,314	-	54,958,314	57,091,310
Internal balances	(1,175,354)	1,175,354	-	-
Due from component unit	35,979,905	-	35,979,905	-
Inventories	842,818	1,352,084	2,194,902	153,913
Restricted cash and cash equivalents	-	53,864,998	53,864,998	55,261
Noncurrent assets:				
Other assets	20,090,336	3,753,762	23,844,098	155,299
Capital and intangible assets:				
Right to use assets, net	30,705,399	4,729	30,710,128	20,212,697
Land and construction in progress	657,862,151	383,705,370	1,041,567,521	58,032,100
Other capital assets, net	1,288,372,525	1,178,614,743	2,466,987,268	244,260,747
Capital assets, net	1,946,234,676	1,562,320,113	3,508,554,789	302,292,847
Total Assets	3,308,193,744	1,841,124,992	5,149,318,736	523,079,082
Deferred Outflows of Resources:				
Contributions after measurement date	45,117,115	2,569,827	47,686,942	66,606,738
Change in proportionate share allocation	1,519,348	31,709	1,551,057	7,619,477
Change of assumptions	27,740,142	1,720,357	29,460,499	34,892,377
Difference between actual and expected experience	18,896,090	927,755	19,823,845	23,876,132
Deferred loss on debt refunding, net	-	28,921,565	28,921,565	-
Total Deferred Outflows of Resources	93,272,695	34,171,213	127,443,908	132,994,724
Total Assets and Deferred Outflows of Resources	3,401,466,439	1,875,296,205	5,276,762,644	656,073,806
Current liabilities:				
Accounts payable	75,925,742	13,553,484	89,479,226	6,735,247
Deposits payable	-	1,003,840	1,003,840	-
Accrued liabilities	73,881,035	2,839,868	76,720,903	1,639,365
Amounts held for others	13,342,651	-	13,342,651	83,866
Unearned revenues	67,246,095	9,685,797	76,931,892	34,135,571
Due to Primary Government	-	-	-	35,979,905
Long-term liabilities due within one year	110,445,785	18,106,065	128,551,850	19,384,678
Total current liabilities	340,841,308	45,189,054	386,030,362	97,958,632
Noncurrent liabilities:				
Net pension liability	181,262,718	12,651,927	193,914,645	349,589,584
Net OPEB liability	52,397,184	1,601,232	53,998,416	78,598,268
Long-term liabilities due in more than one year	617,808,856	431,414,991	1,049,223,847	15,410,715
Total non-current liabilities	851,468,758	445,668,150	1,297,136,908	443,598,567
Total Liabilities	1,192,310,066	490,857,204	1,683,167,270	541,557,199
Deferred Inflows of Resources:				
Change in proportionate share allocation	399,704	418,602	818,306	2,013,946
Difference between actual and expected experience	14,662,812	1,032,640	15,695,452	27,332,841
Difference between projected and actual earnings	38,346,027	2,379,124	40,725,151	45,481,855
Change of assumptions	16,739,938	475,340	17,215,278	12,726,195
Other - leases	9,021,332	75,503	9,096,835	169,601
Deferred revenues	251,521,216	-	251,521,216	-
Total Deferred Inflows of Resources	330,691,029	4,381,209	335,072,238	87,724,438
Total Liabilities and Deferred Inflows of Resources	1,523,001,095	495,238,413	2,018,239,508	629,281,637
Net Position:				
Net investment in capital assets	1,428,128,023	1,137,996,527	2,566,124,550	302,568,499
Restricted for:				
Highways, streets and buildings	154,767,489	-	154,767,489	-
Debt service	1,197,897	29,663,629	30,861,526	-
Grants	74,460,971	-	74,460,971	1,809,428
Unrestricted net position (deficit)	219,910,964	212,397,636	432,308,600	(277,585,758)
Total Net Position	$ 1,878,465,344	$ 1,380,057,792	$ 3,258,523,136	$ 26,792,169

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, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	$ 145,091,106	$ 16,176,448	$ 1,489,943
Judicial administration	15,934,260	1,075,945	5,147,157
Public safety	248,057,820	4,520,211	37,763,947
Public works	92,020,402	2,719,135	96,253,078
Health and welfare	80,814,996	10,754,144	43,051,887
Education	331,606,321	-	-
Parks, recreation and culture	46,167,634	740,670	307,221
Community development	35,284,066	12,011,308	10,695,908
Interest on long-term debt	13,118,434	-	-
Total Governmental Activities	1,008,095,039	47,997,861	194,709,141
Business-type activities:			
Water and Sewer	124,788,913	141,596,042	-
Total Business-type Activities	124,788,913	141,596,042	-
Total Primary Government	$ 1,132,883,952	$ 189,593,903	$ 194,709,141
Component Units:			
School Board	$ 685,379,541	$ 4,058,071	$ 443,495,165
James River Juvenile Detention Commission	6,148,159	6,110,273	154,127
Total Component Units	$ 691,527,700	$ 10,168,344	$ 443,649,292

General Revenues:
Taxes:
Property
Local sales and use
Business licenses
Hotel and motel
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 (Deficit) at June 30, 2022

Total Net Position (Deficit) at June 30, 2023

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
	$ -	$ (127,424,715)	$ -	$ (127,424,715)	$ -
	-	(9,711,158)	-	(9,711,158)	-
	-	(205,773,662)	-	(205,773,662)	-
	-	6,951,811	-	6,951,811	-
	-	(27,008,965)	-	(27,008,965)	-
	-	(331,606,321)	-	(331,606,321)	-
	-	(45,119,743)	-	(45,119,743)	-
	-	(12,576,850)	-	(12,576,850)	-
	-	(13,118,434)	-	(13,118,434)	-
	-	(765,388,037)	-	(765,388,037)	-
	14,979,526	-	31,786,655	31,786,655	-
	14,979,526	-	31,786,655	31,786,655	-
	$ 14,979,526	$ (765,388,037)	$ 31,786,655	$ (733,601,382)	$ -
	$ -	$ -	$ -	$ -	$ (237,826,305)
	-	-	-	-	116,241
	$ -	$ -	$ -	$ -	$ (237,710,064)
		$ 606,671,132	$ -	$ 606,671,132	$ -
		92,752,491	-	92,752,491	-
		51,162,465	-	51,162,465	-
		16,430,064	-	16,430,064	-
		4,754,596	-	4,754,596	-
		63,334,579	-	63,334,579	-
		34,828,508	3,123,195	37,951,703	222,640
		93,482,240	22,649,990	116,132,230	-
		1,136,532	-	1,136,532	585,892
		570,633	607,985	1,178,618	13,194,485
		-	-	-	319,339,248
		965,123,240	26,381,170	991,504,410	333,342,265
		199,735,203	58,167,825	257,903,028	95,632,201
		1,678,730,141	1,321,889,967	3,000,620,108	(68,840,032)
		$ 1,878,465,344	$ 1,380,057,792	$ 3,258,523,136	$ 26,792,169

HENRICO COUNTY, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Exhibit 3

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Assets:					
Cash and temporary investments	$ 463,130,910	$ 76,330,606	$ 1,197,897	$ 365,749,953	$ 906,409,366
Receivables, net	255,293,471	8,863,333	-	-	264,156,804
Due from other governmental units	38,487,595	4,573,428	-	11,897,291	54,958,314
Due from component unit	35,954,105	-	-	-	35,954,105
Other assets	6,705,162	2,665,457	-	-	9,370,619
Total assets	$ 799,571,243	$ 92,432,824	$ 1,197,897	$ 377,647,244	$ 1,270,849,208
Liabilities:					
Accounts payable	$ 67,542,364	$ 1,465,419	$ -	$ 6,491,212	$ 75,498,995
Accrued liabilities	24,425,591	3,714,304	-	19,096,335	47,236,230
Amounts held for others	13,342,651	-	-	-	13,342,651
Unearned revenues	385,081	5,759,848	-	61,101,166	67,246,095
Due to other funds	1,352,856	278,078	-	1,282,532	2,913,466
Total liabilities	$ 107,048,543	$ 11,217,649	$ -	$ 87,971,245	$ 206,237,437
Deferred Inflows of Resources:					
Other - leases	6,402,298	2,619,034			9,021,332
Unavailable revenues	258,203,541	4,135,170	-	-	262,338,711
Total deferred inflows of resources	264,605,839	6,754,204	-	-	271,360,043
Fund Balances:					
Restricted	9,903,705	49,152,538	-	-	59,056,243
Committed	36,400,000	-	-	289,675,999	326,075,999
Assigned	216,076,786	25,308,433	1,197,897	-	242,583,116
Unassigned	165,536,370	-	-	-	165,536,370
Total fund balances	427,916,861	74,460,971	1,197,897	289,675,999	793,251,728
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 799,571,243	$ 92,432,824	$ 1,197,897	$ 377,647,244	

Adjustments for the Statement of Net Position:

Capital assets used in government activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. (Note 6)	$ 1,932,231,968
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)	30,702,611
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)	10,817,495
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)	(727,941,939)
Net pension liability is not due and payable in the current period and, therefore, is not reported as a liability in the in the governmental funds.	(178,526,944)
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.	(9,355,052)
Deferred outflows and inflows of resources are not recorded as deferred outflows and inflows of resources in the governmental funds.	22,919,449
Net OPEB liability is not due and payable in the current period and, therefore, is not reported as a liability in the in the governmental funds.	(52,074,311)
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.	50,942,022
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.	5,498,317
Total Net Position of Governmental Activities	$ 1,878,465,344

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, 2023

Exhibit 4

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues:					
General property taxes	$ 607,588,432	$ -	$ -	$ -	$ 607,588,432
Other local taxes	222,617,999	-	-	-	222,617,999
Licenses and permits	9,760,443	-	-	-	9,760,443
Fines and forfeitures	1,683,002	-	-	-	1,683,002
Revenue from use of money and property	28,345,062	349,279	-	6,680,373	35,374,714
Charges for services	3,393,168	28,537,756	-	-	31,930,924
Miscellaneous	10,775,062	1,600,346	-	570,633	12,946,041
Recovered costs	6,711,737	1,668,178	-	-	8,379,915
Intergovernmental	149,763,682	54,854,794	-	47,357,090	251,975,566
Total Revenues	1,040,638,587	87,010,353	-	54,608,096	1,182,257,036
Expenditures:					
Current operating:					
General government	91,178,588	5,649,481	-	-	96,828,069
Judicial administration	14,355,903	1,585,574	-	-	15,941,477
Public safety	246,457,389	6,073,128	-	-	252,530,517
Public works	60,438,358	16,821,315	-	-	77,259,673
Health and social services	3,130,561	77,552,827	-	-	80,683,388
Parks, recreation, and culture	46,157,149	41,327	-	-	46,198,476
Community development	29,243,094	5,913,862	-	-	35,156,956
Education	319,339,248	-	-	-	319,339,248
Miscellaneous	48,974,386	-	31,841	-	49,006,227
Debt service:					
Principal	1,614,302	1,149,682	54,435,000	-	57,198,984
Interest and other charges	100,138	29,551	23,966,959	-	24,096,648
Capital outlay	24,039,192	324,740	-	144,340,250	168,704,182
Total Expenditures	885,028,308	115,141,487	78,433,800	144,340,250	1,222,943,845
Excess (deficiency) of revenues over (under) expenditures	155,610,279	(28,131,134)	(78,433,800)	(89,732,154)	(40,686,809)
OTHER FINANCING (USES) SOURCES:					
Transfers in	-	36,138,617	78,452,484	32,518,878	147,109,979
Transfers out	(147,109,979)	-	-	-	(147,109,979)
Leases issued	24,039,192	324,740	-	-	24,363,932
Total other financing (uses) sources, net	(123,070,787)	36,463,357	78,452,484	32,518,878	24,363,932
Net change in fund balance	32,539,492	8,332,223	18,684	(57,213,276)	(16,322,877)
Total Fund Balances - June 30, 2022	395,377,369	66,128,748	1,179,213	346,889,275	809,574,605
Total Fund Balances - June 30, 2023	$ 427,916,861	$ 74,460,971	$ 1,197,897	289,675,999	$ 793,251,728

Adjustments for the Statement of Activities:

Net change in fund balances - total governmental funds	$ (16,322,877)
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.	57,198,984
Revenues not in governmental funds that do provide current financial resources are reported as revenues in the Statement of Activities. (Note 3)	(917,300)
Governmental funds report capital outlays as expenditures while governmental activities capitalize those outlays to allocate those expenditures over the asset life.	228,969,149
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.	(745,377)
Depreciation expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds. (Note 6)	(68,023,559)
Amortization expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(6,306,404)
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)	10,978,214
Debt proceeds are recorded as a source in governmental funds, but are not reported as revenue in the Statement of Activities.	(24,363,932)
Pension/OPEB activity is recorded as a expense in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	9,321,908
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.	8,735,457
Internal service funds' revenues and expenses not recorded in the governmental funds.	1,210,940
Change in Net Position of Governmental Activities	$ 199,735,203

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, 2023

Exhibit 5

	Business-type Activities Enterprise Fund Water and Sewer Revenue	Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	$ 189,247,276	$ 47,866,336
Receivables, net	29,406,676	2,125,144
Due from other funds	1,282,532	1,763,893
Due from component unit	-	25,800
Inventories	1,352,084	842,818
Restricted cash and cash equivalents	53,864,998	-
Total current assets	275,153,566	52,623,991
Noncurrent assets:		
Other assets	3,753,762	-
Capital and intangible assets:		
Right to use assets	4,729	2,788
Land and construction in progress	383,705,370	-
Other capital assets, net	1,178,614,743	14,002,708
Capital assets, net	1,562,320,113	14,002,708
Total non-current assets	1,566,078,604	14,005,496
Total assets	1,841,232,170	66,629,487
Deferred Outflows of Resources:		
Contributions after measurement date	2,569,827	575,059
Change in proportionate share allocation	31,709	6,647
Difference between projected and actual earnings	-	-
Change of assumptions	1,720,357	361,624
Difference between actual and expected experience	927,755	194,304
Deferred loss on debt refunding, net	28,921,565	-
Total deferred outflows of resources	34,171,213	1,137,634
Total assets and deferred outflows of resources	1,875,403,383	67,767,121
Liabilities:		
Current liabilities:		
Accounts payable	13,553,484	426,747
Deposits payable	1,003,840	-
Due to other funds	107,178	25,780
Accrued liabilities	2,839,868	12,068,353
Unearned revenues	9,685,797	-
Long-term liabilities due within one year	18,106,065	270,444
Total current liabilities	45,296,232	12,791,324
Noncurrent liabilities:		
Net pension liability	12,651,927	2,735,774
Net OPEB liability	1,601,232	322,873
Long-term liabilities due in more than one year	431,414,991	42,258
Total non-current liabilities	445,668,150	3,100,905
Total liabilities	490,964,382	15,892,229
Deferred Inflows of Resources:		
Change in proportionate share allocation	418,602	101,786
Difference between actual and expected experience	1,032,640	216,977
Difference between projected and actual earnings	2,379,124	504,196
Change of assumptions	475,340	109,911
Other - leases	75,503	-
Total deferred inflows of resources	4,381,209	932,870
Total liabilities and deferred inflows of resources	495,345,591	16,825,099
Net Position:		
Net investment in capital assets	1,137,996,527	14,005,496
Restricted for debt service	29,663,629	-
Unrestricted net position	212,397,636	36,936,526
Total net position	$ 1,380,057,792	$ 50,942,022

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, 2023

Exhibit 6

	Business-type Activities Enterprise Fund Water and Sewer Revenue	Internal Service Funds
Operating Revenues:		
Charges for services:		
Water system	$ 71,241,566	$ -
Sewer system	70,354,476	-
Interdepartmental charges	-	23,369,295
Contributions	-	147,516,251
Other	607,985	3,798,564
Total operating revenues	142,204,027	174,684,110
Operating Expenses:		
Purchased services	14,641,487	-
Utility charges	7,640,199	184,986
Personnel services and benefits	19,047,286	142,744,031
Professional services	15,275,050	197,837
Materials and supplies	10,019,207	15,131,648
Maintenance and repairs	4,869,364	4,195,690
Other expenses	7,320,233	1,541,310
Depreciation and amortization	33,610,084	2,339,980
Total operating expenses	112,422,910	166,335,482
Operating income	29,781,117	8,348,628
Nonoperating Revenues (Expenses):		
Investment income	3,123,195	1,114,023
Connection fees	20,552,335	-
Contributions	2,097,655	-
Interest expense	(12,199,690)	-
Gain on sale of equipment	-	96,917
Other	(166,313)	-
Total nonoperating revenues, net	13,407,182	1,210,940
Income before capital contributions	43,188,299	9,559,568
Capital contributions - donated assets	14,979,526	-
Change in net position	58,167,825	9,559,568
Total net position - June 30, 2022	1,321,889,967	41,382,454
Total net position - June 30, 2023	$ 1,380,057,792	$ 50,942,022

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, 2023

Exhibit 7

	Business-type Activities Enterprise Fund Water and Sewer Revenue	Internal Service Funds
Cash Flows From Operating Activities:		
Receipts from customers	$ 140,585,190	$ 174,396,716
Payments to suppliers	(63,710,118)	(161,082,569)
Payments to employees	(17,149,821)	(4,380,733)
Net cash provided by operating activities	59,725,251	8,933,414
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets	(59,722,081)	(3,085,850)
Proceeds from sale of capital assets	679,709	96,917
Connection fees paid by contractors	19,607,755	-
Contributions	2,418,288	-
Virginia Nutrient Removal Credits	117,164	-
Interest paid on bonds	(12,340,803)	-
Principal paid on debt	(17,325,000)	-
Net cash used in capital and related financing activities	(66,564,968)	(2,988,933)
Cash Flows From Investing Activities:		
Investment income received	3,123,195	1,114,023
Net (Decrease) Increase in Cash and Cash Equivalents	(3,716,522)	7,058,504
Total Cash and Cash Equivalents - June 30, 2022	246,828,796	40,807,832
Total Cash and Cash Equivalents - June 30, 2023	$ 243,112,274	$ 47,866,336
Reconciliation of Operating Income (loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income	$ 29,781,117	$ 8,348,628
net cash provided by operating activities:		
Depreciation	33,610,084	2,339,980
Amortization	-	1,662
Increase in accounts and notes receivable	(910,978)	(3,196)
Increase in inventories	(128,135)	134,933
Increase in due from other funds	-	(279,857)
Increase in due from component unit	-	(4,341)
Decrease in deferred outflows of resources	832,283	89,880
Decrease in accounts payable	(1,476,128)	(547,627)
Increase (decrease) in accrued liabilities	158,537	(838,119)
Decrease in accrued compensated absences	(42,067)	-
Increase in due to other fund	-	2,334
Increase in net pension liability	6,051,041	1,265,177
Increase in net OPEB liability	56,207	8,581
Decrease in deferred inflows of resources	(7,546,838)	(1,584,621)
Decrease in unearned revenues	(654,891)	-
Net cash provided by operating activities	$ 59,730,232	$ 8,933,414
Reconciliation to Cash and Cash Equivalents on the Statement of Net Position:		
Cash and cash equivalents	$ 189,247,276	$ 47,866,336
Restricted cash and cash equivalents	53,864,998	-
Total Cash and Cash Equivalents - June 30, 2023	$ 243,112,274	$ 47,866,336

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 $14,979,526.

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, 2023

Exhibit 8

	Healthcare OPEB Trust	Custodial Funds
Assets:		
Cash and cash equivalents	$ -	$ 1,336,149
Investments:		
Pooled funds	94,790,520	-
Total investments	94,790,520	-
Accounts receivable	-	84
Prepaid	-	459
Due from other governments	-	93,125
Deferred outflows	-	1,395,208
Right to use asset, net	-	16,769
Total Assets	94,790,520	2,841,794
Liabilities:		
Accounts payable	-	97,450
Total Liabilities	-	97,450
Fiduciary Net Position:		
Funds restricted for postemployment benefits other than pensions	94,790,520	-
Funds restricted for others	-	2,744,344
	$ 94,790,520	$ 2,744,344

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, 2023

Exhibit 9

	Healthcare OPEB Trust	Custodial Funds
Additions:		
Contributions		
Employer	$ 9,604,420	$ -
Members	-	1,345,624
Total contributions	9,604,420	1,345,624
Tuition income	-	3,681,950
State and federal grants	-	189,631
Pass-through funds	-	384,389
Miscellaneous	-	18,988
Investment income	6,132,316	17
Less investment expenses	(60,226)	-
Net, investment income	6,072,090	17
Total additions, net	$ 15,676,510	$ 5,620,599
Deductions:		
Benefit payments/refunds	$ 5,721,012	$ 1,961,004
Administrative expenses	500	-
Operations expenses	-	3,510,663
Total deductions	5,721,512	5,471,667
Net increase in fiduciary net position	9,954,998	148,932
Fiduciary net position restricted for postemployment benefits other than pensions and other beneficiaries:		
Total Fiduciary Net Position at June 30, 2022	84,835,522	2,595,412
Total Fiduciary Net Position at June 30, 2023	$ 94,790,520	$ 2,744,344

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, 2023

Exhibit 10

	School Board	James River Juvenile Detention Commission	Total
Assets:			
Cash and cash equivalents	$ 138,737,713	$ 4,325,289	$ 143,063,002
Restricted cash	-	55,261	55,261
Due from other governmental units	56,943,289	148,021	57,091,310
Inventories	153,913	-	153,913
Receivables net	1,143	53,610	54,753
Other assets	155,299	-	155,299
Total current assets	195,991,357	4,582,181	200,573,538
Capital and intangible assets:			
Right to use assets, net	20,208,845	3,852	20,212,697
Land and construction in progress	57,835,514	196,586	58,032,100
Other capital assets, net	239,931,833	4,328,914	244,260,747
Capital and intangible assets, net	297,767,347	4,525,500	302,292,847
Total assets	513,967,549	9,111,533	523,079,082
Deferred Outflows of Resources:			
Change in proportionate share allocation	7,563,756	55,721	7,619,477
Contributions after measurement date	66,031,810	574,928	66,606,738
Change in assumptions	34,493,596	398,781	34,892,377
Difference between expected and actual experience	23,671,181	204,951	23,876,132
Total deferred outflows of resources	131,760,343	1,234,381	132,994,724
Total Assets and Deferred Outflows of Resources	645,727,892	10,345,914	656,073,806
Liabilities:			
Accounts payable	6,697,376	37,871	6,735,247
Accrued liabilities	1,421,565	217,800	1,639,365
Amount held for others	83,866	-	83,866
Unearned revenues	34,135,571	-	34,135,571
Due to other funds	-	25,800	25,800
Due to Primary Government	35,326,985	627,120	35,954,105
Long-term liabilities due within one year	19,124,792	259,886	19,384,678
Total current liabilities	96,790,155	1,168,477	97,958,632
Noncurrent liabilities:			
Net pension liability	346,923,106	2,666,478	349,589,584
Net OPEB liability	78,252,666	345,602	78,598,268
Long-term liabilities due in more than one year	15,410,013	702	15,410,715
	440,585,785	3,012,782	443,598,567
Total liabilities	537,375,940	4,181,259	541,557,199
Deferred Inflows of Resources:			
Change in proportionate share allocation	1,930,042	83,904	2,013,946
Difference between expected and actual experience	27,130,924	201,917	27,332,841
Difference between projected and actual pension earnings	44,863,026	618,829	45,481,855
Change in assumptions	12,617,250	108,945	12,726,195
Other - leases	169,601	-	169,601
Total deferred inflows of resources	86,710,843	1,013,595	87,724,438
Total Liabilities and Deferred Inflows of Resources	624,086,783	5,194,854	629,281,637
Net Position (deficit):			
Net investment in capital assets	298,043,652	4,524,847	302,568,499
Restricted grants	1,646,606	162,822	1,809,428
Unrestricted (deficit)	(278,049,149)	463,391	(277,585,758)
Total Net Position (Deficit)	$ 21,641,109	$ 5,151,060	$ 26,792,169

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, 2023

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**
Governmental Activities:							
School Board:							
Instructional	$ 685,379,541	$ 4,058,071	$ 443,495,165	$ -	$ (237,826,305)	$ -	$ (237,826,305)
Total School Board	685,379,541	4,058,071	443,495,165	-	(237,826,305)	-	(237,826,305)
Business-type Activities:							
James River Juvenile Detention Commission	6,148,159	6,110,273	154,127	-	-	116,241	116,241
Total Component Units	$ 691,527,700	$ 10,168,344	$ 443,649,292	$ -	$ (237,826,305)	$ 116,241	$ (237,710,064)

	School Board	JRJDC	Total
General revenues:			
Interest and investment earnings	$ -	$ 222,640	$ 222,640
Recovered costs	585,892	-	585,892
Miscellaneous	13,194,485	-	13,194,485
Payment from Primary Government	319,339,248	-	319,339,248
Total general revenues	333,119,625	222,640	333,342,265
Change in net position	95,293,320	338,881	95,632,201
Total Net Position (deficit) at June 30, 2022	(73,652,211)	4,812,179	(68,840,032)
Total Net Position (deficit) at June 30, 2023	$ 21,641,109	$ 5,151,060	$ 26,792,169

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

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

As required by GAAP, the County's financial statements present the Primary Government and its component units, entities for which the government is considered financially accountable. 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.

In accordance with GAAP, 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 50 percent of its funding from the County. The nature and significance of the relationship between the County and the School Board is such that excluding the School Board would cause the County's financial statements to be misleading and incomplete. 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 member jurisdictions. 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.

B. Government-wide and Fund Financial Statements

In accordance with GAAP, 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.

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 being 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 and the fund financial statements, including the major individual funds of the governmental and Business-type categories, as well as the fiduciary funds, (by category) and the component 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 in fund types as follows:

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 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), Non-Judicial Sales Tax Funds 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 Technical School. The Healthcare OPEB Plan Trust Fund accumulates assets to pay future healthcare postretirement benefits other than pensions.

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.

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.

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.

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 13 and 14).

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 1st.

Prior to April 1st, the County Manager submits to the County Board of Supervisors (the "Board") a proposed operating budget for the fiscal year commencing July 1st, 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 1st, the budget is legally enacted through passage of a resolution. Prior to July 1st, 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) except for the Capital Projects Fund, in which effective budgetary control is achieved on a project-by-project basis when funding sources become available. 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.

I. Interest Costs

In accordance with GAAP, the cost of properties for the Water and Sewer Revenue Fund includes 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, 2023, the Water and Sewer Revenue Fund incurred interest costs of $12,199,690.

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. In accordance with GAAP, the sick leave liability has been recorded using the termination payment method.

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 applies 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, 2022, for the VRS pension and OPEB plans and prior to the reporting date of June 30, 2023, have been reported as deferred outflows of resources in the Statement of Net Position as of June 30, 2023. Deferred outflows of resources of $45,117,115, $2,569,827, and $66,606,738 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2023, 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, 2023. The County has reported deferred outflows of resources of $1,519,348, $31,709, and $7,619,477 and deferred inflows of resources of $399,704, $418,602, and $2,013,946 in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2023, 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 $27,740,142, $1,720,357, and $34,892,377 and deferred inflows of resources of $16,739,938, $475,340, and $12,726,195 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2023, respectively, for such changes in assumptions.

Differences between actual and expected experience as of the measurement date have been reported as either a deferred outflow of resources or deferred inflow of resources. The County has reported deferred outflows of $18,896,090, $927,755, and $23,876,132 and deferred inflows of resources of $14,662,812, $1,032,640, and $27,332,841 in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2023, 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, 2023. Deferred inflows of resources of $38,346,027, 2,379,124 and $45,481,855 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2023, respectively, for such differences between projected and actual earnings.

Deferred inflows of resources of $9,021,332, $75,503, and $169,601 have been reported in Governmental Activities, Business-type Activities and Component Units' Statement of Net Position as of June 30, 2023, respectively, for lease receivables deferred inflows of resources.

The Water and Sewer Revenue Fund reports 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 $28,921,565 as a deferred outflow of resources on both the Business-type Activities and Proprietary Funds' Statements of Net Position as of June 30, 2023.

The County has reported deferred inflows of resources of $271,360,043 as a deferred inflows of resources on the Governmental Funds' Balance Sheet as of June 30, 2023 and includes $9,021,332 in deferred lease revenue, unavailable revenues consist of $28,916,058 in tax collections received in advance (due December 5, 2023), $229,287,483 in unearned tax revenues representing uncollected tax billings not available for funding of current expenditures and $4,135,170 in advanced grant funding received as of June 30, 2023.

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, 2023.

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. 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. Effective with the implementation of GAAP relating to unassigned fund balances, the County's previous policy related to "unreserved fund balance" was redefined to be a policy for "unassigned fund balance." 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.

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

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Fund balances:				
Restricted for:				
Road Construction	$ 9,632,753	$ -	$ -	$ -
Imaging System Upgrades	270,952	-	-	-
Drug Enforcement	-	1,634,892	-	-
Public Safety	-	18,167	-	-
Mental Health Programs	-	26,631,501	-	-
Social Service Programs	-	20,867,978	-	-
Total Restricted	9,903,705	49,152,538	-	-
Committed				
Public Works	2,500,000	-	-	68,661,892
Technology Improvements	1,650,000	-	-	1,366,623
Building and Grounds	7,500,000	-	-	2,711,322
Road Maintenance	-	-	-	93,724,379
Community Development	-	-	-	9,371,806
Community Revitalization	4,750,000	-	-	-
Landfill Expansion	-	-	-	48,886,739
Public Safety Projects	-	-	-	12,303,665
Parks and Recreation	2,000,000	-	-	36,661,444
Libraries	-	-	-	404,980
Education Projects	18,000,000	-	-	15,583,149
Total Committed	36,400,000	-	-	289,675,999
Assigned to:				
Public Works	12,300,020	21,827,886	-	-
General Government	110,206,461	3,480,547	-	-
Capital projects	92,625,328	-	-	-
Debt Service	-	-	1,197,897	-
Total Assigned	215,131,809	25,308,433	1,197,897	-
Unassigned	166,481,347	-	-	-

In the General Fund, the County has $9,903,705 restricted for various projects to include $9,632,753 restricted for public works projects and $270,952 restricted for circuit court enhancements to imaging systems for land records. In the Special Revenue Fund, the County has $49,152,538 restricted for various programs to include $1,634,892 for drug enforcement, $18,167 for commissary operations, $26,631,501 for mental health programs and $20,867,978 for social services programs. The County also has $36,400,000 committed for various capital projects in the County's General Fund which include $2,500,000 for countywide pedestrian improvements, $1,650,000 for information technology projects, $7,500,000 for various building and grounds rehabilitation and improvement projects, $4,750,000 for neighborhood revitalization projects and investment programs, $2,000,000 for recreation facility renovations and $18,000,000 for various high school, middle school, and elementary projects for use in future fiscal years.

In the Capital Projects Fund, the County has $289,675,999 committed for various projects to include $68,661,892 for public works, $1,366,623 for computer and technology improvements, $2,711,322 for rehabilitation and renovations to various buildings and grounds, $93,724,379 for road maintenance and drainage, $9,371,806 for community development projects, $48,886,739 for landfill expansion and development, $12,303,665 for public safety, $36,661,444 for parks and recreation additions and improvements, $404,980 for library renovations and additions and $15,583,149 for various high school, middle school and elementary projects.

In the General Fund, the County has a public works reserve for $12,300,020 and $110,206,461 assigned for general government operations, which include a $10,000,000 self-insurance reserve, a $4,788,290 sports tourism reserve, a $16,476,074 reserve for future operating costs of new facilities, a $27,000,000 reserve for future vehicle replacements and a $51,942,097 reserve for various operational costs in future years. The County also has $92,625,328 assigned for capital projects, which includes $3,005,703 for a new facility, $5,000,000 for a radio communication system, $6,000,000 for financial system upgrades, $17,000,000 for future economic development, and $61,619,625 for future capital projects. In the Special Revenue Fund, the County has $25,308,433 assigned for various operations to include $21,827,886 for public works for the County's solid waste operations and $3,480,547 for economic and workforce development within the County. In the Debt Service Fund, the County has $1,197,897 assigned for future debt service payments. The County has $166,481,347 in unassigned fund balance in the County's General Fund.

School has $34,786,982 in assigned fund balance in the Schools' General Fund. Schools also have restricted fund balance for various education program grants of $1,646,606 in the Schools' Special Revenue Fund. Schools also have committed fund balance in the Schools' Capital Projects Fund of $85,704,270 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

In accordance with GAAP, 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, for which GAAP requirements are used for financial reporting:

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 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 March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The County has not entered into any public-private or public-public partnerships or availability payment arrangements for fiscal year ending June 30, 2023.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

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).

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information. Under this Statement, a government should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability (see Note 7).

A government 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 government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable.

A government 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. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.

- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.

- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.

- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)

- Disclosures related to nonmonetary transactions.

- Pledges of future revenues when resources are not received by the pledging government.

- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.

- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective for the fiscal year ending June 30, 2022.

- The requirements related to leases, PPPs, and SBITAs are effective for the fiscal year ending June 30, 2023.

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the fiscal year ending June 30, 2024.

Q. Future Accounting Pronouncements

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate number of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The County will adopt the requirements set forth in this Statement for the fiscal year ending June 30, 2024.

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.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The County will adopt the requirements of this statement for the fiscal year ending June 30, 2025.

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' Activity Agency 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 are shown at fair value except for commercial paper, bankers' acceptances, Treasury and Agency obligations and investments in SNAP and LGIP that have a remaining maturity at the time of purchase of one year or less, which are shown at amortized cost. As of June 30, 2023, the difference between amortized cost and the fair value of those securities held at amortized cost is immaterial to the basic financial statements. Fair value is based on quoted market prices, which are provided by the County's Investment Manager, Sterling Capital, as of June 30, 2023. The net increase in fair value of investments during the year ended June 30, 2023, was $89,454,901. This amount considers all changes in fair value that occurred during the fiscal year.

Deposits - Bank

At June 30, 2023, the carrying value of the County's deposits with banks was $65,161,249 and the bank balance was $67,155,910. 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 amount of 50 percent of excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members of the pool.

The carrying amount of deposits for the School Board, a discretely presented component unit, was $5,732,918 and the bank balance was $9,285,749. 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 $438,157 and the bank balance was $438,244. All the bank balance was covered by Federal Depository Insurance or collateralized in accordance with the Act.

Deposits – Fiscal Agent

At June 30, 2023, the County had deposits of $30,165,052 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 Commercial Paper Record, 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 municipal bonds, money market mutual funds, obligations of the United States and agencies thereof, 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:

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, an SEC-registered money market and investment fund. The County’s total investment percentages in comparison to the investment guidelines are as follows:

Primary Government

	Fair Value	Policy	Percent of Portfolio
Municipal Bonds	$ 26,234,519	70%	2.39%
U.S. Government Agencies	51,163,182	70%	4.64%
Commercial Paper	48,863,005	35%	4.43%
Treasury Bills	45,256,387	100%	4.10%
Treasury Notes	270,642,323	100%	24.54%
U.S. Government Money Market Funds	154,589,442	40%	14.02%
Local Government Investment Pool	506,214,357	75%	45.89%
Total Investments	$ 1,102,963,215		100.00%

School Board

	Fair Value	Policy	Percent of Portfolio
Municipal Bonds	$ 3,627,486	70%	2.72%
U.S. Government Agencies	7,074,410	70%	5.32%
Commercial Paper	6,756,361	35%	5.08%
Treasury Bills	6,257,669	100%	4.70%
Treasury Notes	37,422,122	100%	28.14%
U.S. Government Money Market Funds	1,870,725	40%	1.41%
Local Government Investment Pool	69,995,022	75%	52.63%
Total Investments	$ 133,003,795		100.00%

James River Juvenile Detention Center

	Fair Value	Policy	Percent of Portfolio
Treasury Bills	$ 1,069,154	100%	27.12%
Treasury Notes	1,040,949	100%	26.41%
U.S. Government Money Market Funds	19,355	75%	0.49%
Local Government Investment Pool	1,812,435	100%	45.98%
Total Investments	$ 3,941,893		100.00%

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, 2023:

Primary Government

		Fair Value Measurement Using		
	Total June 30, 2023	Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal Bonds	$ 26,234,519	$ -	$ 26,234,519	$ -
U.S. Government Agencies	51,163,182	51,163,182	-	-
Commercial Paper	48,863,005	-	48,863,005	-
Treasury Bills	45,256,387	45,256,387	-	-
Treasury Notes	270,642,323	270,642,323	-	-
U.S. Government Money Market Funds	154,589,442	154,589,442	-	-
Local Government Investment Pool	417,011,381	-	417,011,381	-
LGIP Extended Maturity	89,202,976	-	89,202,976	-
Total Investments	$ 1,102,963,215	$ 521,651,334	$ 492,108,905	$ -

School Board

		Fair Value Measurement Using		
	Total June 30, 2023	Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal Bonds	$ 3,627,486	$ -	$ 3,627,486	$ -
U.S. Government Agencies	7,074,410	7,074,410	-	-
Commercial Paper	6,756,361	-	6,756,361	-
Treasury Bills	6,257,669	6,257,669	-	-
Treasury Notes	37,422,122	37,422,122	-	-
U.S. Government Money Market Funds	1,870,725	1,870,725	-	-
Local Government Investment Pool	57,660,792	-	57,660,792	-
LGIP Extended Maturity	12,334,230	-	12,334,230	-
Total Investments	$ 133,003,795	$ 52,624,926	$ 68,044,639	$ -

James River Juvenile Detention Center

		Fair Value Measurement Using		
	Total June 30, 2023	Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Bills	$ 1,069,154	$ 1,069,154	$ -	$ -
Treasury Notes	1,040,949	1,040,949	-	-
U.S. Government Money Market Funds	19,355	19,355	-	-
Local Government Investment Pool	1,558,592	-	1,558,592	-
LGIP Extended Maturity	253,843	-	253,843	-
Total Investments	$ 3,941,893	$ 2,129,458	$ 1,812,435	$ -

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 manager, Sterling Capital. 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, Sterling Capital, provided the day-to-day management of investments during fiscal year 2023. In addition, the County's contract with the portfolio manager requires 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, Branch Banking and Trust (BB&T) Bank. 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 Commercial Paper Record, bankers acceptances, repurchase agreements, money market mutual funds and LGIP. During the fiscal year, the County made investments in obligations of the United States and agencies thereof, municipal bonds, commercial paper and money market funds. 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. The credit quality of the municipal bonds held in the portfolio received ratings from Moody's and Standard & Poor's 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. The County used one money market mutual fund during the fiscal year, the State Non-Arbitrage Pool is rated AAA by Standard and Poor's, and BB&T Collateralized Deposit Program for Virginia Public Depositors.

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, BB&T Bank, thereby minimizing custodial risk.

Investment Maturities

As of June 30, 2023, the County reporting entity had the following investments and maturities:

Primary Government

	Investment Maturities (in years)		
	Fair Value	**Less than 1 year**	**1-5 years**
Municipal Bonds	$ 26,234,519	$ 13,416,227	$ 12,818,292
U.S. Government Agencies	51,163,182	30,189,737	20,973,445
Commercial Paper	48,863,005	48,863,005	-
Treasury Bills	45,256,387	45,256,387	-
Treasury Notes	270,642,323	164,597,764	106,044,559
U.S. Government Money Market Funds	154,589,442	154,589,442	-
Local Government Investment Pool	417,011,381	417,011,381	-
LGIP Extended Maturity	89,202,976	-	89,202,976
Total Investments	$ 1,102,963,215	$ 873,923,943	$ 229,039,272
Total Deposits - Bank	$ 65,161,249		
Total Deposits - Fiscal Agent	30,165,052		
Total Cash on Hand	97,671		
Total Deposits and Investments	$ 1,198,387,187		

Component Units:

School Board

	Investment Maturities (in years)		
	Fair Value	**Less than 1 year**	**1-5 years**
Municipal Bonds	$ 3,627,486	$ 1,855,082	$ 1,772,404
U.S. Government Agencies	7,074,410	-	7,074,410
Commercial Paper	6,756,361	6,756,361	-
Treasury Bills	6,257,669	6,257,669	-
Treasury Notes	37,422,122	22,759,181	14,662,941
U.S. Government Money Market Funds	1,870,725	1,870,725	-
Local Government Investment Pool	57,660,792	57,660,792	-
LGIP Extended Maturity	12,334,230	-	12,334,230
Total Investments	$ 133,003,795	$ 97,159,810	$ 35,843,985
Total Deposits - Bank	$ 5,732,918		
Total Cash on Hand	1,000		
Total Deposits and Investments	$ 138,737,713		

James River Juvenile Detention Commission

	Investment Maturities (in years)		
	Fair Value	**Less than 1 year**	**1-5 years**
U.S. Treasury Bills	$ 1,069,154	$ 1,069,154	$ -
U.S. Government Money Market Funds	19,355	19,355	-
Treasury Notes	1,040,949	-	1,040,949
Local Government Investment Pool	1,558,592	1,558,592	-
LGIP Extended Maturity	253,843	-	253,843
	$ 3,941,893	$ 2,647,101	$ 1,294,792
Total Deposits	$ 438,157		
Total Cash on Hand	500		
Total Deposits and Investments	$ 4,380,550		
Total Deposit and Investments-Reporting Entity	$ 1,341,505,450		

The Mental Health and Developmental Services Fund cash of $160,178 and Jail Inmate Fund cash of $176,762 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, Virginia Municipal League ("VML") at P.O. Box 12164, Richmond, Virginia 23241. 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 weighted according to each participating employer's share of the total Trust Fund assets. The Board of Trustees has adopted an investment policy to achieve a compound annualized rate of return over a market cycle, including current income and capital appreciation, in excess of 5 percent after inflation, 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 indices for the generally accepted evaluation and measurement of such performance.

As of June 30, 2023, the fair value of the Healthcare OPEB Plan's interest in the Trust Fund was $94,790,520. 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, 2023 consist of the following:

Primary Government

	Governmental Activities		Business-type Activities	
Receivables:	General	Special Revenue	Enterprise Funds	Total
Interest	$ 7,192,284	$ -	$ -	$ 7,192,284
Taxes	254,061,011	-	-	254,061,011
Accounts	2,758,537	13,432,791	32,756,676	48,948,004
Gross Receivables	264,011,832	13,432,791	32,756,676	310,201,299
Less: Allowances for Doubtful Accounts	8,718,361	4,569,458	3,350,000	16,637,819
Receivables, net	$255,293,471	$ 8,863,333	$ 29,406,676	$ 293,563,480

Central Automotive Maintenance has a receivable of $20,337 as of June 30, 2023, which is included on a government-wide basis. Long-term assets on a government-wide basis also include taxes receivable of $229,287,483 that is not available to pay for current period expenditures and, therefore, are included in unearned revenues for the governmental funds. Tax revenues reported in the government-wide statements include $917,300 of revenues that do not provide current financial resources and, therefore, are not included in the governmental funds.

Component Unit receivables totaling $54,753 consist of Schools' and JRJDS miscellaneous receivables of $1,143 and $53,610, respectively as of June 30, 2023.

Component Units

Receivables:	School Board	JRJDC	Total
Intergovernmental	$ 56,943,289	$ 148,021	$ 57,091,310

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 1st. Taxes on real estate are levied in April and are payable in two installments on June 5th and December 5th. Real estate taxes reported as revenue are the second installment (December 5th) of the levy on assessed value at January 1, 2021 and the first installment (June 5th) of the levy on assessed value at January 1, 2022. 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 2023, 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.

NOTE 5. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units for Governmental Funds at June 30, 2023 include:

	General	Special Revenue	Capital Projects
Commonwealth of Virginia:			
Non-categorical aid for:			
Local Sales and Use Tax	$ 9,079,039	$ -	$ -
PPTRA	18,460,463	-	-
Richmond Center	4,104,455	-	-
Categorical aid for:			
Public Works	-	-	9,342,261
Public Safety	1,339,221	68,514	-
Social Services	-	734,200	-
Correction & Detention	504,078	30,342	-
Finance	73,321	-	-
Mental Health & Development Services	-	504,228	-
Community Development	-	500,000	-
Commonwealth's Attorney	213,436	75,150	-
Total due from the Commonwealth of Virginia	33,833,160	1,912,434	9,342,261
Federal Government Categorical Aid:			
Work Training Grants (CRWP)	-	1,000,716	-
Finance	4,550,491	-	-
Public Safety	-	143,474	-
Public Works	-	-	2,555,030
Library	103,944	-	-
Social Services	-	1,135,591	-
Correction & Detention	-	67,792	-
Community Development Block Grant	-	313,421	-
Total due from the Federal government	4,654,435	2,660,994	2,555,030
Total due from other governmental units	$ 38,487,595	$ 4,573,428	$11,897,291

JRJDC has $148,021 in amounts due from other governmental units consisting of $117,008 due from other localities and $31,013 in grants receivable. Amounts due from other governmental units for the School Board Component Unit at June 30, 2023 include:

	School Board
Commonwealth of Virginia:	
Non-categorical aid for:	
State Sales and Use Tax	$ 5,995,186
Categorical aid for:	
Education	1,265,842
Total due from the Commonwealth of Virginia	7,261,028
Federal Government Categorical Aid:	
Education	49,682,261
Total due from the Federal government	49,682,261
Total due from other governmental units	$ 56,943,289

NOTE 6. CAPITAL AND INTANGIBLE ASSETS

Capital Assets

A summary of changes in capital assets for the year ended June 30, 2023, follows:

Governmental Activities	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital Assets Not Being Depreciated:				
Land	$ 405,239,197	$ 10,814,135	$ 376,226	$ 415,677,106
Construction in progress	148,660,948	146,679,314	53,155,217	242,185,045
Total Capital Assets Not Being Depreciated	553,900,145	157,493,449	53,531,443	657,862,151
Other Capital Assets:				
Buildings	1,210,278,742	23,763,683	2,663,578	1,231,378,847
Infrastructure	757,250,709	50,733,979	-	807,984,688
Equipment	308,400,279	22,496,639	13,817,216	317,079,702
Improvements	131,442,785	8,057,220	603,180	138,896,825
Total Other Capital Assets	2,407,372,515	105,051,521	17,083,974	2,495,340,062
Less Accumulated Depreciation for:				
Buildings	(298,716,789)	(23,878,513)	(26,037)	(322,569,265)
Infrastructure	(573,276,269)	(20,824,259)	-	(594,100,528)
Equipment	(218,303,514)	(19,380,489)	(12,848,383)	(224,835,620)
Improvements	(59,516,862)	(6,280,278)	(335,016)	(65,462,124)
Total Accummulated Depreciation	(1,149,813,434)	(70,363,539)	(13,209,436)	(1,206,967,537)
Total Net of Depreciation	$ 1,811,459,226	$ 192,181,431	$ 57,405,981	$ 1,946,234,676

The adjustment from modified to full accrual for capital assets net of accumulated depreciation at June 30, 2023 are comprised of the following:

General Capital Assets, Net	$1,946,234,676
Internal Service Fund Capital Assets, Net	(14,002,708)
Combined Adjustment	$1,932,231,968

The adjustment from modified to full accrual for depreciation for the fiscal year ended June 30, 2023 is comprised of the following:

General Government Administration	$ 7,859,938
Judicial Administration	121,665
Public Safety	11,039,555
Public Works	23,957,950
Education	17,487,979
Health and Welfare	611,639
Parks and Recreation	9,104,698
Community Development	180,115
Total Depreciation	$ 70,363,539
Internal Service Fund Depreciation	(2,339,980)
Combined Adjustment	$ 68,023,559

Business-Type Activities	**Balance June 30, 2022**	**Increases**	**Decreases**	**Balance June 30, 2023**
Water and Sewer:				
Capital Assets Not Being Depreciated:				
Land	$ 22,177,196	$ 340,000	$ -	$ 22,517,196
Construction in progress	349,987,208	55,860,989	44,660,023	361,188,174
Total Capital Assets Not Being Depreciated	372,164,404	56,200,989	44,660,023	383,705,370
Other Capital Assets:				
Buildings	403,709,963	2,447,509	1,409,385	404,748,087
Infrastructure	1,308,621,129	54,425,658	359,155	1,362,687,632
Equipment	171,360,860	3,296,617	2,864,274	171,793,203
Improvements	1,410,152	-	-	1,410,152
Total Other Capital Assets	1,885,102,104	60,169,784	4,632,814	1,940,639,074
Less Accumulated Depreciation for:				
Buildings	(160,187,186)	(8,035,541)	(810,803)	(167,411,924)
Infrastructure	(435,688,771)	(20,164,333)	(139,324)	(455,713,780)
Equipment	(134,814,081)	(5,365,558)	(2,659,392)	(137,520,247)
Improvements	(1,338,709)	(39,671)	-	(1,378,380)
Total Accummulated Depreciation	(732,028,747)	(33,605,103)	(3,609,519)	(762,024,331)
Total Net of Depreciation	$ 1,525,237,761	$ 82,765,670	$ 45,683,318	$ 1,562,320,113

Component Units	**Balance June 30, 2022**	**Increases**	**Decreases**	**Balance June 30, 2023**
School Board:				
Capital Assets Not Being Depreciated:				
Land	$ 52,120,141	$ -	$ -	$ 52,120,141
Construction in progress	4,624,025	12,405,366	11,314,018	5,715,373
Total Capital Assets Not Being Depreciated	56,744,166	12,405,366	11,314,018	57,835,514
Other Capital Assets:				
Buildings	405,138,329	1,396,890	501,238	406,033,981
Improvements	42,298,689	1,419,620	4,538,691	39,179,618
Equipment	182,630,952	13,916,754	8,949,812	187,597,894
Total Other Capital Assets	630,067,970	16,733,264	13,989,741	632,811,493
Less Accumulated Depreciation for:				
Buildings	(229,303,543)	(7,091,095)	(370,712)	(236,023,926)
Improvements	(25,173,965)	(1,329,700)	(4,246,408)	(22,257,257)
Equipment	(135,350,905)	(7,837,824)	(8,590,252)	(134,598,477)
Total Accummulated Depreciation	(389,828,413)	(16,258,619)	(13,207,372)	(392,879,660)
Total Net of Depreciation	$ 296,983,723	$ 12,880,011	$ 12,096,387	$ 297,767,347

James River Juvenile Detention Center:	**Balance June 30, 2022**	**Increases**	**Decreases**	**Balance June 30, 2023**
Capital Assets Not Being Depreciated:				
Land	$ 30,000	$ -	$ -	$ 30,000
Construction in progress	110,488	56,098	-	166,586
Total Capital Assets Not Being Depreciated	140,488	56,098	-	196,586
Other Capital Assets:				
Buildings	9,243,433	69,642	-	9,313,075
Improvements	269,547	-	-	269,547
Equipment	884,021	-	-	884,021
Total Other Capital Assets	10,397,001	69,642	-	10,466,643
Less Accumulated Depreciation for:				
Buildings	(4,892,919)	(232,014)	-	(5,124,933)
Improvements	(239,985)	(3,564)	-	(243,549)
Equipment	(711,023)	(58,224)	-	(769,247)
Total Accummulated Depreciation	(5,843,927)	(293,802)	-	(6,137,729)
Total Net of Depreciation	$ 4,693,562	$ (168,062)	$ -	$ 4,525,500
Combined Component Units:				
Capital Assets Not Being Depreciated:				
Land	$ 52,150,141	$ -	$ -	$ 52,150,141
Construction in progress	4,734,513	12,461,464	11,314,018	5,881,959
Total Capital Assets Not Being Depreciated	56,884,654	12,461,464	11,314,018	58,032,100
Other Capital Assets:				
Buildings	414,381,762	1,466,532	501,238	415,347,056
Improvements	42,568,236	1,419,620	4,538,691	39,449,165
Equipment	183,514,973	13,916,754	8,949,812	188,481,915
Total Other Capital Assets	640,464,971	16,802,906	13,989,741	643,278,136
Less Accumulated Depreciation for:				
Buildings	(234,196,462)	(7,323,109)	(370,712)	(241,148,859)
Improvements	(25,413,950)	(1,333,264)	(4,246,408)	(22,500,806)
Equipment	(136,061,928)	(7,896,048)	(8,590,252)	(135,367,724)
Accummulated Depreciation	(395,672,340)	(16,552,421)	(13,207,372)	(399,017,389)
Total Net of Depreciation	$ 301,677,285	$ 12,711,949	$ 12,096,387	$ 302,292,847

The County's governmental activities right to use assets of $30,705,399 (Exhibit 1) consist of right to use lease assets of $10,133,215 and subscription right to use assets of $20,572,184. The County's school board component unit right to use assets of $20,208,845 (Exhibit 10) consists of right to use lease assets of $13,884,575 and subscription right to use assets of $6,324,270.

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, 2023:

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	$ 1,823,295	$ 1,223,200
Building	16,119,499	5,206,084
Other	1,857,755	233,211
Computer Equipment	19,028,128	8,139,811
Total Leases	$ 38,828,677	$ 14,802,306

Governmental Activities

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Right to Use Assets:				
Equipment	$ 1,792,397	$ -	$ 28,643	$ 1,763,754
Building	11,843,272	416,000	531,835	11,727,438
Other	1,857,755	-	-	1,857,755
Total Right to Use Assets	$ 15,493,425	$ 416,000	$ 560,478	$ 15,348,947
Less Accumulated Amortization for:				
Equipment	$ (610,791)	$ (606,999)	$ (28,643)	$ (1,189,147)
Building	(2,156,364)	(2,168,845)	(531,835)	(3,793,374)
Other	(116,605)	(116,605)	-	(233,211)
Total Net of Accumulated Amortization	(2,883,761)	(2,892,449)	(560,478)	$ (5,215,732)
Total Net of Amortization	$ 12,609,664	$ (2,476,449)	$ -	$ 10,133,215

Business-type Activities

Water and Sewer:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Right to Use Assets:				
Equipment	$ 14,947	$ -	$ 2,246	$ 12,701
Total Right to Use Assets	14,947	-	2,246	12,701
Less Accumulated Amortization for:				
Equipment	(5,234)	(4,981)	(2,243)	(7,972)
Total Net of Accumulated Amortization	(5,234)	(4,981)	(2,243)	(7,972)
Total Net of Amortization	$ 9,713	$ (4,981)	$ 3	$ 4,729

Component Units

Schools	**Balance June 30, 2022**	**Additions**	**Deletions**	**Balance June 30, 2023**
Right to Use Assets:				
Equipment	$ 24,413	$ 16,457	$ 4,486	$ 36,384
Building	4,700,484	-	308,423	4,392,061
Computer Equipment	19,028,128	-	-	19,028,128
Total Right to Use Assets	$ 23,753,025	$ 16,457	$ 312,909	$ 23,456,573
Less Accumulated Amortization for:				
Equipment	$ (11,161)	$ (12,802)	$ (4,486)	$ (19,477)
Building	(681,952)	(1,039,181)	(308,423)	(1,412,710)
Computer Equipment	(3,380,431)	(4,759,380)	-	(8,139,811)
Total Net of Accumulated Amortization	(4,073,544)	(5,811,363)	(312,909)	(9,571,998)
Total Net of Amortization	$ 19,679,481	$ (5,794,906)	$ -	$ 13,884,575

James River Juvenile Detention Commission	**Balance June 30, 2022**	**Additions**	**Deletions**	**Balance June 30, 2023**
Right to Use Assets:				
Equipment	$ 10,456	$ -	$ -	$ 10,456
Total Right to Use Assets	$ 10,456	$ -	$ -	$ 10,456
Less Accumulated Amortization for:				
Equipment	$ (3,302)	$ (3,302)	$ -	$ (6,604)
Total Net of Accumulated Amortization	(3,302)	(3,302)	-	(6,604)
Total Net of Amortization	$ 7,154	$ (3,302)	$ -	$ 3,852

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 Asset

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	$ 33,395,652	$ 6,499,198
Total Subscriptions	$ 33,395,652	$ 6,499,198

Governmental Activities	**Balance June 30, 2022**	**Additions**	**Deletions**	**Balance June 30, 2023**
Right to Use Assets				
Subscription Assets	$ -	$ 23,987,782	$ 29,870	$ 23,957,912
Less Accumulated Amortization	-	(3,415,598)	(29,870)	(3,385,728)
Total Subscription Assets	$ -	$ 20,572,184	$ -	$ 20,572,184

Component Units - School Board	**Balance June 30, 2022**	**Additions**	**Deletions**	**Balance June 30, 2023**
Right to Use Assets				
Subscription Assets	$ -	$ 12,500,651	$ 3,062,911	$ 9,437,740
Less Accumulated Amortization	-	(6,176,381)	(3,062,911)	(3,113,470)
Total Subscription Assets	$ -	$ 6,324,270	$ -	$ 6,324,270

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, 2023:

	Balance June 30, 2022	**Additions**	**Deletions**	**Balance June 30, 2023**
General obligation (GO) bonds	$579,345,000	$ -	$ 49,065,000	$ 530,280,000
VRA special revenue bond	11,080,000	-	2,560,000	8,520,000
EDA lease revenue bonds	54,485,000	-	2,810,000	51,675,000
Lease liability	12,814,473	416,000	2,763,984	10,466,489
SBITA liability	-	23,947,932	5,051,428	18,896,504
Accrued claims payable	29,272,000	21,308,264	20,934,264	29,646,000
Accrued compensated absences	31,515,223	29,002,279	28,878,796	31,638,706
Net pension liability	82,223,381	145,850,319	46,810,982	181,262,718
Line of Duty OPEB liability	24,100,476	2,181,381	966,579	25,315,278
Net GLI OPEB liability	12,216,735	4,323,543	3,320,823	13,219,455
Net Healthcare OPEB liability	14,902,776	5,599,489	6,639,814	13,862,451
Landfill postclosure costs	3,754,797	266,591	-	4,021,388
Total	855,709,861	$232,895,000	$169,801,670	918,803,989
Premium on bonds	53,121,561	$ -	$ 10,011,007	43,110,554
Total long-term liabilities	908,831,422			961,914,543
Current Maturities	(103,864,272)			(110,445,785)
Net long-term liabilities	$804,967,150			$ 851,468,758

The current maturity of long-term liabilities at June 30, 2023 consists of the following:

General obligation bonds	$ 48,485,000
VRA special revenue bonds	2,695,000
EDA lease revenue bonds	2,855,000
Lease obligations	2,663,748
SBITA obligations	3,854,864
Accrued claims payable	20,900,224
Accrued compensated absences	28,991,949
Total current maturities	$ 110,445,785

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, 2023 is as follows:

Long-term liabilities (detail above)	$ 961,914,543
Net pension liability (detail above)	(181,262,718)
Net OPEB liabilities (detail above)	(52,397,184)
Internal Service Fund long-term liabilities	(312,702)
Combined adjustment	$ 727,941,939

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 $10,978,214, which represents the decrease in accrued interest on bonds payable of $967,207 and amortization of bond premium of $10,011,007 for the year ended June 30, 2023.

In November 2000, March 2005 and November 2016, the County's voters authorized the issuance of general obligation bonds. In 2000, voters authorized $237,000,000, of which $236,948,800 has been issued as of June 30, 2020. In 2005, voters authorized an additional $349,300,000 in bonds, of which $339,700,000 has been issued as of June 30, 2021. In 2016, voters authorized $419,800,000, of which $412,745,000 has been issued as of June 30, 2021. In November 2022, voters authorized $511,350,000 of which $0 has been issued as of June 30, 2023.

On May 3, 2010, the County issued $119,735,000 General Obligation Public Improvement Refunding Bonds – Series 2010 to refund, prior to maturity, portions of the following bonds: General Obligation Public Improvement Bonds Series 2004, 2005, 2006, 2008 and 2008A and General Obligation Public Improvement and Refunding Bonds Series 2003. The interest rate on the 2010 bond issue is between 3 percent and 5 percent and the final maturity will occur on July 15, 2025. The principal payments range from $475,000 to $18,040,000. The County reduced its aggregate debt service payments by approximately $3.9 million over the next 15 years and obtained an economic gain of (difference between the present value of the old and new debt service payments) of $6.5 million. The proceeds of the 2010 Refunding Issue were deposited in a trust fund and were used to purchase U. S. Government Obligations that will mature and bear interest payable at times and in amounts sufficient to pay interest when due on the Refunded Bonds to their respective redemption dates and to pay the redemption prices of the Refunded Bonds on such dates. For legal and accounting purposes, the Refunded Debt is considered to have been paid, and neither the debt (which is fully defeased) nor the assets placed in the trust fund are reflected in the County's financial statements.

On July 20, 2010, the County issued General Obligation Public Improvement Bonds, Series 2010A in the aggregate principal amount of $72,205,000. The proceeds of the Bonds will be used to finance capital school improvement projects, library facilities, fire stations, recreation and park facilities improvements and various road projects in the County, pursuant to the voter authorizations at elections held in the County on March 8, 2005. The interest rates on these bonds range from 2 percent to 5 percent. The Bonds mature on August 1st in each of the years 2011 through 2030.

On September 1, 2011, the County issued General Obligation Public Improvement Bonds, Series 2011 in the aggregate principal amount of $66,075,000. The proceeds of the Bonds will be used to finance capital school improvement projects, library facilities, fire stations, recreation and park facilities improvements and various road projects in the County, pursuant to the voter authorizations at elections held in the County on March 8, 2005. The interest rates on these bonds range from 2 percent to 5 percent. The Bonds mature on August 1st in each of the years 2012 through 2031.

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 defeased $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 15th 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 defeased $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 1st 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 defeased $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 1st 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 defeased $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 1st 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 defeased $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 1st 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 defeased $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 15th 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.

In April 2016, the Economic Development Authority (EDA) of Henrico County, Virginia entered into a Note Purchase and Lease Acquisition Agreement, leasing to the County a $34,000,000 emergency communications system. The Notes were purchased by Banc of America Capital Corp. at a fixed interest rate of 1.699%, with equal principal payments of $3,400,000 due April 1, 2017 through April 1, 2026. Interest payments are due semi-annually October 1 and April 1, beginning October 1, 2016.

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 1st 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 defeased $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 1st 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 defeased $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 1st 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 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 1st in each of the years 2019 through 2038. The interest ranges 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 1st in each of the years 2021 through 2039. The interest ranges 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 15th 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 1st in each of the years 2022 through 2040. The interest ranges 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 defeased $14,720,000 outstanding principal amount of the County's General Obligation Public Improvement Bonds, Series 2011. The Bonds mature on August 1st in each of the years 2021 through 2031. The interest 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 15th in each of the years 2022 through 2041. The interest ranges from 1.625 percent to 5 percent.

As of June 30, 2022, 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 $22,833 at June 30, 2023.

General Obligation Bonds

Details of general obligation bonds for the County at June 30, 2023 are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance
2012 GO. Bonds	2.00-5.00	10/03/12	08/01/26	$ 37,500,000	$ 25,735,000
2015 GO. Bonds	2.00-5.00	03/31/15	08/01/28	50,485,000	32,970,000
2017A GO. Bonds	3.00-5.00	05/31/17	08/01/37	102,255,000	76,680,000
2017B GO. Bonds	2.00-5.00	05/31/17	08/01/30	53,755,000	43,305,000
2018 GO. Bonds	3.00-5.00	07/31/18	08/01/38	99,395,000	79,510,000
2019 GO. Bonds	3.00-5.00	10/09/19	08/01/39	105,115,000	93,435,000
2020A GO. Bonds	2.00-5.00	07/02/20	08/01/40	105,980,000	100,060,000
2020B GO. Bonds	.049-1.43	07/02/20	08/01/31	15,545,000	15,040,000
2020R GO. Bonds	5.00	04/16/20	07/15/25	24,930,000	17,840,000
2021 VPSA Bonds	1.625-5.00	10/12/21	08/15/41	48,115,000	45,705,000
TOTAL					$ 530,280,000

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

Years	Principal	Interest
2024	$ 48,485,000	$ 20,108,772
2025	48,515,000	17,803,137
2026	46,670,000	15,500,864
2027	42,850,000	13,327,001
2028	39,270,000	11,326,247
2029-2033	148,540,000	34,055,550
2034-2038	115,060,000	12,941,601
2039-2042	40,890,000	1,248,619
TOTAL	$ 530,280,000	$ 126,311,791

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 1st 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:

Years	Principal	Interest
2024	$ 2,695,000	$ 367,591
2025	2,840,000	225,756
2026	2,985,000	76,491
TOTAL	$ 8,520,000	$ 669,838

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 15th 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%.

EDA Lease Revenue Bonds

Details of lease revenue bonds for the County at June 30, 2023 are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance
2019 Lease Revenue Bonds	1.98%	11/1/2019	01/15/2034	$ 10,115,000	$ 8,210,000
2020A Lease Revenue Bonds	1.352-2.749%	04/2/2020	08/1/2039	50,000,000	43,465,000
TOTAL					$ 51,675,000

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

Years	Principal	Interest
2024	$ 2,855,000	$ 1,088,558
2025	2,905,000	1,043,742
2026	2,950,000	996,457
2027	3,000,000	945,677
2028	3,055,000	891,143
2029-2033	16,210,000	3,513,264
2034-2038	14,645,000	1,734,907
2039-2041	6,055,000	166,874
TOTAL	$ 51,675,000	$ 10,380,623

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, 2023 are as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Water and Sewer Revenue Bonds:				
2013 Refunding Bonds - $68,410,000, 2.00% to 5.00%	$ 2,835,000	$ -	$ 2,835,000	$ -
2014 Revenue Bonds - $74,165,000, 1.00% to 5.00%	7,750,000	-	1,810,000	5,940,000
2016 Revenue and Refunding Bonds - $123,625,000, 1.50% to 5.00%	28,105,000	-	6,580,000	21,525,000
2018 Revenue Bonds - $102,410,000, 3.125% to 5.00%	94,765,000	-	2,130,000	92,635,000
2019 Revenue and Refunding Bonds - $78,085,000, 3.125% to 5.00%	73,975,000	-	1,380,000	72,595,000
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%	115,240,000	-	1,300,000	113,940,000
2021 Revenue and Refunding Bonds - $85,680,000, 1.00% to 2.70%	83,770,000	-	1,290,000	82,480,000
Total bonds payable	$ 432,145,000	$ -	$ 17,325,000	$ 414,820,000
Other Liabilities:				
Lease liability	$ 10,112	$ -	$ 5,017	$ 5,095
Accrued compensated absences	1,613,269	-	42,067	1,571,202
Net Healthcare OPEB liability	641,849	351,114	346,865	646,098
Net GLI OPEB liability	903,176	224,036	172,078	955,134
Net pension liability	6,600,886	8,911,068	2,860,027	12,651,927
Total	$ 441,914,292	$ 9,486,218	$ 20,751,054	$ 430,649,456
Premium on bonds payable	35,604,780	-	2,480,021	33,124,759
Total long-term liabilities	$ 477,519,072	9,486,218	23,231,075	$ 463,774,215
Current maturities	(17,476,544)			(18,106,065)
Net long-term liabilities	$ 460,042,528			$ 445,668,150

Current maturities of long-term liabilities at June 30, 2023 consist of the following:

Revenue bonds	$ 18,060,000
Lease obligations	5,095
Accrued compensated absences	40,970
Total current maturities	$ 18,106,065

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 February 19, 2009, the County issued $70,360,000 of Water and Sewer Refunding Bonds to refund the entire outstanding balance of the 1999 bond series. The interest rate on these bonds is between 2.25% and 5% and the final maturity will occur on May 1, 2028. The principal payments range from $315,000 to $5,065,000. The advance refunding resulted in the recognition of an accounting gain of $2,150,208 for the year ended June 30, 2010. The Fund reduced its aggregate debt service payments by approximately $5,650,606 over the next 20 years and obtained an economic gain (difference between the present value of the old and new debt service payments) of $5,406,608. The interest due on the bonds as of July 1 has been accrued as of June 30, in accordance with the related covenants. Cash has been restricted for these accruals. In addition, net position has been restricted and cash has been restricted in an amount equal to the maximum annual debt service requirement for the bonds.

On December 22, 2009, the County issued $22,915,000 of Water and Sewer Refunding Bonds to refund the entire outstanding balance of the Variable Rate Series 1997 VRA Bonds. The interest rate on these bonds is between 2% and 5% and the final maturity will occur on May 1, 2028. The principal payments range from $1,175,000 to $2,050,000. The Water and Sewer Revenue Fund reduced its aggregate debt service payments by $44,418,268 over the next 20 years.

On February 20, 2013, the County issued $68,410,000 of Water and Sewer Refunding Revenue Bonds to refund $65,945,000 outstanding principal amount of the 2006A Series Water and Sewer System Revenue Bonds. The interest rate on these bonds is between 2% and 5% and the final maturity will occur on May 1, 2036. The principal payments range from $100,000 to $4,800,000. The Water and Sewer Revenue Fund reduced debt service payments by $44,418,268 over the next 20 years.

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 1st 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 assets and the liability for the defeased bonds are not reflected in the County's financial statements. At June 30, 2023, $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, 2023, and thereafter are as follows:

Years	Principal	Interest
2024	$ 18,060,000	$ 11,588,861
2025	18,610,000	11,039,168
2026	19,280,000	10,368,982
2027	19,965,000	9,680,046
2028	20,360,000	9,303,629
2029-2033	86,110,000	40,252,840
2034-2038	84,720,000	29,131,811
2039-2043	76,670,000	18,511,795
2044-2048	64,335,000	7,123,739
2049-2051	6,710,000	298,450
Total	$ 414,820,000	$ 147,299,320

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, 2023 is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Lease liability	$ 19,055,430	$ 16,458	$ 5,976,266	$ 13,095,622
SBITA liability	-	12,490,650	6,299,841	6,190,809
Accrued claims payable	5,933,000	2,442,296	2,377,296	5,998,000
Net pension liability	274,688,193	167,751,971	95,517,058	346,923,106
Net Healthcare OPEB liability	17,016,155	8,153,247	8,619,767	16,549,635
Net GLI OPEB liability	18,500,799	5,510,032	4,596,113	19,414,718
Net HIC OPEB liability	42,836,769	4,961,272	5,509,728	42,288,313
Accrued compensated absences	9,469,048	7,220,074	7,438,748	9,250,374
Total School Board	$ 387,499,394	$208,546,000	$ 136,334,817	$ 459,710,577
Current Maturities	(13,483,248)			(19,124,792)
Net long-term liabilities	$ 374,016,146			$ 440,585,785

Current maturities of long-term liabilities at June 30, 2023, consist of the following:

Lease obligations	$ 6,079,074
SBITA obligations	3,375,416
Accrued claims payable	2,403,341
Accrued compensated absences	7,266,961
Total current maturities	$ 19,124,792

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, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Lease obligations	$ 7,704	$ -	$ 3,199	$ 4,505
Net pension liability	1,325,530	1,974,747	633,799	2,666,478
Net Healthcare OPEB liability	148,437	67,903	70,064	146,276
Net GLI OPEB liability	187,766	49,843	38,283	199,326
Accrued compensated absences	283,272	285,209	312,478	256,083
Total JRJDC	$ 1,952,709	$ 2,377,782	$ 1,057,823	$ 3,272,668
Current Maturities	(284,799)			(259,886)
Net long-term liabilities	$ 1,667,910			$ 3,012,782

Current maturities of long-term liabilities at June 30, 2023, consist of the following:

Lease obligations	$ 3,803
Accrued compensated absences	256,803
Total current maturities	$ 259,886

Leases Liability

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. 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 a 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.

Principal and Interest Requirements to Maturity

Governmental Activities

Years	Principal	Interest	Total
FY2024	$ 2,663,748	$ 87,394	$ 2,751,142
FY2025	2,123,848	63,635	2,187,483
FY2026	1,438,446	49,384	1,487,830
FY2027	1,077,510	38,926	1,116,436
FY2028	864,779	30,100	894,879
FY2029-2033	1,712,354	67,145	1,779,499
FY2034-2038	585,804	14,962	600,766
Total Governmental Activities	$ 10,466,489	$ 351,546	$ 10,818,035

Business-Type Activities

Years	Principal	Interest	Total
2024	$ 5,095	$ 503	$ 5,598
Total Business-Type Activities	$ 5,095	$ 503	$ 5,598

Component Units

School Board:

Years	Principal	Interest	Total
FY2024	$ 6,079,074	$ 81,608	$ 6,160,682
FY2025	1,256,357	49,673	1,306,030
FY2026	1,168,555	17,705	1,186,260
FY2027	1,210,537	6,312	1,216,849
FY2028	479,139	-	479,139
FY2029-2033	2,620,128	-	2,620,128
FY2034-2038	281,832	-	281,832
Total School Board	$ 13,095,622	$ 155,298	$ 13,250,920

James River Juvenile Detention Commission:

Years	Principal	Interest	Total
FY2024	$ 3,803	$ 503	$ 4,306
FY2025	702	16	718
Total James River Juvenile Detention Commission	$ 4,505	$ 519	$ 5,024
Total Component Units:	$ 13,100,127	$ 155,817	$ 13,255,944
Grand Total	$ 23,571,711	$ 507,866	$ 24,079,577

Leases Receivable

For the year ended June 30, 2023, 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, 2023, was $38,828,677 and $14,802,305, respectively.

Future minimum lease receivable payments for fiscal years ending after June 30, 2023, are as follows:

Years	Principal	Interest	Total
FY2024	$ 838,905	$ 106,829	$ 957,434
FY2025	702,299	100,183	802,483
FY2026	551,068	93,966	645,034
FY2027	513,084	88,065	601,149
FY2028	515,334	82,249	597,583
FY2029-2033	2,604,206	318,686	2,922,892
FY2034-2038	2,026,011	169,970	2,195,982
FY2039-2043	1,563,794	45,897	1,609,691
Total Governmental Activities	$ 9,314,702	$ 1,005,846	$ 10,332,248

Business-Type Activities

Years	Principal	Interest	Total
FY2024	$ 27,368	$ 454	$ 27,822
FY2025	27,514	308	27,822
FY2026	27,661	161	27,822
FY2027	708	12	720
FY2028	714	6	720
Total Business-Type Activities	$ 83,965	$ 941	$ 84,906

Component Unit - School Board

Years	Principal	Interest	Total
FY2024	$ 68,297	$ 774	$ 69,072
FY2025	70,731	413	71,144
FY2026	16,270	39	16,310
Total Component Unit - School Board	$ 155,299	$ 1,227	$ 156,526

Governmental Activities

The following is a summary of changes in the County's lease receivables for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Building	$ 5,633,958	$ -	$ 2,368,921	$ 3,265,037
Land	599,037	-	54,103	544,935
Other	6,049,267	-	544,537	5,504,730
Total Lease Receivable	$ 12,282,262	$ -	$ 2,967,560	$ 9,314,702

Business-type Activities

The following is a summary of changes in the Water and Sewer lease receivables for the year ended June 30, 2023:

Water and Sewer:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Other	$ 111,186	$ -	$ 27,222	$ 83,965
Total Lease Receivable	$ 111,186	$ -	$ 27,222	$ 83,965

Component Units

The following is a summary of changes in the School Board lease receivables for the year ended June 30, 2023:

School Board:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Land	$ 243,647	$ -	$ 88,348	$ 155,299
Total Lease Receivable	$ 243,647	$ -	$ 88,348	$ 155,299

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Building	$ 5,553,868	$ -	$ 2,371,926	$ 3,181,942
Land	603,929	-	65,687	538,241
Other	5,952,565	-	651,416	5,301,149
Total Deferred Inflows of Resources	$ 12,110,362	$ -	$ 3,089,029	$ 9,021,332

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, 2023:

Water and Sewer:	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Building	$ -	$ 46,079	$ 46,079	$ -
Other	111,969	-	36,466	75,503
Land	10,482	-	10,482	-
Total Deferred Inflows of Resources	$ 122,451	$ 46,079	$ 93,027	$ 75,503

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, 2023:

School Board:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Land	$ 249,576	$ -	$ 79,975	$ 169,601
Total Deferred Inflows of Resources	$ 249,576	$ -	$ 79,975	$ 169,601

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.

For additional information, refer to the disclosures below.

Principal and Interest Requirements to Maturity

Governmental Activities

Years	Principal	Interest	Total
FY2024	$ 3,854,864	$ 460,387	$ 4,315,251
FY2025	3,329,472	371,973	3,701,445
FY2026	2,117,471	293,859	2,411,330
FY2027	1,517,936	244,684	1,762,621
FY2028	1,539,581	206,908	1,746,489
FY2029-2033	6,537,180	426,065	6,963,245
Total Governmental Activities	$ 18,896,504	$ 2,003,877	$ 20,900,380

Component Units

School Board:

Years	Principal	Interest	Total
FY2024	$ 3,375,416	$ 119,622	$ 3,495,038
FY2025	1,245,422	51,864	1,297,287
FY2026	723,044	28,757	751,802
FY2027	435,984	15,938	451,922
FY2028	410,942	7,783	418,725
FY2029-2033	-	-	-
Total School Board	$ 6,190,809	$ 223,964	$ 6,414,773
Grand Total	$ 25,087,313	$ 2,227,841	$ 27,315,153

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 $31,500 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, based on the advice of the County Attorney, that any losses incurred as a result of claims existing as of June 30, 2023, 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. Insurance carriers cover workers' compensation claims in excess of $1,000,000 per occurrence. Virginia Association of Counties Group Self-Insurance Risk Pool (VaCOR), through the Travelers Insurance Company, covers property claims in excess of $1,000,000 per occurrence. VaCOR, through Genesis Insurance Company, covers liability claims between $2,000,000 and $7,000,000 per occurrence. The County's estimated and recorded liability for claims payable at June 30, 2023, 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 $6,848,065 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, 2023, 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.

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 $500,000 per individual per year. Individual claims that exceed $500,000 per year are covered by specific excess risk insurance. Additionally, claims in the aggregate that exceed 125% of projected claims for the year are covered by aggregate excess risk insurance. The carrier of the excess risk policy is Coventry Health and Life Insurance Company. The County has recorded $11,499,000 for health care claims incurred but not reported in the Health Care Fund at June 30, 2023.

In addition, the County has recorded $18,147,000 for the County and $5,998,000 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, 2021, that are not expected to be liquidated with current resources. Also, the County has assigned $10,000,000 of the June 30, 2023 General Fund's Fund balance as a self-insurance reserve.

At June 30, 2023 and 2022, the County and Schools had accrued claims payable in long-term liabilities as follows:

	FY 2023		FY 2022	
	County	**Schools**	**County**	**Schools**
Balance, July 1	$ 29,272,000	$ 5,933,000	$ 27,461,921	$ 6,037,169
Current year claims and changes in estimates	21,308,264	2,442,296	22,155,405	1,303,597
Claim payments	(20,934,264)	(2,377,296)	(20,345,326)	(1,407,766)
Balance, June 30	$ 29,646,000	$ 5,998,000	$ 29,272,000	$ 5,933,000

D. Commitments

At June 30, 2023, the County had contractual commitments for the construction of various projects as follows:

Capital Projects Funds:	Primary Government	Component Unit-Schools
Computer and Technology Improvements	$ 8,822,702	$ -
Buildings and Grounds	1,921,336	-
Road Maintenance	57,738,480	-
Landfill Development & Utilities Projects	4,391,045	-
Public Safety Projects	9,796,497	-
Public Works	18,522,384	-
Parks and Recreation	33,347,797	-
Community Development	887,449	-
Libraries	220,031	-
Education Projects	30,223,330	84,553,532
Total	$ 165,871,051	$ 84,553,532

Enterprise Funds:	Primary Government
Wastewater Treatment Projects	$ 75,282,353
Water Plant Projects	9,266,047
Computer and Information Systems	6,501,256
Total	$ 91,049,656

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, 2023, the County had encumbrances expected to be honored upon performance by vendors in the next year as follows:

General Fund	$ 8,419,627
Special Revenue Fund	4,287,996
Capital Projects Fund	192,938,655
Total	$205,646,278

G. Contingent Liabilities

Capital Region Airport Commission

See Note 21, "Joint Ventures" for a discussion of the County's contingent liability relating to the Capital Region Airport Commission.

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.

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.

Employees Covered by Benefit Terms

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

	County*	School Board Non-Professional Group
Inactive members or their beneficiaries currently receiving benefits	3,767	105
Inactive members:		
Vested	766	19
Non-vested	1,751	77
Active elsewhere in VRS	1,231	96
Total inactive members	3,748	192
Active members	5,072	28
Total	12,587	325

*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/2022-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 2023 were 16.53 percent and 39.75 percent, respectively, of annual covered employee compensation. The County and School Board contributions for the fiscal year ended 2023 were $40,749,052 and $192,256, respectively. 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.

C. Net Pension Liability and Pension Expense

At June 30, 2023, the County and School Board Non-Professional Group reported a net pension liability of $220,260,826 and $3,346,528, respectively. 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 for the County General Government, Water and Sewer Revenue Fund, JRJDC, CAM, School Board C&M and School Board Non-Professional Group employees was $178,526,944, $12,651,927, $2,666,478, $2,735,774, $23,679,703, and $3,346,528, respectively. The net pension liability was measured as of June 30, 2022. The total pension liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Change in the Net Pension Liability

Governmental Activities	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	$1,398,417,473	$1,316,194,092	$82,223,381
Changes for the year:			
Service cost	33,036,473	-	33,036,473
Interest	97,170,762	-	97,170,762
Difference between expected and actual experience	13,454,669	-	13,454,669
Changes of assumptions	-	-	-
Contributions-employer	-	34,721,214	(34,721,214)
Contributions-employee	-	12,048,194	(12,048,194)
Net investment income	-	(1,346,899)	1,346,899
Benefit payments, including refunds of employee contributions	(71,361,150)	(71,361,150)	-
Administrative expense	-	(841,516)	841,516
Other changes	-	41,574	(41,574)
Net changes	72,300,754	(26,738,583)	99,039,337
Balances at June 30, 2023	$1,470,718,227	$1,289,455,509	$181,262,718
Business-type Activities			
Balances at June 30, 2022	$95,554,860	$88,953,974	$6,600,886
Changes for the year:			
Service cost	2,018,441	-	2,018,441
Interest	5,936,876	-	5,936,876
Difference between expected and actual experience	822,045	-	822,045
Changes of assumptions	-	-	-
Contributions-employer	-	2,121,374	(2,121,374)
Contributions-employee	-	736,113	(736,113)
Net investment income	-	(82,292)	82,292
Benefit payments, including refunds of employee contributions	(4,359,977)	(4,359,977)	-
Administrative expense	-	(51,414)	51,414
Other changes	-	2,540	(2,540)
Net changes	4,417,385	(1,633,656)	6,051,041
Balances at June 30, 2023	$99,972,245	$87,320,318	$12,651,927
Total Primary Government			
Balances at June 30, 2022	$1,493,972,333	$1,405,148,066	$88,824,267
Changes for the year:			
Service cost	35,054,914	-	35,054,914
Interest	103,107,638	-	103,107,638
Difference between expected and actual experience	14,276,714	-	14,276,714
Changes of assumptions	-	-	-
Contributions-employer	-	36,842,588	(36,842,588)
Contributions-employee	-	12,784,307	(12,784,307)
Net investment income	-	(1,429,191)	1,429,191
Benefit payments, including refunds of employee contributions	(75,721,127)	(75,721,127)	-
Administrative expense	-	(892,930)	892,930
Other changes	-	44,114	(44,114)
Net changes	76,718,139	(28,372,239)	105,090,378
Balances at June 30, 2023	$1,570,690,472	$1,376,775,827	$193,914,645

Change in the Net Pension Liability

School Board C&M	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	$177,523,465	$163,645,672	$13,877,793
Changes for the year:			
Service cost	3,269,615	-	3,269,615
Difference between expected and actual experience	1,331,607	-	1,331,607
Changes of assumptions	-	-	-
Interest	9,616,978	-	9,616,978
Contributions-employer	-	3,436,354	(3,436,354)
Contributions-employee	-	1,192,408	(1,192,408)
Net investment income	-	(133,302)	133,302
Benefit payments, including refunds of employee contributions	(7,062,604)	(7,062,604)	-
Administrative expense	-	(83,285)	83,285
Other changes	-	4,115	(4,115)
Net changes	7,155,596	(2,646,314)	9,801,910
Balances at June 30, 2023	$184,679,061	$160,999,358	$23,679,703

School Board Non-Professional Group	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	$8,722,998	$5,499,931	$3,223,067
Changes for the year:			
Service cost	54,568	-	54,568
Difference between expected and actual experience	(284,130)	-	(284,130)
Changes of assumptions	-	-	-
Interest	569,590	-	569,590
Contributions-employer	-	192,256	(192,256)
Contributions-employee	-	25,398	(25,398)
Net investment income	-	2,323	(2,323)
Benefit payments, including refunds of employee contributions	(678,391)	(678,391)	-
Administrative expense	-	(3,528)	3,528
Other changes	-	118	(118)
Net changes	(338,363)	(461,824)	123,461
Balances at June 30, 2023	$8,384,635	$5,038,107	$3,346,528

James River Juvenile Detention Center	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	$21,092,728	$19,767,198	$1,325,530
Changes for the year:			
Service cost	447,299	-	447,299
Difference between expected and actual experience	182,170	-	182,170
Changes of assumptions	-	-	-
Interest	1,315,648	-	1,315,648
Contributions-employer	-	470,109	(470,109)
Contributions-employee	-	163,127	(163,127)
Net investment income	-	(18,236)	18,236
Benefit payments, including refunds of employee contributions	(966,198)	(966,198)	-
Administrative expense	-	(11,394)	11,394
Other changes	-	563	(563)
Net changes	978,919	(362,029)	1,340,948
Balances at June 30, 2023	$22,071,647	$19,405,169	$2,666,478

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 at the June 30, 2022 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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 PUB2010 public sector mortality tables adjusted for future mortality improvements using a modified MP-2-2- mortality improvement scale.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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 2-24 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:

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to 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 6.72%, including expected inflation of 2.50%.

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

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.

Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater.

From July 1, 2022 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.

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	$382,374,542	$181,262,718	$27,529,228
Business-type Activities proportionate share of the net pension liability	$23,362,071	$12,651,927	$1,681,963
Total Primary Government	$405,736,613	$193,914,645	$29,211,191
School Board C&M proportionate share of the net pension liability	$37,843,559	$23,679,703	$2,724,564
School Board Non-Professional Group	$4,157,530	$3,346,528	$2,661,761
James River Juvenile Detention Center proportionate share of the net pension liability	$5,177,178	$2,666,478	$372,733
Total Component Units	$47,178,267	$29,692,709	$5,759,058

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 $43,277,157, $2,488,743, $4,368,423, and $556,761, 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, 2024.

At June 30, 2023, the County's Governmental Activities, Business-type Activities, School Board C&M and JRJDC employee allocation, reported a net pension liability of $181,262,718, $12,651,927, $23,679,703, and $2,666,478 respectively, for its proportionate share of the net pension liability. The School Board Non-Professional Group reported a net pension liability of $3,346,528. At June 30, 2023, the Governmental Activities, Business-type Activities, JRJDC and Schools C&M proportion of the County of Henrico was 85.21 percent, 5.21 percent, 1.15 percent, and 8.43 percent, respectively. The County's Governmental Activities, Business-type Activities, Schools C&M and JRJDC recognized pension expenses of $37,475,869, $2,289,676, $3,708,982, and $507,406, respectively. The total pension expense for the County's Primary Government is $39,765,545. The School Board Non-Professional Group recognized pension income of $103,385.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Governmental Activities		
Change in pension proportionate share allocation	$ 912,246	$ 125,743
Difference between expected and actual experience	13,852,204	8,341,103
Changes of assumptions	27,248,123	-
Difference between projected and actual earnings on pension plan investments	-	38,112,269
Pension contributions after the measurement date	43,277,157	-
Total	$ 85,289,730	$ 46,579,115
Business-Type Activities		
Change in pension proportionate share allocation	$ -	$ 403,830
Difference between expected and actual experience	859,789	516,864
Changes of assumptions	1,688,455	-
Difference between projected and actual earnings on pension plan investments	-	2,369,721
Pension contributions after the measurement date	2,488,743	-
Total	$ 5,036,987	$ 3,290,415
Total Primary Government		
Change in pension proportionate share allocation	$ 912,246	$ 529,573
Difference between expected and actual experience	14,711,993	8,857,967
Changes of assumptions	28,936,578	-
Difference between projected and actual earnings on pension plan investments	-	40,481,990
Pension contributions after the measurement date	45,765,900	-
	$ 90,326,717	$ 49,869,530
Component Units		
Schools C&M		
Change in pension proportionate share allocation	$ -	$ 350,773
Difference between expected and actual experience	1,384,734	842,297
Changes of assumptions	2,751,557	-
Difference between projected and actual earnings on pension plan investments	-	3,962,736
Pension contributions after the measurement date	4,368,423	-
Total	$ 8,504,714	$ 5,155,806
Schools Non-Professional Group		
Difference between projected and actual earnings on pension plan investments	$ -	$ 172,048
Pension contributions after the measurement date	239,485	-
Total	$ 239,485	$ 172,048
James River Juvenile Detention Center		
Change in pension proportionate share allocation	$ 48,670	$ 80,570
Difference between expected and actual experience	189,557	119,884
Changes of assumptions	391,627	-
Difference between projected and actual earnings on pension plan investments	-	615,404
Pension contributions after the measurement date	556,761	-
Total	$ 1,186,615	$ 815,858

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
2024	$ 2,636,762	$ (58,771)	$ 6,407	$ (61,649)	$ (12,224)
2025	(2,644,911)	(347,220)	(441,199)	(66,658)	(56,743)
2026	(22,929,594)	(1,458,613)	(2,402,920)	(114,394)	(365,776)
2027	18,371,201	1,122,433	1,818,197	70,653	248,739
	$ (4,566,542)	$ (742,171)	$ (1,019,515)	$ (172,048)	$ (186,004)

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.

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/2022-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, 2023, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, 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 ending 2023, 2022, and 2021 were $55,462,951, $52,604,971, and $49,068,666, respectively, and are equal to the required contributions for each year.

In June 2022, the Commonwealth made a special contribution of approximately $442.4 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution. The School Board Teacher's portion of the special contribution was $14,863,890 for the fiscal year ending June 30, 2023.

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, 2023, the County's Component Unit's, the School Board and JRJDC, reported a net pension liability of $346,923,106 and $2,666,478, respectively. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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 $346,923,106 is made up of three groups of employees. The Teachers' net pension liability of $319,896,875, the School Board Non-Professional Group net pension liability of $3,346,528 and the School C&M net pension liability of $23,679,703. For the year ended June 30, 2023, the Teacher Retirement Plan, School Board Non-Professional Group and School's C&M Group reported pension expense of $18,099,976, ($103,385), and $3,708,982, respectively. The School Board's participation in the VRS cost-sharing plan was 3.36% as of June 30, 2023.

As of June 30, 2023, the School Board's net pension liability for VRS plans is as follows:

Teachers	
Total pension liability	$1,803,501,207
Fiduciary net position	1,483,604,332
Net pension liability	$ 319,896,875
Schools Non-Professional Group	
Total pension liability	$ 8,384,635
Fiduciary net position	5,038,107
Net pension liability	$ 3,346,528
Schools C&M	
Total pension liability	$ 184,679,060
Fiduciary net position	160,999,357
Net pension liability	$ 23,679,703
Total Schools	
Total pension liability	$1,996,564,902
Fiduciary net position	1,649,641,796
Net pension liability	$ 346,923,106
Plan fiduciary net position as a percentage of the total pension liability	82.62%

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, 2021, 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, 2022:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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.

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, 2021 valuation, were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. 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 ratees 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:

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to 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 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of the expected long-term results of the VRS fund asset allocation at that time, providing a medial return of 7.11%, 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, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate.

From July 1, 2022 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%)
School Board			
Teachers' proportionate share of the net pension liability	$ 571,360,308	$ 319,896,875	$ 115,150,343
School Board Non-Professional Group net pension liability	4,157,530	3,346,528	2,661,761
School Board C&M's proportionate share of the net pension liability	37,843,559	23,679,703	2,724,564
Total all Schools	$ 613,361,397	$ 346,923,106	$ 120,536,668

H. Deferred Outflows and Inflows of Resources Related to Pensions

The School Board has recognized deferred outflows of resources of $60,070,859 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, 2024. The School Board has recognized deferred outflows of resources of $6,275,560 resulting from a change in the proportionate share allocation of the beginning net pension liability for the actuarial measurement date June 30, 2022. The School Board has recognized deferred outflows of resources of $32,498,673 resulting from changes of assumptions. The School Board has recognized deferred outflows of resources of $1,384,733 resulting from the difference between expected and actual experience.

The School Board has recognized deferred inflows of resources of $1,713,724 resulting from a change in the proportionate share allocation of the beginning net pension liability for the actuarial measurement date June 30, 2022. The School Board has recognized deferred inflows of resources of $22,806,059 resulting from the difference between expected and actual experience. The School Board has recognized net deferred inflows of resources of $44,144,850 resulting from the difference between projected and actual earnings on pension plan investments.

As of June 30, 2023, the School Board's deferred outflows and inflows of resources is as follows:

Deferred Outflows of Resources	
Teachers – employer contributions	$ 55,462,951
Teachers – proportionate share	6,275,560
Teachers – changes of assumptions	29,747,116
Schools Non-Professional Group – employer contributions	239,485
Schools C&M – employer contributions	4,368,423
Schools C&M – changes of assumptions	2,751,557
Schools C&M – difference in experience	1,384,733
Total Deferred Outflows of Resources	$ 100,229,825
Deferred Inflows of Resources	
Teachers – difference in experience	$ 21,963,762
Teachers – difference in earnings	40,010,066
Teachers – difference in proportionate share	1,362,951
Schools Non-Professional Group – difference in earnings	172,048
Schools C&M – difference in experience	842,297
Schools C&M – difference in earnings	3,962,736
Schools C&M – difference in proportionate share	350,773
Total Deferred Inflows of Resources	$ 68,664,633

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:

School Board

Year Ending June 30:	Teachers	School Board Non-Professional Group	School Board C&M	Total
2024	$ (8,006,772)	$ (61,649)	$ 6,407	$ (8,062,014)
2025	(12,674,507)	(66,658)	(441,199)	(13,182,364)
2026	(25,507,826)	(114,394)	(2,402,920)	(28,025,140)
2027	18,875,002	70,653	1,818,196	20,763,851
2028	-	-	-	-
	$ (27,314,103)	$ (172,048)	$ (1,019,516)	$ (28,505,667)

I. Employer Contributions

The County's Component Unit proportionate shares were calculated on the basis of historical employer contributions. Although GAAP encourages the use of the projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. Employer contributions recognized by the VRS Teacher Retirement Plan that are not representative of future contribution effort 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, 2022. The County's Teacher portion was $52,042,466. Of this amount, $2,126,634 was transferred to MissionSquare as the employer cost of the defined contribution component for employees covered by the Hybrid Retirement Plan benefit structure and $49,915,832 was retained by the defined benefit plan. The employer contributions of $49,907,005 reported in the VRS Teacher Employee's Retirement Plan's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects this net amount minus approximately $8,827 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' 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.

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, 2023, membership for the postemployment healthcare benefits consisted of:

Active employees	10,756
Retirees	1,069
Disabled's	40
Retiree Spouses and Beneficiaries	41
Total participants	11,906

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, 2023, the County's contribution to the OPEB Trust Fund was $9,604,420 and the average contribution rate was 1.1 percent of covered employee payroll. The County's Governmental Activities, Business-type Activities, School Board and JRJDC's contributions to the OPEB Trust Fund were $3,585,977, $254,773, $5,717,646, and $46,024.

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, 2023. 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, 2023, the County's Governmental Activities, Business-type Activities, School Board and JRJDC's employee allocation, reported a net postemployment healthcare OPEB liability of $13,862,451, $646,098, $16,549,635, and $146,276 respectively, for its proportionate share of the net pension liability. At June 30, 2023, the Governmental Activities, Business-type Activities, School Board and JRJDC proportion of the County of Henrico was 44.42 percent, 2.07 percent, 53.04 percent, and .47 percent, respectively.

For the year ended June 30, 2023, the County's Governmental Activities, Business-type Activities, School Board and JRJDC recognized healthcare OPEB expense of $1,263,712, $164,376, $3,202,607, and $24,717, respectively. The total OPEB expense for the County's Primary Government is $1,428,088.

As of June 30, 2023, the County's Primary Government net Healthcare OPEB liability is as follows:

Governmental Activities	
Total Healthcare OPEB liability	$ 55,972,744
Fiduciary net position	42,110,293
Net Healthcare OPEB liability	$ 13,862,451
Business-type Activities	
Total Healthcare OPEB liability	$ 2,608,765
Fiduciary net position	1,962,667
Net Healthcare OPEB liability	$ 646,098
Total Primary Government	
Total Healthcare OPEB liability	$ 58,581,509
Fiduciary net position	44,072,960
Net Healthcare OPEB liability	$ 14,508,549
Plan fiduciary net position as a percentage of the total Healthcare OPEB liability	75.23%

As of June 30, 2023, the County's Component Unit Net Healthcare OPEB liability is as follows:

Schools	
Total Healthcare OPEB liability	$ 66,822,848
Fiduciary net position	50,273,213
Net Healthcare OPEB liability	$ 16,549,635
JRJDC	
Total Healthcare OPEB liability	$ 590,623
Fiduciary net position	444,347
Net Healthcare OPEB liability	$ 146,276
Total Component Unit	
Total Healthcare OPEB liability	$ 67,413,471
Fiduciary net position	50,717,560
Net Healthcare OPEB liability	$ 16,695,911
Plan fiduciary net position as a percentage of the total net Healthcare OPEB liability	75.23%

Change in the Net Healthcare OPEB Liability

Governmental Activities	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	$53,555,024	$38,652,248	$14,902,776
Changes for the year:			
Service cost	1,937,493	-	1,937,493
Interest	3,661,768	-	3,661,768
Contributions-employer	-	3,585,977	(3,585,977)
Net investment income	-	3,053,837	(3,053,837)
Benefit payments, including refunds of employee contributions	(3,181,541)	(3,181,541)	-
Administrative expense	-	(228)	228
Net changes	2,417,720	3,458,045	(1,040,325)
Balances at June 30, 2023	$55,972,744	$42,110,293	$13,862,451
Business-type Activities			
Balances at June 30, 2022	$2,306,566	$1,664,717	$641,849
Changes for the year:			
Service cost	180,437	-	180,437
Interest	170,667	-	170,667
Contributions-employer	-	254,773	(254,773)
Net investment income	-	92,092	(92,092)
Benefit payments, including refunds of employee contributions	(48,905)	(48,905)	-
Administrative expense	-	(10)	10
Net changes	302,199	297,950	4,249
Balances at June 30, 2023	$2,608,765	$1,962,667	$646,098
Total Primary Government			
Balances at June 30, 2022	$55,861,590	$40,316,965	$15,544,625
Changes for the year:			
Service cost	2,117,930	-	2,117,930
Interest	3,832,435	-	3,832,435
Contributions-employer	-	3,840,750	(3,840,750)
Net investment income	-	3,145,929	(3,145,929)
Benefit payments, including refunds of employee contributions	(3,230,446)	(3,230,446)	-
Administrative expense	-	(238)	238
Net changes	2,719,919	3,755,995	(1,036,076)
Balances at June 30, 2023	$58,581,509	$44,072,960	$14,508,549

Change in the Net Healthcare OPEB Liability

School Board	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	$61,149,722	$44,133,567	$17,016,155
Changes for the year:			
Service cost	3,781,399	-	3,781,399
Interest	4,371,588	-	4,371,588
Contributions-employer	-	5,717,646	(5,717,646)
Net investment income	-	2,902,121	(2,902,121)
Benefit payments, including refunds of employee contributions	(2,479,861)	(2,479,861)	-
Administrative expense	-	(260)	260
Net changes	5,673,126	6,139,646	(466,520)
Balances at June 30, 2023	$66,822,848	$50,273,213	$16,549,635
James River Juvenile Detention Center			
Balances at June 30, 2022	$533,427	$384,990	$148,437
Changes for the year:			
Service cost	29,262	-	29,262
Interest	38,639	-	38,639
Contributions-employer	-	46,024	(46,024)
Net investment income	-	24,040	(24,040)
Benefit payments, including refunds of employee contributions	(10,705)	(10,705)	-
Administrative expense	-	(2)	2
Net changes	57,196	59,357	(2,161)
Balances at June 30, 2023	$590,623	$444,347	$146,276
Total Component Unit			
Balances at June 30, 2022	$61,683,149	$44,518,557	$17,164,592
Changes for the year:			
Service cost	3,810,661	-	3,810,661
Interest	4,410,227	-	4,410,227
Contributions-employer	-	5,763,670	(5,763,670)
Net investment income	-	2,926,161	(2,926,161)
Benefit payments, including refunds of employee contributions	(2,490,566)	(2,490,566)	-
Administrative expense	-	(262)	262
	5,730,322	6,199,003	(468,681)
Balances at June 30, 2023	$67,413,471	$50,717,560	$16,695,911

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, 2022 actuarial valuation, which was used for the June 30, 2023 measurement date for postemployment healthcare benefits, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a 7 percent discount rate of return, salary increases of 2.5 percent annually and an annual healthcare cost trend rate of 6.0 percent graded uniformly to 5.5% over 2 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, which is 8 years for the current period. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5-year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants. The County plans to continue to fund the OPEB Trust annually and has no plans to currently pay any benefits out of the OPEB Trust.

Mortality Rates

Mortality rates for the postemployment healthcare benefits are as follows:

Mortality rates – pre-commencement

County:

- RP-2014 Employee Mortality Table projected with Scale BB to 2020; then set back for 1 year for males and set back 1 year for females.

Schools:

- RP-2014 White Collar Employee Mortality Table projected with Scale BB to 2020.

Mortality rates – post-commencement

County:

- RP-2014 Healthy Annuitant Mortality Table projected with Scale BB to 2020; then set forward 1 year for males and set back 1 year for females. Females have 1.5% increase compounded from ages 70 to 85.

Schools:

- RP-2014 White Collar Healthy Annuitant Mortality Table projected with Scale BB to 2020; then set back 3 years for females. Males have 1% increase compounded from ages 70 to 90. Females have 1.5% increase compounded from ages 65 to 75 and 2% increase compounded from ages 75 to 90.

Mortality rates – post – disablement

County:

- RP-2014 Disabled Mortality Table projected with Scale BB to 2020; males 115% of rates, females 130% of rates.

Schools:

- RP-2014 Disabled Mortality Table projected with Scale BB to 2020; males and females 115% of rates.

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, 2023:

Asset Class	**Target Allocation**
Domestic equity	36%
Fixed Income	25%
Foreign equity	18%
Long/Short equity	6%
Real assets	10%
Private equity	5%
Total	100%

For the year ended June 30, 2023, 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 7.64 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, 2023, 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
Domestic Equity	36.00%	7.78%	2.80%
Fixed Income	25.00%	2.86%	0.72%
Foreign Equity	18.00%	8.82%	1.59%
Long/Short equity	6.00%	5.46%	0.33%
Real Assets	10.00%	6.72%	0.67%
Private Equity	5.00%	10.44%	0.52%
Total	100.00%		6.63%
	Inflation		3.00%
	* Expected arithmetic nominal return		9.63%

F. Discount Rate

The discount rate used to measure the total Healthcare OPEB liability was 7.0 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 7 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 (6 percent) or 1- percentage point higher (8 percent) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Incerase (8.0%)
Healthcare OPEB			
Governmental Activities proportionate share of the net OPEB liabilty	$ 19,817,990	$ 13,862,451	$ 8,739,655
Business-type Activities proportionate share of the net OPEB liability	$ 925,060	$ 646,098	$ 405,180
Total Primary Government	$ 20,743,050	$ 14,508,549	$ 9,144,835
School Board proportionate share of the net OPEB liability	$ 24,320,777	$ 16,549,635	$ 9,892,350
James River Juvenile Detention Center proportionate share of the net OPEB liabilty	$ 203,071	$ 146,276	$ 96,195
Total Componet Units	$ 24,523,848	$ 16,695,911	$ 9,988,545

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 5.0% deceasing to 4.5% over 12 years	Current Rate 6.0% decreasing to 5.5% over 12 years	1% Increase 7.0% decreasnig to 6.5% over 12 years
Healthcare OPEB			
Governmental Activities proportionate share of the net OPEB liabilty	$ 9,504,145	$ 13,862,451	$ 18,991,858
Business-type Activities proportionate share of the net OPEB liability	$ 433,157	$ 646,098	$ 896,499
Total Primary Government	$ 9,937,302	$ 14,508,549	$ 19,888,357
School Board proportionate share of the net OPEB liability	$ 10,289,272	$ 16,549,635	$ 23,968,398
James River Juvenile Detention Center proportionate share of the net OPEB liabilty	$ 105,368	$ 146,276	$ 192,591
Total Component Unit	$ 10,394,640	$ 16,695,911	$ 24,160,989

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Governmental Activities		
Difference between expected and actual experience	$ 1,940,314	$ 2,062,037
Changes of assumptions	-	9,384,031
Difference between projected and actual earnings on OPEB plan investments	551,783	-
Total	$ 2,492,097	$ 11,446,068
Business-type Activities		
Difference between expected and actual experience	$ 6,002	$ 486,689
Changes of assumptions	-	407,931
Difference between projected and actual earnings on OPEB plan investments	26,990	-
Total	$ 32,992	$ 894,620
Total Primary Government		
Difference between expected and actual experience	$ 1,946,316	$ 2,548,726
Changes of assumptions	-	9,791,962
Difference between projected and actual earnings on OPEB plan investments	578,773	-
Total	$ 2,525,089	$ 12,340,688
Component Units		
School Board		
Difference between expected and actual experience	$ 20,764,093	$ 1,856,445
Changes of assumptions	-	10,618,316
Difference between projected and actual earnings on OPEB plan investments	436,588	-
Total	$ 21,200,681	$ 12,474,761
JRJDC		
Difference between expected and actual experience	$ 1,327	$ 75,584
Changes of assumptions	-	93,525
Difference between projected and actual earnings on OPEB plan investments	5,844	-
Total	$ 7,171	$ 169,109
Total Component Units		
Difference between expected and actual experience	$ 20,765,420	$ 1,932,029
Changes of assumptions	-	10,711,841
Difference between projected and actual earnings on OPEB plan investments	442,432	-
Total	$ 21,207,852	$ 12,643,870

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
2024	$ (3,090,223)	$ (228,540)	$ (82,602)	$ (42,882)	$ (3,444,247)
2025	(1,137,212)	(124,140)	1,785,707	(23,346)	501,009
2026	(1,137,212)	(124,140)	1,785,707	(23,346)	501,009
2027	(1,164,190)	(126,215)	1,760,834	(23,717)	446,712
2028	(1,195,803)	(127,715)	1,738,147	(24,048)	390,581
Thereafter	(1,229,331)	(130,878)	1,738,127	(24,599)	353,319
	$ (8,953,971)	$ (861,628)	$ 8,725,920	$ (161,938)	$ (1,251,617)

NOTE 12. <u>LINE OF DUTY OPEB PLAN – SINGLE EMPLOYER</u>

A. <u>Line of Duty OPEB Plan Benefits</u>

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. The County provides health insurance coverage for a permanently disabled officer, spouse and dependent children.

At June 30, 2023, membership for the postemployment line of duty benefits consisted of:

Active employees	1,631
Disabled and surviving spouses	56
Total participants	1,687

B. <u>Funding Policy</u>

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. <u>OPEB Liability and OPEB Expense</u>

The County's Governmental Activities reported a total line of duty OPEB liability of $25,315,278 and OPEB expense of $1,717,017 at June 30, 2023.

Change in the Net Line of Duty OPEB Liability

Governmental Activities	Total OPEB Liability
Balances at June 30, 2022	$ 24,100,476
Changes for the year:	
Service cost	1,186,670
Interest	994,711
Contributions-employer	(966,579)
Net changes	1,214,802
Balances at June 30, 2023	$ 25,315,278

D. Actuarial Assumptions

In the July 1, 2022 actuarial valuation for postemployment line of duty benefits, which was used for the June 30, 2023 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 4.09 percent discount rate, and salary increases of 3 percent annually. The assumed trend rate for the medial claims was changed from 7.5% graded uniformly to 6.75% over 3 years to 6.00% graded uniformly down to 5.50% over 2 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

- RP-2014 Employee Mortality Table projected with Scale BB to 2020; then set back 1 year for males and setback 1 year for females.

Mortality rates – post -commencement

- RP-2014 Healthy Annuitant Mortality Table projected with Scale BB to 2020; then set forward 1 year for males and set back 1 year for females. Females have 1.5% increase compounded from ages 70 to 85.

Mortality rates – post - disablement

- RP-2014 Disabled Mortality Table projected with Scale BB to 2020; males 115% of rates, females 130% of rates.

E. Discount Rate

The discount rate of 4.09% is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023.

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 4.09 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 (3.09 percent) or 1- percentage point higher (5.09 percent) than the current rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Line of Duty OPEB			
Governemental acivities - OPEB liability	$28,477,555	$25,315,278	$22,669,862

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 5.0% decreasing to 4.5% over 2 years	Current 6.0% decreasing to 5.5% over 2 years	1% Increase 7.0% decreasing to 6.5 % over 2 years
Governemental acivities - OPEB liability	$21,911,013	$25,315,278	$29,511,177

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
Primary Government		
Governmental Activities		
Difference between expected and actual experience	$ 2,056,837	$ 3,707,240
Change of assumptions	-	6,073,241
Total	$ 2,056,837	$ 9,780,481

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

Primary Government	
Year ended June 30th	**Governmental Activities**
2024	$ (464,364)
2025	(464,364)
2026	(464,364)
2027	(464,364)
2028	(464,364)
Thereafter	(5,401,824)
Total	$ (7,723,644)

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS – VRS GLI PROGRAM

A. Plan Description

The County participates in the VRS 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 Virginia Retirement System (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. 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 and is currently $8,984 as of June 30, 2023.

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2021 ACFR. A copy of that report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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, 2023 and 2022 were $1,839,958 and $1,993,592, 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, 2023 and 2022 were $81,084 and $80,174 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, 2023 and 2022 were $1,785,571 and $1,678,408 for Teachers, $169,322 and $159,206 for School Board C&M and $3,578 and $3,350 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, 2023 and 2022 were $18,167 and $17,837 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, 2023, the County's Governmental Activities, Business-type Activities, School Board and JRJDC reported a net GLI OPEB liability of $13,219,455, $955,134, $19,414,718, and $199,326 respectively. The net GLI OPEB liability was measured as of June 30, 2022, and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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 $522,318, $27,065, $727,821, and $6,021 respectively. The total OPEB expense for the County's Primary Government is $549,383.

As of June 30, 2023, the County's Primary Government Net GLI OPEB liability is as follows:

Governmental Activities	
Total GLI OPEB liability	$ 40,691,078
Fiduciary net position	27,471,623
Net GLI OPEB liability	$ 13,219,455
Business-type Activities	
Total GLI OPEB liability	$ 2,680,490
Fiduciary net position	1,725,356
Net GLI OPEB liability	$ 955,134
Total Primary Government	
Total GLI OPEB liability	$ 43,371,568
Fiduciary net position	29,196,979
Net GLI OPEB liability	$ 14,174,589
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67%

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 $19,414,718 is made up of three groups of employees. The Teacher's net GLI OPEB liability of $17,514,425, the School Board Non-Professional Group net GLI OPEB liability of $34,317 and the School C&M net GLI OPEB liability of $1,865,976. 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 $1,820,113 as of the measurement date of June 30, 2022. For the year ended June 30, 2023, the School Board C&M proportion share allocation was 9.61 percent. For the year ended June 30, 2023, the Teacher Plan, School Board Non-Professional Group and Schools C&M Group reported GLI OPEB expense of $670,219, ($1,435), and $59,037, respectively. The total School Board OPEB expense is $727,821. The School Board's participation in the VRS cost-sharing plan for the Teacher Plan and School Board Non-Professional Group was 1.45% and .0029%, respectively as of June 30, 2023.

As of June 30, 2023, the School Board's net GLI OPEB liability is as follows:

Teachers	
Total GLI OPEB liability	$ 53,413,051
Fiduciary net position	35,898,626
Net GLI OPEB liability	$ 17,514,425
Schools Non-Professional Group	
Total GLI OPEB liability	$ 104,654
Fiduciary net position	70,337
Net GLI OPEB liability	$ 34,317
Schools C&M	
Total GLI OPEB liability	$ 5,272,735
Fiduciary net position	3,406,759
Net GLI OPEB liability	$ 1,865,976
Total Schools	
Total GLI OPEB liability	$ 58,790,440
Fiduciary net position	39,375,722
Net GLI OPEB liability	$ 19,414,718
Plan fiduciary net position as a percentage of the total net GLI OPEB liability	67%

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 $1,820,113 as of the measurement date of June 30, 2022. As of June 30, 2023, JRJDC's proportion share was .98 percent. For the year ended June 30, 2023, JRJDC reported Net GLI OPEB liability of $199,326 and GLI OPEB expense of $6,021.

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, 2021, 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, 2022:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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

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 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 – 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-2improvement 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

The actuarial assumptions used in the June 30, 2021 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, 2019. 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 fix 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	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.83%

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a medial return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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, 2022, 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 100% of the actuarially determined rate. From July 1, 2022, on, employers are assumed to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEP 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 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:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Primary Government			
Governmental Activities proportionate share of the net GLI OPEB liability	$ 20,087,952	$ 13,219,455	$ 8,727,592
Business-type Activities proportionate share of the net GLI OPEB liability	1,040,911	955,134	452,244
Total Primary Government	$ 21,128,863	$ 14,174,589	$ 9,179,836
School Board			
Teachers' proportionate share of the net GLI OPEB liability	$ 25,485,539	$ 17,514,425	$ 11,072,675
School Board Non-Professional Group net GLI OPEB liability	49,935	34,317	21,695
School Board C&M's proportionate share of the net GLI OPEB liability	2,270,500	1,865,976	986,462
Total all Schools	$ 27,805,974	$ 19,414,718	$ 12,080,832
James River Juvenile Detention Center			
James River Juvenile Detention Center proportionate share of the net GLI OPEB liability	$ 231,577	$ 199,326	$ 100,613

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 $1,839,958, $81,084, $1,958,471, and $18,167, 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, 2024. The County's Governmental Activities, Business-type Activities, School Board and JRJDC have recognized deferred outflows of resources of $607,102, $31,709, $474,895, and $7,051 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 $1,046,735, $61,964, $1,522,355, and $14,067 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 $492,019, $31,902, $704,273, and $7,154 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 $552,432, $29,087, $753,430, and $6,449 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 $1,282,666, $67,409, $1,835,934, and $15,420 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 $273,961, $14,772, $61,505, and $3,334 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 $785,541, $36,393, $1,118,193, and $9,269 respectively, resulting from the difference between projected and actual earnings on pension plan investments.

As of June 30, 2023, the County's Primary Government deferred outflows and inflows of resources is as follows:

Deferred Outflows of Resources		
Governmental Activities – employer contributions	$	1,839,958
Governmental Activities – proportionate share		607,102
Governmental Activities – difference in experience		1,046,735
Governmental Activities – change of assumptions		492,019
Business-type Activities – employer contributions		81,084
Business-type Activities – proportionate share		31,709
Business-type Activities – difference in experience		61,964
Business-type Activities – change of assumptions		31,902
Total Primary Government	$	4,192,473

Deferred Inflows of Resources		
Governmental Activities – difference in experience	$	552,432
Governmental Activities – change of assumptions		1,282,666
Governmental Activities – difference in earnings		785,541
Governmental Activities – proportionate share		273,961
Business-type Activities – difference in experience		29,087
Business-type Activities – change of assumptions		67,409
Business-type Activities – difference in earnings		36,393
Business-type Activities – proportionate share		14,772
Total Primary Government	$	3,042,261

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
2024	$	(140,159)	$	1	$	(140,158)
2025		(123,198)		1,172		(122,026)
2026		(489,075)		(23,563)		(512,638)
2027		106,630		5,636		112,266
2028		(102,942)		(5,332)		(108,274)
Thereafter		-		-		-
	$	(748,744)	$	(22,086)	$	(770,830)

As of June 30, 2023, the School Board's deferred outflows and inflows of resources are as follows:

Deferred Outflows of Resources	
Teachers – employer contributions	$ 1,785,571
Teachers – difference in experience	1,395,874
Teachers – proportionate share	404,715
Teachers – change of assumptions	639,778
Schools Non-Professional Group – employer contributions	3,578
Schools Non-Professional Group – difference in experience	3,154
Schools Non-Professional Group – change of assumptions	1,470
Schools Non-Professional Group – proportionate share	1,382
Schools C&M – employer contributions	169,322
Schools C&M – difference in experience	123,327
Schools C&M – change of assumptions	63,025
Schools C&M – proportionate share	68,798
Total Deferred Outflows of Resources	$4,659,994

Deferred Inflows of Resources	
Teachers – difference in experience	$ 689,061
Teachers – change of assumptions	1,696,329
Teachers – difference in earnings	1,055,720
Teachers – proportionate share	21,660
Schools Non-Professional Group – difference in experience	1,383
Schools Non-Professional Group – change of assumptions	4,186
Schools Non-Professional Group – difference in earnings	2,184
Schools Non-Professional Group – proportionate share	9,760
Schools C&M – difference in experience	62,986
Schools C&M – change of assumptions	135,419
Schools C&M – difference in earnings	60,289
Schools C&M – proportionate share	30,085
Total Deferred Inflows of Resources	$3,769,062

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

Year Ending June 30:	Teachers	School Board Non-Professional Group	School Board C&M	Total
2024	$ (140,599)	$ (4,353)	$ 2,823	$ (142,129)
2025	(164,533)	(4,115)	5,050	(163,598)
2026	(717,361)	(3,023)	(43,709)	(764,093)
2027	130,482	238	13,819	144,539
2028	(130,392)	(254)	(11,612)	(142,258)
Thereafter	-	-	-	-
	$ (1,022,403)	$ (11,507)	$ (33,629)	$ (1,067,539)

Year Ending June 30:		James River Juvenile Detention Center
2024	$	(335)
2025		(200)
2026		(5,660)
2027		1,179
2028		(1,184)
Thereafter		-
	$	(6,200)

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 Other Postemployment Benefit 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, 2022. This total was $1,600,504, $1,442,162, and $3,286 for the Teachers, County and School Board Non-Professional Group, respectively. The employer contributions of $1,604,915, $1,446,136 and $3,295 for the Teachers, County and School Board Non-Professional Group reported in the VRS GLI OPEB Program's Statement of Changes in Net Position (per the System's separately issued financial statements) reflects the calculated amount plus approximately $4,411, $3,974 and $9 for the Teachers, County and School Board Non-Professional Group, respectively, in employer contribution adjustments that were not representative of future contribution efforts.

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 2022 ACFR. A copy of that report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

Eligible Employees

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.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Benefit Amounts

The Teacher Employee Retiree HIC Program provides the following benefits for eligible employees:

- **At Retirement** – 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.
- **Disability Retirement** – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:
  - $4.00 per month, multiplied by twice the amount of service credit, or
  - $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Program Notes:

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

The School Non-Professional Group has a total membership of 64 consisting of 28 active members, 34 retirees and beneficiaries and 2 inactive vested members as of the valuation date of June 30, 2021 and measurement date of June 30, 2022.

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, 2021 was 1.20% 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, 2020. 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 $3,568,077 and $3,513,433 for the years ended June 30, 2022 and June 30, 2021, respectively.

The employer contributions used in the determination of employers' proportionate shares of collective other post-employment 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, 2021. This total was $107,171,678. The employer contributions of $3,568,077 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, 2022.

C. School Division HIC Program OPEB Liabilities and OPEB Expense

At June 30, 2023, the school division reported a net Teacher HIC OPEB liability of $42,085,748 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, 2022 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, 2021. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC Program was 3.37% as compared to 3.32% at June 30, 2022.

At June 30, 2023, the school division reported a net School Board Non-Professional Group net HIC OPEB liability of $202,565 and $39,793 OPEB expense as of the measurement date of June 30, 2022 and an actuarial valuation date of June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Program OPEB expense of $3,466,079. Since there was a change in proportionate share between June 30, 2022 and June 30, 2023, a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

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, 2022, net OPEB liability amounts for the VRS Teacher Employee HIC Program is as follows (in thousands):

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	$ 1,470,891
Plan Fiduciary Net Position	221,845
Teacher Employee net HIC OPEB Liability	$ 1,249,046
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	15.08%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of 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 $42,288,313 made up of the Teacher Employee net HIC OPEB liability of $42,085,748 and the School Board net HIC OEPB liability of $202,565.

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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

- Inflation - 2.5 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*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the fair 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%. However, since the difference was minimal, and a more conservative 6.75% 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% to simplify preparation of OPEB liabilities.

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, 2020 valuation, were based on the results of an actuarial experience 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 fix 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:

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

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

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

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, 2022, 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, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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	$47,431,121	$42,085,748	$37,554,610
School non-professional net HIC OPEB liability	$215,489	$202,565	$191,256
Total School HIC OPEB liability	$47,646,610	$42,288,313	$37,745,866

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

At June 30, 2023, 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
Teacher Employee		
Difference between projected and actual earnings on OPEB plan investments	$ -	$ 36,668
Changes of assumptions	1,215,483	163,000
Changes in proportionate share	813,301	154,813
Difference between expected and actual experience	-	1,707,836
Employer contributions subsequent to the measurement date	4,002,480	-
Total	$ 6,031,264	$ 2,062,317
School Non-Professional		
Difference between projected and actual earnings on OPEB plan investments	$ 97	$ -
Changes of assumptions	75,167	-
Difference between expected and actual experience	-	7,154
Employer contributions subsequent to the measurement date	-	-
Total	$ 75,264	$ 7,154
School Board		
Difference between projected and actual earnings on OPEB plan investments	$ 97	$ 36,668
Changes of assumptions	1,290,650	163,000
Changes in proportionate share	813,301	154,813
Difference between expected and actual experience	-	1,714,990
Employer contributions subsequent to the measurement date	4,002,480	-
Total	$ 6,106,528	$ 2,069,471

The Henrico Teacher plan and School non-professional group recognized deferred outflows of resources of $4,002,480 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, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ending June 30:	Teacher Employee	School Board Non-Professional Group
2024	$ (25,775)	$ 32,428
2025	6,989	31,537
2026	29,557	4,059
2027	75,961	86
2028	(52,508)	-
Thereafter	(67,757)	-
	$ (33,533)	$ 68,110

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, 2023, an expenditure of $149 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, 2023.

Receivables and payables balances at June 30, 2023, were as follows:

	Receivables	Payables
General Fund	$ -	$ 1,352,856
Special Revenue Fund	-	278,078
Water and Sewer Fund	1,282,532	107,179
Capital Projects Fund	-	1,282,532
Central Automotive Maintenance	-	25,780
Health Care Fund	1,763,893	-
	$ 3,046,425	$ 3,046,425

The General Fund has a receivable due from JRJDC for operating expenses paid by the General Fund. The Capital Projects Fund has a payable to Schools for a loan. Component unit receivables and payables balances at June 30, 2023, were as follows:

	Receivables	Payables
Health Care Fund	$ 25,800	$ -
JRJDC	-	25,800
	$ 25,800	$ 25,800

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, 2023 were as follows:

	Transfers Out	Transfers In
Governmental Funds:		
General Fund	$ 147,109,979	$ -
Special Revenue Fund	-	36,138,617
Debt Service Fund	-	78,452,484
Capital Projects Fund	-	32,518,878
	$ 147,109,979	$ 147,109,979

NOTE 18. RELATED-PARTY TRANSACTIONS

During fiscal year 2023, the County contributed $7,281,900 to the Economic Development Authority (the "Authority") of Henrico County, Virginia to foster economic development within the County and the County received $257,859 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 a memorandum of understanding with Henrico County, all proceeds related to the sale of this property are to be reimbursed to the County. The County received $500,000 from the Authority during the fiscal year 2023. The County will receive the remaining sales proceeds due of $5,721,400 in fiscal years 2024 and 2025. The County will receive $500,000 in fiscal year 2024 and $5,221,400 is fiscal year 2025.

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. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unearned revenues related to the County's governmental funds and the School Board component unit totaling $101,381,666 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, 2023 totaled $385,081 and $61,101,166 in the County's General Fund and Capital Projects Fund, respectively, and $5,759,848 and $33,109,361 in the Special Revenue Fund for the County and the School Board, respectively.

B. Other Unearned Revenues

This represents grant monies that the County is entitled to but is not yet an available resource at June 30, 2023. Unearned revenue at June 30, 2023, totaled $872,297 in the School General Fund for monies received in advance of expenditures being made as of June 30, 2023. Unearned grant revenues for the Schools' Special Revenue Fund totaled $153,913 for USDA donated food inventory on hand at June 30, 2023.

Also, the Water and Sewer Revenue Fund recorded unearned revenues in the amount of $9,685,797, which consists of an advance payment from a customer of $4,541,834 for water capacity, amounts held for contractors of $5,143,963.

NOTE 20. SURETY BONDS

Surety bonds covered the following constitutional officers and County employees at June 30, 2022:

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 Vithoulkas – 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
Mark J. Coakley – Registrar	$	100,000
Debra Hargrave – School Board Deputy Agent	$	10,000
Deborah N. Ward – School Board Clerk	$	10,000
Cathy Harris – School Board Deputy Clerk	$	10,000
Dr. Amy E. Cashwell – School Superintendent and Deputy Agent	$	10,000
John Wack – School Board Agent	$	10,000

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 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, 2023.

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	9.12%
	100.00%

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 $16,672,050 for transient occupancy tax to the Convention Authority during the year ended June 30, 2023.

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 $4,021,388 has been reported as landfill closure and postclosure care liability in the County's financial statements at June 30, 2023. 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 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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. 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 County's contribution and direct payments for special projects was $2,961,924 for the year ended June 20, 2023.

The CVWM Authority has 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 fore 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, 2023. 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.

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, 2023.

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 $2,140,742 to RRT for the year ended June 30, 2023.

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 $680 for the year ended June 30, 2023.

NOTE 24. TAX ABATEMENTS

The Real Estate Assessment Division administers a countywide Partial Real Estate Tax Credit program for qualifying rehabilitated or renovated multifamily, commercial/industrial, and hotel/motel properties to enhance structures with the County for the benefit of citizens, neighborhoods and to provide future tax revenue to the County. Multifamily residential rental real estate, commercial, industrial, hotel and motel real estate shall be deemed to be substantially rehabilitated when the structure, which is at least 26 years old and no more than 39 years old, has been so improved as to increase the assessed value of the structure by no less than 50 percent, but without increasing the total footage of such structure by more than 100 percent. As a requisite for qualifying for the partial tax exemption, the owner of the structure shall, prior to or simultaneously with making application for a building permit to rehabilitate such structure, file with the Director of Finance, an application to qualify such structure as a rehabilitated structure. Upon receipt of an application for tax exemption, the Director of Finance shall determine a base fair market value assessment (base value) of the structure prior to commencement of rehabilitation. The tax assessment of the improvements located upon the qualifying real estate shall be considered in determining the base value. The base value shall serve as a basis for determining whether the rehabilitation increases the assessed value of such structure by at least 50 percent. A total of 46 commercial property owners have received $2,331,277 in tax credits in 2023.

The Real Estate Assessment Division also administers a “Reinvest” residential rehabilitation program, initiated January 1, 2010, 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. By improving the condition and appearance of these properties, Henrico County will continue to be an appealing place for existing and future homeowners to invest. In order to qualify for the Reinvest Program, the home must be a minimum of 40 years old with a maximum assessed value of $250,000. 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 be tax-free for seven years. A total of 108 properties have been completed with a total tax credit of $90,878 as of June 30, 2023.

The County’s Economic Development Authority (the “Authority”) and 1420 N Parham Road, LC (“Company”) 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”). 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 will benefit the County and the Authority has offered economic development incentives to induce the Company to construct road improvements adjacent to the Site. The Company invested approximately $45 million into the redevelopment of the Site, including $7.3 million dollars in road improvements. Tax revenues from the Site in the 10 years following the completion of the road project are expected to exceed $15 million. The road project was completed in 2018. The Authority will pay grants to the Company in the amount equal to the tax revenue up to an aggregate maximum of $7.3 million, beginning January 1, 2018 through December 2028. The grant payment dates are March 30 and September 30 of each taxable calendar year beginning September 30, 2018, for the tax period January 1 through June 30, 2018. The grant payment dates of September 30, 2022 and March 30, 2023 were for the tax periods of January 1 through June 30, 2022 and July 1 through December 31, 2022, respectively. The grant payment date of September 30, 2023 will be for the tax period January 1 through June 30, 2023.

The Authority and 2001 Maywill LLC (the “Maywill Company”) entered into an agreement on April 29, 2019, to provide economic development incentives to assist the Company 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 the Company to build an apartment complex and the construction of an office building and parking facility. The Group 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 will pay grants to the Group 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 grant payment dates are March 30 and September 30 of each taxable calendar year beginning September 30, 2022, for the tax period January 1 through June 30, 2022. The grant payment date of March 30, 2023 is for the tax period July 1 through December 31, 2022. The grant payment date of September 30, 2023 is for the tax period January 1 through June 30, 2023.

REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

HENRICO COUNTY, VIRGINIA
EXHIBIT OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Current real property taxes	$ 425,001,500	$ 425,001,500	$ 452,674,470	$ 27,672,970
Current personal property taxes	102,068,217	102,068,217	126,539,842	24,471,625
Delinquent real property taxes	3,000,000	3,000,000	7,253,386	4,253,386
Delinquent personal property taxes	11,000,000	11,000,000	20,342,662	9,342,662
Interest	350,000	350,000	778,072	428,072
Total general property taxes	541,419,717	541,419,717	607,588,432	66,168,715
Other local taxes:				
County recordation taxes	5,000,000	5,000,000	5,338,758	338,758
Local sales and use taxes	80,250,000	80,250,000	92,752,491	12,502,491
Consumer utility taxes	2,750,000	2,750,000	3,320,358	570,358
Business and professional license taxes	40,000,000	40,000,000	51,162,465	11,162,465
Motor vehicle license taxes	7,500,000	7,500,000	7,527,292	27,292
Meals Tax	28,000,000	28,000,000	38,113,933	10,113,933
Hotel and motel taxes	14,000,000	14,000,000	16,430,064	2,430,064
Bank franchise taxes	15,000,000	15,000,000	4,754,596	(10,245,404)
Grantor's taxes	1,400,000	1,400,000	1,690,214	290,214
Daily and short term rental tax	60,000	60,000	122,120	62,120
Consumption tax	1,100,000	1,100,000	1,405,708	305,708
Total other local taxes	195,060,000	195,060,000	222,617,999	27,557,999
Permits, privilege fees and regulatory licenses:				
Municipal library court fees	130,000	130,000	140,680	10,680
Transfer fees	7,700	7,700	8,352	652
Zoning application fees	150,000	150,000	172,838	22,838
Structure and equipment permits	5,500,000	5,500,000	8,640,705	3,140,705
Septic tank permits	4,000	4,000	4,949	949
Taxi cab certificates	10,000	10,000	6,010	(3,990)
Permits to purchase precious metal	8,000	8,000	6,000	(2,000)
Dog licenses	50,000	50,000	29,757	(20,243)
Other	494,300	494,300	751,152	256,852
Total permits, privilege fees and regulatory licenses	6,354,000	6,354,000	9,760,443	3,406,443
Fines and forfeitures:				
False alarm penalties	65,000	65,000	69,955	4,955
Traffic violations	2,000,000	2,000,000	1,594,200	(405,800)
Parking violations	20,000	20,000	18,847	(1,153)
Total fines and forfeitures	2,085,000	2,085,000	1,683,002	(401,998)
Revenue from use of money and property:				
Sale of equipment and publications	93,200	93,200	143,246	50,046
Rented county property	718,500	718,500	1,167,704	449,204
Use of money	1,170,000	1,170,000	27,034,112	25,864,112
Total revenue from use of money and property	1,981,700	1,981,700	28,345,062	26,363,362
Charges for services:				
Public works	190,000	190,000	194,900	4,900
Library	400,000	400,000	250,563	(149,437)
Sheriff fees	1,641,000	1,641,000	1,614,105	(26,895)
Commonwealth's Attorney fees	25,000	25,000	20,345	(4,655)
Public safety	27,000	27,000	17,872	(9,128)
Finance charges	65,000	65,000	87,520	22,520
Recreation	567,000	567,000	401,363	(165,637)
Information technology	800,000	800,000	806,500	6,500
Total charges for services	3,715,000	3,715,000	3,393,168	(321,832)

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund, continued:				
Miscellaneous	$ 3,716,000	$ 3,716,000	$ 10,775,062	$ 7,059,062
Total miscellaneous	3,716,000	3,716,000	10,775,062	7,059,062
Recovered costs:				
Finance	2,732,000	2,732,000	2,763,980	31,980
General services	1,205,000	1,205,000	2,687,584	1,482,584
Public works	30,000	30,000	857	(29,143)
Sheriff	1,400,000	1,400,000	1,259,316	(140,684)
Total recovered costs	5,367,000	5,367,000	6,711,737	1,344,737
Total revenue from local sources	759,698,417	759,698,417	890,874,905	131,176,488
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Rolling stock	150,000	150,000	161,613	11,613
Recovery of central costs	600,000	600,000	637,963	37,963
Mobile home sales and use tax	7,000	7,000	5,784	(1,216)
Motor vehicle rental tax	3,300,000	3,300,000	5,010,836	1,710,836
PPTRA revenue	37,001,783	37,001,783	37,001,783	-
Communications sales and use tax - HB568	9,500,000	9,500,000	9,123,367	(376,633)
Total non-categorical aid	50,558,783	50,558,783	51,941,346	1,382,563
Shared expenses:				
Sheriff	13,700,000	13,700,000	16,294,072	2,594,072
Commonwealth's Attorney	2,390,000	2,390,000	2,535,353	145,353
Election commission	75,000	75,000	125,440	50,440
Finance	870,000	870,000	877,416	7,416
Circuit court	1,900,000	2,276,909	2,060,602	(216,307)
Total shared expenses	18,935,000	19,311,909	21,892,883	2,580,974
Categorical aid:				
Library	210,000	210,000	261,629	51,629
Public safety	13,835,000	14,699,933	14,325,801	(374,132)
Public works	50,162,865	53,146,017	55,813,284	2,667,267
Juvenile and domestic relations	653,000	653,000	754,715	101,715
Information Technology	-	-	186,045	186,045
Total categorical aid	64,860,865	68,708,950	71,341,474	2,446,479
Total revenue from the Commonwealth	134,354,648	138,579,642	145,175,703	6,410,016
Revenue from the Federal government:				
Public safety	-	-	4,587,979	4,587,979
Total revenue from the Federal government	-	-	4,587,979	4,587,979
Total intergovernmental	134,354,648	138,579,642	149,763,682	10,997,995
Total General Fund	$ 894,053,065	$ 898,278,059	$ 1,040,638,587	$ 142,174,483

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
Special Revenue Fund:				
Revenue from use of money and property	$ 177,500	$ 177,500	$ 349,279	$ 171,779
Charges for services:				
Miscellaneous charges for services	12,960,820	13,161,357	10,748,082	(2,413,275)
Refuse collection billing	12,000,000	12,000,000	11,712,414	(287,586)
Landfill weighing fees	-	-	-	-
Recycle fees	401,000	401,000	360,703	(40,297)
Bulky waste collection fees	1,730,000	1,730,000	2,085,347	355,347
Leaf collection	3,371,409	3,371,409	3,371,409	-
Charges for street lights	84,100	84,100	259,801	175,701
Total charges for services	30,547,329	30,747,866	28,537,756	(2,210,110)
Miscellaneous revenues	1,789,197	2,078,016	1,600,346	(477,670)
Recovered costs:				
Recovered costs	621,708	651,005	1,602,699	951,694
Recoveries and rebates	59,846	59,846	65,479	5,633
Total recovered costs	681,554	710,851	1,668,178	957,327
Total revenue from local sources	33,195,580	33,714,233	32,155,559	(1,558,674)
Intergovernmental:				
Revenue from the Commonwealth:				
Division of litter control	35,000	35,000	68,258	33,258
Social services	9,195,364	10,172,125	12,208,846	2,036,721
Mental health and developmental services	11,884,771	13,190,293	13,236,288	45,995
Virginia department of corrections	1,737,262	1,740,878	1,792,977	52,099
Commonwealth's Attorney	295,643	295,643	355,360	59,717
Miscellaneous state grants	1,441,115	1,946,121	1,331,286	(614,835)
Total revenue from the Commonwealth	24,589,155	27,380,061	28,993,015	1,612,954
Revenue from the Federal government:				
Workforce investment	4,380,708	5,133,488	5,884,828	751,340
Social Services	13,248,372	14,217,249	12,825,318	(1,391,931)
Community development block grants	-	2,966,321	3,118,858	152,537
Public safety	-	470,104	625,579	155,475
Mental health and developmental services	1,927,850	3,658,434	2,191,795	(1,466,639)
Miscellaneous federal grants	685,238	1,519,560	1,215,401	(304,159)
Total revenue from the Federal government	20,242,168	27,965,156	25,861,779	(2,103,377)
Total intergovernmental	44,831,323	55,345,216	54,854,794	(490,422)
Total Special Revenue Fund	$ 78,026,903	$ 89,059,449	$ 87,010,353	$ (2,049,096)
Total Revenues - Governmental Funds	$ 972,079,968	$ 987,337,508	$ 1,127,648,940	$ 140,125,387

See accompanying independent auditor's report.

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund:				
General government:				
Legislative:				
Board of Supervisors	$ 1,219,174	$ 1,255,774	$ 1,255,617	$ 157
Total legislative	1,219,174	1,255,774	1,255,617	157
General and financial administration:				
County Manager	4,204,468	4,733,366	4,495,592	237,774
County Attorney	3,005,188	3,249,180	3,250,213	(1,033)
Human Resources	7,672,909	7,686,444	7,345,650	340,794
Finance	16,314,317	16,657,278	16,442,773	214,505
General Services	14,492,908	16,572,355	15,530,362	1,041,993
Internal Audit	708,991	710,321	629,881	80,440
Information Technology	18,535,074	19,687,120	17,498,472	2,188,648
Risk Management	10,524,109	16,532,296	21,899,639	(5,367,343)
Total general and financial administration	75,457,964	85,828,360	87,092,582	(1,264,222)
Board of Elections:				
Election Commission	2,130,969	2,889,683	2,830,389	59,294
Total Board of Elections	2,130,969	2,889,683	2,830,389	59,294
Total general government administration	78,808,107	89,973,817	91,178,588	(1,204,771)
Judicial administration:				
Courts:				
Circuit Court	3,812,219	4,367,214	4,142,455	224,759
General District Court	497,782	497,782	374,325	123,457
Juvenile and Domestic Relations Court	2,859,346	3,017,776	2,949,199	68,577
Total Courts	7,169,347	7,882,773	7,465,979	416,794
Commonwealth's Attorney:				
Commonwealth's Attorney	6,497,092	6,884,733	6,889,924	(5,191)
Total Commonwealth's Attorney	6,497,092	6,884,733	6,889,924	(5,191)
Total judicial administration	13,666,439	14,767,506	14,355,903	411,603
Public safety:				
Law enforcement:				
Police Department	90,883,745	99,109,406	97,902,376	1,207,030
Total law enforcement	90,883,745	99,109,406	97,902,376	1,207,030
Fire services:				
Fire Department	79,164,724	84,398,870	84,167,943	230,927
Total fire services	79,164,724	84,398,870	84,167,943	230,927
Correction and detention:				
Sheriff	47,418,558	51,433,032	51,372,168	60,864
Juvenile and Domestic Relations District Court	3,624,201	3,624,201	3,624,201	-
Total correction and detention	51,042,759	55,057,233	54,996,369	60,864
Inspections:				
Building	5,420,220	5,350,404	5,097,402	253,002
Total inspections	5,420,220	5,350,404	5,097,402	253,002
Other protection:				
Emergency Management	1,059,447	1,126,397	1,061,114	65,283
Animal Protection	2,226,038	2,339,787	2,337,236	2,551
Building Security	1,559,628	921,601	894,949	26,652
Total other protection	4,845,113	4,387,785	4,293,299	94,486
Total public safety	231,356,561	248,303,698	246,457,389	1,846,309

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund, continued:				
Public works:				
Maintenance of highways and streets:				
General Administration	$ 2,068,577	$ 2,394,277	$ 2,301,784	$ 92,493
Mass Transit	10,229,953	12,300,555	6,665,265	5,635,290
Design	2,485,924	3,320,396	2,829,392	491,004
Construction and Maintenance	35,696,292	47,955,367	38,031,713	9,923,654
Traffic Engineering	4,745,011	5,480,565	3,974,251	1,506,314
Miscellaneous	3,186,394	3,545,454	3,264,544	280,910
Total maintenance of highways and streets	58,412,151	74,996,614	57,066,949	17,929,665
Sanitation and waste removal:				
Leaf Collection	3,371,409	3,371,409	3,371,409	-
Total sanitation and waste removal	3,371,409	3,371,409	3,371,409	-
Total public works	61,783,560	78,368,023	60,438,358	17,929,665
Health:				
Public Health Department	2,967,497	3,130,561	3,130,561	-
Total health	2,967,497	3,130,561	3,130,561	-
Parks, recreation and cultural:				
Parks and recreation:				
Department of Recreation and Parks	23,291,786	25,279,598	24,138,794	1,140,804
Sandston Community House	14,000	14,000	13,493	507
Total parks and recreation	23,305,786	25,293,598	24,152,287	1,141,311
Sports and Entertainment Authority				
Sports and Entertainment Authority	665,347	1,062,372	1,046,416	15,956
Total Sports and Entertainment Authority	665,347	1,062,372	1,046,416	15,956
Library:				
Library Public Services	22,389,665	21,431,770	20,958,446	473,324
Total library	22,389,665	21,431,770	20,958,446	473,324
Total parks, recreation and cultural	46,360,798	47,787,741	46,157,149	1,630,592
Community Development:				
Planning and community development:				
Economic Development	21,620,735	24,499,157	24,293,479	205,678
Planning and Rezoning	5,139,389	5,582,635	4,526,185	1,056,450
Total planning and community development	26,760,124	30,081,792	28,819,664	1,262,128
Cooperative extension program:				
Agriculture	420,787	423,451	423,430	21
Total cooperative extension program	420,787	423,451	423,430	21
Total community development	27,180,911	30,505,243	29,243,094	1,262,149
Education:				
School Board	319,339,248	319,339,248	319,339,248	-
Total education	319,339,248	319,339,248	319,339,248	-

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
General Fund, continued:				
Miscellaneous:				
Cooperative Projects	$ 25,250,701	$ 46,716,719	$ 48,974,386	$ (2,257,667)
Total miscellaneous	25,250,701	46,716,719	48,974,386	(2,257,667)
Debt service:				
Lease principal	1,614,302	1,614,302	1,614,302	-
Leease interest	100,138	100,138	100,138	-
Total debt service	1,714,440	1,714,440	1,714,440	-
Total General Fund	$ 808,428,263	$ 880,606,996	$ 860,989,116	$ 19,617,880
Special Revenue Fund:				
General government:				
General and financial administration:				
Workforce Investment	$ 4,151,095	$ 7,950,276	$ 5,649,481	$ 2,300,795
Total general government administration	4,151,095	7,950,276	5,649,481	2,300,795
Judicial administration:				
Courts:				
Circuit Court	-	57,382	57,382	-
Commonwealth's Attorney:				
Commonwealth's Attorney	1,411,969	1,848,481	1,528,192	320,289
Total judicial administration	1,411,969	1,905,863	1,585,574	320,289
Public safety:				
Law enforcement:				
Traffic Accident Investigation	1,666,448	5,525,840	2,057,114	3,468,726
Total law enforcement	1,666,448	5,525,840	2,057,114	3,468,726
Fire	-	392,031	240,539	151,492
Emergency Management	-	78,513	77,819	694
Correction and detention:				
Community Diversion Program	2,552,631	2,660,930	2,379,822	281,108
Juvenile and Domestic Relations District Court	1,109,967	1,160,599	1,144,788	15,811
Sheriff	-	381,372	173,046	208,326
Total correction and detention	3,662,598	4,202,902	3,697,656	505,246
Total public safety	5,329,047	10,199,285	6,073,128	4,126,157
Public works:				
General Administration	897,000	971,807	-	971,807
Maintenance of Highways and Streets	83,100	83,100	72,988	10,112
Solid Waste Collection and Disposal	18,258,738	20,316,653	16,748,327	3,568,326
Total public works	19,238,838	21,371,559	16,821,315	4,550,244
Health and social services:				
Social Services	31,379,614	37,081,012	32,468,539	4,612,473
Mental health and developmental services:				
Related Services	7,674,726	9,342,518	7,538,367	1,804,151
Mental Health	14,866,081	19,124,977	14,328,593	4,796,384
Developmental Services	14,106,838	15,165,801	13,189,337	1,976,464
Substance Abuse	3,593,992	6,905,969	4,174,361	2,731,608
MH/DS Administration	5,700,883	6,550,165	5,853,630	696,535
Total mental health and developmental services	45,942,520	57,089,431	45,084,288	12,005,143
Total health and social services	77,322,134	94,170,443	77,552,827	16,617,616

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
Special Revenue Fund, continued:				
Parks, recreation and culture:				
Parks and Recreation grants	$ -	$ 110,518	$ 41,327	$ 69,191
Total parks, recreation and culture	-	110,518	41,327	69,191
Community development:				
Planning and Community Development	-	10,899,377	3,279,735	7,619,642
Economic Development	-	6,429,674	2,634,127	3,795,547
Total community development	-	17,329,051	5,913,862	11,415,189
Debt service:				
Capital lease principal	1,149,682	1,149,682	1,149,682	-
Capital lease interest	29,551	29,551	29,551	-
Total debt service	1,179,233	1,179,233	1,179,233	-
Total Special Revenue Fund	$ 108,632,315	$ 154,216,228	$ 114,816,747	$ 39,399,481
Total Expenditures - Governmental Funds	$ 917,060,578	$ 1,034,823,224	$ 975,805,863	$ 59,017,361

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	$ 860,989,116
Right-to-use capital outlay	$ 24,039,192
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	$ 885,028,308
Total Expenditures on the Exhibit of Expenditures-Budget and Actual - Speical Revenue Fund	$ 114,816,747
Right-to-use capital outlay	$ 324,740
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Fund	$ 115,141,487

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 NINE FISCAL YEARS*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:									
Total pension liability									
Service cost	$ 23,796,971	$ 23,884,723	$ 24,801,703	$ 25,098,225	$ 26,412,598	$ 26,669,998	$ 29,771,676	$ 29,776,955	$ 33,036,473
Interest on total pension liability	65,367,508	69,217,236	71,893,739	75,416,152	78,641,385	81,609,627	84,178,813	88,814,534	97,170,762
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
Benefit payments, including refunds of employee contributions	(43,077,241)	(47,302,547)	(50,505,930)	(53,593,856)	(57,951,397)	(60,174,533)	(65,005,434)	(70,197,879)	(71,361,150)
Other	-	-	-	-	-	-	2,075,678	-	-
Net change in total pension liability	46,087,238	29,911,388	42,427,504	37,391,292	44,607,044	78,089,516	69,023,379	86,792,405	72,300,755
Total pension liability - beginning	964,087,706	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
Total pension liability - ending (a)	$ 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
Total fiduciary net position									
Contributions - employer	$ 27,496,460	$ 28,290,290	$ 29,374,797	$ 26,184,817	$ 26,807,419	$ 28,277,430	$ 29,403,784	$ 31,636,840	$ 34,721,214
Contributions - employee	9,281,980	9,452,120	9,798,397	10,254,955	10,318,099	10,537,974	11,048,961	11,138,818	12,048,194
Net investment income	113,606,404	38,115,473	15,148,200	107,128,844	72,308,202	68,371,688	20,632,319	293,769,294	(1,346,899)
Benefit payments	(43,077,241)	(47,302,547)	(50,505,930)	(53,593,856)	(57,951,397)	(60,174,533)	(65,005,434)	(70,197,879)	(71,361,150)
Administrative expense	(612,154)	(522,704)	(541,959)	(622,456)	(628,498)	(681,327)	(707,937)	(737,023)	(841,516)
Other	5,986	(8,071)	(6,430)	(95,261)	(64,229)	(43,116)	1,730,042	(27,666)	41,575
Net change in plan fiduciary net position	106,701,435	28,024,561	3,267,075	89,257,043	50,789,596	46,288,116	(2,898,265)	265,582,384	(26,738,582)
Plan fiduciary net position - beginning	729,182,146	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
Plan fiduciary net position - ending (b)	$ 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
Net pension liability - ending (a)-(b)	$ 174,291,363	$ 176,178,190	$ 215,338,619	$ 163,472,868	$ 157,290,316	$ 189,091,716	$ 261,013,360	$ 82,223,381	$ 181,262,718
Plan fiduciary net position as a percentage of total pension liability	82.75%	83.06%	80.11%		86.49%	84.78%	80.10%	94.12%	87.68%
Covered payroll	$ 188,575,531	$ 191,276,453	$ 199,857,968	$ 202,991,663	$ 209,182,401	$ 217,281,758	$ 228,391,980	$ 228,761,767	$ 248,997,875
Net pension liability as a percentage of covered payroll	92.43%	92.11%	107.75%	80.53%	75.19%	87.03%	114.28%	35.94%	72.80%
Business-type Activities:									
Total pension liability									
Service cost	$ 1,715,200	$ 1,683,447	$ 1,721,019	$ 1,727,978	$ 1,778,119	$ 1,786,600	$ 1,921,651	$ 1,845,156	$ 2,018,441
Interest on total pension liability	4,711,454	4,878,582	4,988,789	5,192,297	5,294,205	5,466,957	5,433,428	5,503,473	5,936,876
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
Benefit payments, including refunds of employee contributions	(3,104,852)	(3,333,987)	(3,504,664)	(3,689,862)	(3,901,338)	(4,031,040)	(4,195,858)	(4,349,875)	(4,359,977)
Other	-	-	-	-	-	-	(2,075,678)	-	-
Net change in total pension liability	3,321,802	2,108,219	2,944,094	2,574,338	3,002,984	5,231,148	2,245,547	5,378,170	4,417,385
Total pension liability - beginning	68,748,558	72,070,360	74,178,579	77,122,673	79,697,011	82,699,995	87,931,143	90,176,690	95,554,860
Total pension liability - ending (a)	$ 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

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)
GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES
LAST NINE FISCAL YEARS*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total fiduciary net position									
Contributions - employer	$ 1,981,845	$ 1,993,960	$ 2,038,351	$ 1,802,788	$ 1,804,698	$ 1,894,281	$ 1,897,905	$ 1,960,405	$ 2,121,374
Contributions - employee	669,012	666,206	679,922	706,039	694,623	705,930	713,169	690,227	736,113
Net investment income	8,188,339	2,686,461	1,051,151	7,375,672	4,867,851	4,580,160	1,331,739	18,203,680	(82,292)
Benefit payments	(3,104,852)	(3,333,987)	(3,504,664)	(3,689,862)	(3,901,338)	(4,031,040)	(4,195,858)	(4,349,875)	(4,359,977)
Administrative expense	(44,121)	(36,841)	(37,607)	(42,855)	(42,311)	(45,641)	(45,695)	(45,670)	(51,414)
Other	431	(569)	(446)	(6,559)	(4,324)	(2,888)	(1,759,728)	(1,714)	2,540
Net change in plan fiduciary net position	7,690,654	1,975,230	226,707	6,145,223	3,419,199	3,100,802	(2,058,468)	16,457,053	(1,633,656)
Plan fiduciary net position - beginning	51,997,574	59,688,228	61,663,458	61,890,165	68,035,388	71,454,587	74,555,389	72,496,921	88,953,974
Plan fiduciary net position - ending (b)	$ 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
Net pension liability - ending (a)-(b)	$ 12,382,132	$ 12,515,121	$ 15,232,508	$ 11,661,623	$ 11,245,408	$ 13,375,754	$ 17,679,769	$ 6,600,886	$ 12,651,927
Plan fiduciary net position as a percentage of total pension liability	82.82%	83.13%	80.25%	85.37%	86.40%	84.79%	80.39%	93.09%	87.34%
Covered payroll	$ 13,395,158	$ 13,305,310	$ 13,763,763	$ 13,845,688	$ 14,070,332	$ 14,347,719	$ 14,987,107	$ 14,192,534	$ 15,140,165
Net pension liability as a percentage of covered payroll	92.44%	94.06%	110.67%	84.23%	79.92%	93.23%	117.97%	46.51%	83.57%
Total Activities:									
Total pension liability									
Service cost	$ 25,512,171	$ 25,568,170	$ 26,522,722	$ 26,826,203	$ 28,190,717	$ 28,456,598	$ 31,693,327	$ 31,622,111	$ 35,054,914
Interest on total pension liability	70,078,962	74,095,818	76,882,528	80,608,449	83,935,590	87,076,584	89,612,241	94,318,007	103,107,638
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
Benefit payments, including refunds of employee contributions	(46,182,093)	(50,636,534)	(54,010,594)	(57,283,718)	(61,852,735)	(64,205,573)	(69,201,292)	(74,547,754)	(75,721,127)
Other	-	-	-	-	-	-	-	-	-
Net change in total pension liability	49,409,040	32,019,607	45,371,598	39,965,630	47,610,028	83,320,664	71,268,926	92,170,575	76,718,140
Total pension liability - beginning	1,032,836,264	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
Total pension liability - ending (a)	$ 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
Total fiduciary net position									
Contributions - employer	$ 29,478,305	$ 30,284,250	$ 31,413,148	$ 27,987,605	$ 28,612,117	$ 30,171,711	$ 31,301,689	$ 33,597,245	$ 36,842,588
Contributions - employee	9,950,992	10,118,326	10,478,319	10,960,994	11,012,722	11,243,904	11,762,130	11,829,045	12,784,307
Net investment income	121,794,743	40,801,934	16,199,351	114,504,516	77,176,053	72,951,848	21,964,058	311,972,974	(1,429,191)
Benefit payments	(46,182,093)	(50,636,534)	(54,010,594)	(57,283,718)	(61,852,735)	(64,205,573)	(69,201,292)	(74,547,754)	(75,721,127)
Administrative expense	(656,275)	(559,545)	(579,566)	(665,311)	(670,809)	(726,968)	(753,632)	(782,693)	(892,930)
Other	6,417	(8,640)	(6,876)	(101,820)	(68,553)	(46,004)	(29,686)	(29,380)	44,115
Net change in plan fiduciary net position	114,392,089	29,999,791	3,493,782	95,402,266	54,208,795	49,388,918	(4,956,733)	282,039,437	(28,372,238)
Plan fiduciary net position - beginning	781,179,720	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
Plan fiduciary net position - ending (b)	$ 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
Net pension liability - ending (a)-(b)	$ 186,673,495	$ 188,693,311	$ 230,571,127	$ 175,134,491	$ 168,535,724	$ 202,467,470	$ 278,693,129	$ 88,824,267	$ 193,914,645
Plan fiduciary net position as a percentage of total pension liability	82.75%	83.07%	80.12%	85.40%	86.49%	84.78%	80.12%	94.05%	87.65%
Covered payroll	$ 201,970,689	$ 204,581,763	$ 213,621,731	$ 216,837,351	$ 223,252,733	$ 231,629,477	$ 243,379,087	$ 242,954,301	$ 264,138,040
Net pension liability as a percentage of covered payroll	92.43%	92.23%	107.93%	80.77%	75.49%	87.41%	114.51%	36.56%	73.41%

See accompanying independent auditor's report.

* Fiscal year 2015 was the first year of GASB 68 implementation; therefore, only nine years are shown herein.

COUNTY OF HENRICO, VIRGINIA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)

Exhibit 15

SCHOOL BOARD NON-PROFESSIONAL GROUP

LAST NINE FISCAL YEARS*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Board Non-Professional Group									
Total pension liability									
Service cost	$ 72,260	$ 69,746	$ 67,970	$ 58,711	$ 56,131	$ 56,136	$ 45,896	$ 59,644	54,568
Interest on total pension liability	582,852	580,111	567,282	571,638	554,959	539,048	534,571	539,205	569,590
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)
Benefit payments, including refunds of employee contributions	(689,613)	(698,924)	(687,530)	(676,153)	(697,423)	(711,216)	(722,303)	(734,835)	(678,391)
Net change in total pension liability	(34,501)	(188,962)	56,540	(227,640)	(220,400)	224,423	74,922	367,355	(338,363)
Total pension liability - beginning	8,671,261	8,636,760	8,447,798	8,504,338	8,276,698	8,056,298	8,280,721	8,355,643	8,722,998
Total pension liability - ending (a)	$ 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
Total fiduciary net position									
Contributions - employer	$ 372,141	$ 238,475	$ 237,503	$ 199,298	$ 209,478	$ 165,901	$ 182,491	$ 193,314	192,256
Contributions - employee	31,303	31,253	30,289	30,785	31,431	26,749	29,681	25,221	25,398
Net investment income	804,061	251,841	85,861	614,333	387,642	334,328	95,468	1,230,914	2,323
Benefit payments	(689,613)	(698,924)	(687,530)	(676,153)	(697,423)	(711,216)	(722,303)	(734,835)	(678,391)
Administrative expense	(4,544)	(3,822)	(3,655)	(3,892)	(3,645)	(3,782)	(3,624)	(3,466)	(3,528)
Other	43	(54)	(39)	(534)	(335)	(208)	(108)	113	118
Net change in plan fiduciary net position	513,391	(181,231)	(337,571)	163,837	(72,852)	(188,228)	(418,395)	711,261	(461,824)
Plan fiduciary net position - beginning	5,309,719	5,823,110	5,641,879	5,304,308	5,468,145	5,395,293	5,207,065	4,788,670	5,499,931
Plan fiduciary net position - ending (b)	$ 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
Net pension liability - ending (a)-(b)	$ 2,813,650	$ 2,805,919	$ 3,200,030	$ 2,808,553	$ 2,661,005	$ 3,073,656	$ 3,566,973	$ 3,223,067	3,346,528
Plan fiduciary net position as a percentage of total pension liability	67.42%	66.79%	62.37%	66.07%	66.97%	62.88%	57.31%	63.05%	60.09%
Covered payroll	$ 627,880	$ 602,637	$ 632,258	$ 658,947	$ 701,134	$ 716,437	$ 789,037	$ 652,343	649,714
Net pension liability as a percentage of covered payroll	448.12%	465.61%	506.13%	426.22%	379.53%	429.02%	452.07%	494.08%	515.08%

See accompanying independent auditor's report.

* Fiscal year 2015 was the first year of GASB 68 implementation; therefore, only nine years are shown herein.

COUNTY OF HENRICO, VIRGINIA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (VRS PLAN)

Exhibit 16

JRJDC

LAST NINE FISCAL YEARS*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
JRJDC									
Total pension liability									
Service cost	$ 369,875	$ 364,654	$ 370,481	$ 360,293	$ 404,395	$ 391,959	$ 418,389	$ 427,973	$ 447,299
Interest on total pension liability	1,016,003	1,056,757	1,073,928	1,082,622	1,204,053	1,199,387	1,182,989	1,276,498	1,315,648
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
Benefit payments, including refunds of employee contributions	(669,547)	(722,180)	(754,443)	(769,356)	(887,275)	(884,363)	(913,539)	(1,008,928)	(966,198)
Net change in total pension liability	716,331	456,665	633,770	536,764	682,965	1,147,653	940,835	1,247,434	978,919
Total pension liability - beginning	14,730,311	15,446,642	15,903,307	16,537,077	17,073,841	17,756,806	18,904,459	19,845,294	21,092,728
Total pension liability - ending (a)	$ 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
Total fiduciary net position									
Contributions - employer	$ 427,376	$ 431,915	$ 438,793	$ 375,891	$ 410,440	$ 415,583	$ 413,219	$ 454,705	$ 470,109
Contributions - employee	144,269	144,308	146,365	147,213	157,977	154,873	155,274	160,094	163,127
Net investment income	1,765,778	581,918	226,279	1,537,867	1,107,087	1,004,834	289,952	4,222,237	(18,236)
Benefit payments	(669,547)	(722,180)	(754,443)	(769,356)	(887,275)	(884,363)	(913,539)	(1,008,928)	(966,198)
Administrative expense	(9,514)	(7,980)	(8,095)	(8,935)	(9,623)	(10,013)	(9,949)	(10,593)	(11,394)
Other	93	(123)	(96)	(1,368)	(983)	(634)	(392)	(398)	563
Net change in plan fiduciary net position	1,658,455	427,858	48,803	1,281,312	777,623	680,280	(65,435)	3,817,117	(362,029)
Plan fiduciary net position - beginning	11,141,185	12,799,640	13,227,498	13,276,301	14,557,613	15,335,236	16,015,516	15,950,081	19,767,198
Plan fiduciary net position - ending (b)	$ 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
Net pension liability - ending (a)-(b)	$ 2,647,002	$ 2,675,809	$ 3,260,776	$ 2,516,228	$ 2,421,570	$ 2,888,943	$ 3,895,213	$ 1,325,530	$ 2,666,478
Plan fiduciary net position as a percentage of total pension liability	82.86%	83.17%	80.28%	85.26%	86.36%	84.72%	80.37%	93.72%	87.92%
Covered payroll	$ 2,827,621	$ 2,895,657	$ 2,933,358	$ 2,873,696	$ 3,164,600	$ 3,115,813	$ 3,152,453	$ 3,199,603	$ 3,347,370
Net pension liability as a percentage of covered payroll	93.61%	92.41%	111.16%	87.56%	76.52%	92.72%	123.56%	41.43%	79.66%

See accompanying independent auditor's report.

* Fiscal year 2015 was the first year of GASB 68 implementation; therefore, only nine years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS (VRS PLAN)
PENSION PLAN
LAST NINE FISCAL YEARS*

Exhibit 17

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:									
Contractually determined contribution of employer	$ 27,496,460	$ 28,290,290	$ 29,374,797	$ 26,184,817	$ 28,477,541	$ 29,700,868	$ 29,403,784	$ 31,636,840	$ 34,721,215
Contribution in relation to determined contributions	27,496,460	28,290,290	29,374,797	26,184,817	28,477,541	29,700,868	29,403,784	31,636,840	34,721,215
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	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
Contributions as a percentage of covered payroll	14.38%	14.16%	14.47%	12.52%	13.11%	13.00%	12.85%	12.71%	12.95%
Business-type Activities:									
Contractually determined contribution of employer	$ 1,981,845	$ 1,993,960	$ 2,038,351	$ 1,802,788	$ 1,894,281	$ 1,940,247	$ 1,897,905	$ 1,960,405	$ 2,121,374
Contribution in relation to determined contributions	1,981,845	1,993,960	2,038,351	1,802,788	1,894,281	1,940,247	1,897,905	1,960,405	2,121,374
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	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
Contributions as a percentage of covered payroll	14.90%	14.49%	14.72%	12.81%	13.20%	12.95%	13.37%	12.95%	13.67%
Total Primary Government:									
Contractually determined contribution of employer	$ 29,478,305	$ 30,284,250	$ 31,413,148	$ 27,987,605	$ 30,371,822	$ 31,641,115	$ 31,301,689	$ 33,597,245	$ 36,842,589
Contribution in relation to determined contributions	29,478,305	30,284,250	31,413,148	27,987,605	30,371,822	31,641,115	31,301,689	33,597,245	36,842,589
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	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
Contributions as a percentage of covered payroll	14.41%	14.18%	14.49%	12.54%	13.11%	13.00%	12.88%	12.72%	12.99%
School Board Non-Professional Group:									
Contractually determined contribution of employer	$ 372,141	$ 238,475	$ 237,503	$ 199,298	$ 156,828	$ 172,720	$ 182,491	$ 193,314	$ 192,256
Contribution in relation to determined contributions	372,141	238,475	237,503	199,298	156,828	172,720	182,491	193,314	192,256
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 602,637	$ 632,258	$ 658,947	$ 701,134	$ 716,437	$ 789,037	$ 652,343	$ 649,714	$ 689,164
Contributions as a percentage of covered payroll	61.75%	37.72%	36.04%	28.43%	21.89%	21.89%	27.97%	29.75%	27.90%

See accompanying independent auditor's report.

* Fiscal year 2015 was the first year of GASB 68 implementation; therefore, only nine years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOLS' PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHERS' PENSION PLAN
LAST NINE FISCAL YEARS*

Exhibit 18

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Schools' proportion of the net pension liability	3.29%	3.28%	3.30%	3.28%	3.29%	3.31%	3.34%	3.32%	3.36%
Schools' proportionate share of the net pension liability	$ 398,595,000	$ 413,109,000	$ 463,076,000	$ 403,402,000	$ 386,870,000	$ 435,169,982	$ 485,351,912	$ 257,587,334	$ 319,896,875
Schools' covered payroll	$ 268,691,850	$ 273,853,673	$ 281,366,433	$ 288,681,379	$ 295,352,515	$ 306,552,352	$ 322,434,937	$ 321,332,155	$ 344,032,598
Schools' proportionate share of the net pension liability as a percentage of its covered payroll	148.35%	150.85%	164.58%	139.74%	130.99%	141.96%	150.53%	80.16%	92.98%
Plan fiduciary net position	$ 970,083,754	$ 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
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%	74.74%	73.51%	71.08%	85.32%	82.26%

See accompanying independent auditor's report.
Fiscal year 2015 was the first year of GASB 68 implementation; therefore, only nine years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOLS' CONTRIBUTIONS
TEACHERS' PENSION PLAN
LAST NINE FISCAL YEARS*

Exhibit 19

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 28,125,017	$ 35,384,284	$ 35,423,318	$ 37,325,862	$ 42,535,556	$ 42,356,571	$ 44,283,188	$ 46,988,755	$ 49,915,832
Contribution in relation to the contractually required contribution	$ 28,125,017	$ 35,384,284	$ 35,423,318	$ 37,325,862	$ 42,535,556	$ 42,356,571	$ 44,283,188	$ 46,988,755	$ 49,915,832
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
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
Contributions as a percentage of covered payroll	10.27%	12.58%	12.27%	12.64%	13.88%	13.14%	13.78%	13.66%	13.76%

See accompanying independent auditor's report.
Fiscal year 2015 was the first year of GASB 68 implementation; therefore, only nine years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS (VRS PLAN)
JRJDC PENSION PLAN
LAST NINE FISCAL YEARS*

Exhibit 20

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually determined contribution of employer	$ 427,376	$ 431,915	$ 438,793	$ 375,891	$ 410,440	$ 415,583	$ 413,219	$ 454,705	$ 470,109
Contribution in relation to determined contributions	427,376	431,915	438,793	375,891	410,440	415,583	413,219	454,705	470,109
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 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
Contributions as a percentage of covered payroll	14.76%	14.72%	15.27%	11.88%	13.17%	13.18%	12.91%	13.58%	13.58%

See accompanying independent auditor's report.
* Fiscal year 2015 was the first year of GASB 68 implementation; therefore, only nine years are shown herein.

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 significant 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 2020, 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 discout rate, which was based on the VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-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

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) - 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

All Others (Non 10 Largest) - 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

COUNTY OF HENRICO, VIRGINIA

SCHEDULE OF CHANGES IN THE NET HEALTHCARE OPEB LIABILITY AND RELATED RATIOS **Exhibit 21**

HEALTHCARE OPEB TRUST FUND

LAST SEVEN FISCAL YEARS*

	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability							
Service cost	$ 4,146,771	$ 3,781,739	$ 4,627,235	$ 4,858,597	$ 4,522,411	$ 4,827,674	$ 5,928,591
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
Differences between expected and actual experience	-	(28,205,844)	-	449,044	-	29,381,155	-
Change of assumptions	-	(5,679,980)	-	-	-	(26,256,505)	-
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)
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
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
Total OPEB liability - ending (a)	$ 114,511,311	$ 88,250,484	$ 94,586,924	$ 101,414,976	$ 107,504,170	$ 117,544,739	$ 125,994,980
Total plan fiduciary net position							
Contributions - employer	$ 7,765,131	$ 6,846,584	$ 7,303,945	$ 5,823,822	$ 7,824,778	$ 8,077,011	$ 9,604,420
Net investment income	7,296,432	5,272,202	4,390,670	346,106	4,955,612	5,207,141	6,072,090
Benefit payments	(6,538,795)	(4,146,968)	(4,478,725)	(5,084,837)	(5,466,200)	(5,397,181)	(5,721,012)
Administrative expense	-	(500)	(500)	(500)	(500)	(500)	(500)
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
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
Plan fiduciary net position - ending (b)	$ 53,364,062	$ 61,335,380	$ 68,550,770	$ 69,635,361	$ 76,949,051	$ 84,835,522	$ 94,790,520
Net OPEB liability - ending (a)-(b)	$ 61,147,249	$ 26,915,104	$ 26,036,154	$ 31,779,615	$ 30,555,119	$ 32,709,217	$ 31,204,460
Plan fiduciary net position as a percentage of total OPEB liability	46.60%	69.50%	72.47%	68.66%	71.58%	72.17%	75.23%
Covered-employee payroll	$ 536,071,713	$ 526,206,301	$ 539,361,459	$ 552,845,495	$ 566,666,632	$ 629,542,342	$ 645,280,901
Net OPEB liability as a percentage of covered-employee payroll	11.41%	5.11%	4.83%	5.75%	5.39%	5.20%	4.84%

See accompanying independent auditor's report.

* Fiscal year 2017 was the first year of GASB 74 implementation; therefore, only seven 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 SEVEN FISCAL YEARS*

Exhibit 22

	2017	2018	2019	2020	2021	2022	2023
Acturarially determined contribution	$ 10,161,876	$ 9,491,736	$ 7,303,945	$ 7,527,997	$ 7,824,778	$ 8,120,688	$ 9,604,420
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
Contribution deficiency	2,396,745	2,645,152	130,997	1,704,175	2,421,059	43,677	-
Covered-employee payroll	$ 536,071,713	$ 526,206,301	$ 539,361,459	$ 552,845,495	$ 566,666,632	$ 629,542,342	$ 645,280,901
Contributions as a percentage of covered-employee payroll	1.45%	1.30%	1.33%	1.05%	0.95%	1.28%	1.49%

*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, 2022.

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 8 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	6% initial, decreasing down to 5.5% over 2 years following the Getzen mode thereafter.
Salary increases	2.5 percent per annum
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	In the 2018 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 Healthy Annuitant Mortality Table. In prior years, those assumptions were based on the 1994 Group Annuity Mortality Table and the RP-2000 Healthy Annuuitant Mortality Table.

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.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF INVESTMENT RETURNS
HEALTHCARE OPEB TRUST FUND
LAST SEVEN FISCAL YEARS*

Exhibit 23

	2017	2018	2019	2020	2021	2022	2023
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%

See accompanying independent auditor's report.

* Fiscal year 2017 was the first year of GASB 74 implementation; therefore, only seven years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CHANGES IN THE NET HEALTHCARE OPEB LIABILITY AND RELATED RATIOS
GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES
LAST FIVE FISCAL YEARS*

Exhibit 24

	2018	2019	2020	2021	2022	2023
Governmental Activities:						
Total OPEB liability						
Service cost	$ 1,917,454	$ 1,487,911	$ 2,736,312	$ 2,079,053	$ 2,199,555	$ 1,937,493
Interest on total pension liability	4,051,282	3,137,464	3,242,279	3,911,751	4,129,440	3,661,768
Change of assumptions	(2,879,919)	-	-	-	(11,962,830)	-
Difference between expected and actual experience	(14,301,201)	-	7,555,337	-	2,396,411	-
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)
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
Total OPEB liability - beginning	58,060,636	44,745,616	48,057,324	57,115,886	59,793,901	53,555,024
Total OPEB liability - ending (a)	$ 44,745,616	$ 48,057,324	$ 57,115,886	$ 59,793,901	$ 53,555,024	$ 55,972,744
Total fiduciary net position						
Contributions - employer	$ 3,471,421	$ 3,217,843	$ 3,279,917	$ 3,922,813	$ 4,013,239	$ 3,585,977
Net investment income	2,673,163	2,226,200	194,923	10,511,695	(12,698,676)	3,053,837
Benefit payments	(2,102,636)	(1,313,667)	(4,534,813)	(3,312,789)	(3,001,453)	(3,181,541)
Administrative expense	(254)	(254)	(282)	(282)	(228)	(228)
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
Plan fiduciary net position - beginning	27,057,164	31,098,859	35,228,981	39,217,929	50,339,366	38,652,248
Plan fiduciary net position - ending (b)	$ 31,098,859	$ 35,228,981	$ 39,217,929	$ 50,339,366	$ 38,652,248	$ 42,110,293
Net OPEB liability - ending (a)-(b)	$ 13,646,757	$ 12,828,343	$ 17,897,957	$ 9,454,535	$ 14,902,776	$ 13,862,451
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	73.31%	68.66%	84.19%	72.17%	75.23%
Covered-employee payroll	$ 209,182,401	$ 217,281,758	$ 228,391,980	$ 228,761,767	$ 248,997,875	$ 268,122,875
Net OPEB liability as a percentage of covered-employee payroll	6.52%	5.90%	7.84%	4.13%	5.99%	5.17%
Business-type Activities:						
Total OPEB liability						
Service cost	$ 102,559	$ 154,943	$ 129,858	$ 200,345	$ 94,733	$ 180,437
Interest on total pension liability	216,691	167,814	189,621	200,314	217,738	170,667
Change of assumptions	(154,039)	-	-	-	(515,228)	-
Difference between expected and actual experience	(764,929)	-	(247,379)	(291,343)	(506,486)	-
Benefit payments, including refunds of employee contributions	(112,464)	(205,678)	(45,840)	(49,278)	(46,137)	(48,905)
Net change in total OPEB liability	(712,182)	117,079	26,260	60,038	(755,380)	302,199
Total OPEB liability - beginning	3,105,497	2,393,315	2,510,394	2,536,654	2,596,692	1,841,312
Total OPEB liability - ending (a)	$ 2,393,315	$ 2,510,394	$ 2,536,654	$ 2,596,692	$ 1,841,312	$ 2,143,511
Total fiduciary net position						
Contributions - employer	$ 185,676	$ 194,738	$ 155,656	$ -	$ 308,618	$ 254,773
Net investment income	142,981	119,073	9,251	474,566	(1,175,549)	92,092
Benefit payments	(112,464)	(205,678)	(45,840)	(49,278)	(46,137)	(48,905)
Administrative expense	(14)	(13)	(13)	(13)	(10)	(10)
Other	-	-	(203,297)	-	-	-
Net change in plan fiduciary net position	216,179	108,120	(84,243)	425,275	(913,078)	297,950
Plan fiduciary net position - beginning	1,447,210	1,663,389	1,771,509	1,687,266	2,112,541	1,199,463
Plan fiduciary net position - ending (b)	$ 1,663,389	$ 1,771,509	$ 1,687,266	$ 2,112,541	$ 1,199,463	$ 1,497,413
Net OPEB liability - ending (a)-(b)	$ 729,926	$ 738,885	$ 849,388	$ 484,151	$ 641,849	$ 646,098
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	70.57%	66.52%	81.36%	65.14%	69.86%
Covered-employee payroll	$ 14,070,332	$ 14,347,719	$ 14,987,107	$ 14,192,534	$ 15,140,165	$ 15,513,378
Net OPEB liability as a percentage of covered-employee payroll	5.19%	5.15%	5.67%	3.41%	4.24%	4.16%
Total Primary Government:						
Total OPEB liability						
Service cost	$ 2,020,013	$ 1,642,854	$ 2,866,170	$ 2,279,398	$ 2,294,288	$ 2,117,930
Interest on total pension liability	4,267,973	3,305,278	3,431,900	4,112,065	4,347,178	3,832,435
Change of assumptions	(3,033,958)	-	-	-	(12,478,058)	-
Difference between expected and actual experience	(15,066,130)	-	7,307,958	(291,343)	1,889,925	-
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)
Other	-	-	59,447	-	-	-
Net change in total OPEB liability	(14,027,202)	3,428,787	9,084,822	2,738,053	(6,994,257)	2,719,919
Total OPEB liability - beginning	61,166,133	47,138,931	50,567,718	59,652,540	62,390,593	55,396,336
Total OPEB liability - ending (a)	$ 47,138,931	$ 50,567,718	$ 59,652,540	$ 62,390,593	$ 55,396,336	$ 58,116,255
Total fiduciary net position						
Contributions - employer	$ 3,657,097	$ 3,412,581	$ 3,435,573	$ 3,922,813	$ 4,321,857	$ 3,840,750
Net investment income	2,816,144	2,345,273	204,174	10,986,261	(13,874,225)	3,145,929
Benefit payments	(2,215,100)	(1,519,345)	(4,580,653)	(3,362,067)	(3,047,590)	(3,230,446)
Administrative expense	(268)	(267)	(295)	(295)	(238)	(238)
Other	-	-	4,845,906	-	-	-
Net change in plan fiduciary net position	4,257,874	4,238,242	3,904,705	11,546,712	(12,600,196)	3,755,995
Plan fiduciary net position - beginning	28,504,374	32,762,248	37,000,490	40,905,195	52,451,907	39,851,711
Plan fiduciary net position - ending (b)	$ 32,762,248	$ 37,000,490	$ 40,905,195	$ 52,451,907	$ 39,851,711	$ 43,607,706
Net OPEB liability - ending (a)-(b)	$ 14,376,683	$ 13,567,228	$ 18,747,345	$ 9,938,686	$ 15,544,625	$ 14,508,549
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	73.17%	68.57%	84.07%	71.94%	75.04%
Covered-employee payroll	$ 223,252,733	$ 231,629,477	$ 243,379,087	$ 242,954,301	$ 264,138,040	$ 283,636,253
Net OPEB liability as a percentage of covered-employee payroll	6.44%	5.86%	7.70%	4.09%	5.89%	5.12%

See accompanying independent auditor's report.
* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six 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 SIX FISCAL YEARS*

Exhibit 25

	2018	2019	2020	2021	2022	2023
School Board						
Total OPEB liability						
Service cost	$ 1,742,334	$ 2,954,189	$ 1,963,746	$ 2,210,314	$ 2,511,478	$ 3,781,399
Interest on total pension liability	3,681,281	2,850,922	3,136,097	2,877,314	3,090,765	4,371,588
Change of assumptions	(2,616,898)	-	-	-	(13,659,293)	-
Difference between expected and actual experience	(12,995,083)	-	(6,947,615)	-	27,564,463	-
Benefit payments, including refunds of employee contributions	(1,910,604)	(2,917,809)	(708,700)	(2,095,688)	(2,339,492)	(2,479,861)
Net change in total OPEB liability	(12,098,970)	2,887,302	(2,556,472)	2,991,940	17,167,921	5,673,126
Total OPEB liability - beginning	52,758,001	40,659,031	43,546,333	40,989,861	43,981,801	61,149,722
Total OPEB liability - ending (a)	$ 40,659,031	$ 43,546,333	$ 40,989,861	$ 43,981,801	$ 61,149,722	$ 66,822,848
Total fiduciary net position						
Contributions - employer	$ 3,154,379	$ 3,854,690	$ 2,353,870	$ 3,558,222	$ 3,699,958	$ 5,717,646
Net investment income	2,429,025	2,022,883	139,889	7,419,932	5,745,907	2,902,121
Benefit payments	(1,910,604)	(2,917,809)	(708,700)	(2,095,688)	(2,339,492)	(2,479,861)
Administrative expense	(230)	(230)	(202)	(202)	(260)	(260)
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
Plan fiduciary net position - beginning	24,586,054	28,258,624	31,218,158	28,145,190	37,027,454	44,133,567
Plan fiduciary net position - ending (b)	$ 28,258,624	$ 31,218,158	$ 28,145,190	$ 37,027,454	$ 44,133,567	$ 50,273,213
Net OPEB liability - ending (a)-(b)	$ 12,400,407	$ 12,328,175	$ 12,844,671	$ 6,954,347	$ 17,016,155	$ 16,549,635
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	71.69%	68.66%	84.19%	72.17%	75.23%
Covered-employee payroll	$ 321,499,476	$ 342,940,655	$ 359,974,886	$ 356,201,760	$ 381,512,006	$ 401,342,565
Net OPEB liability as a percentage of covered-employee payroll	3.86%	3.59%	3.57%	1.95%	4.46%	4.12%
JRJDC						
Total OPEB liability						
Service cost	$ 19,392	$ 30,192	$ 28,681	$ 32,699	$ 21,908	$ 29,262
Interest on total pension liability	40,971	31,730	37,251	43,604	47,483	38,639
Change of assumptions	(29,125)	-	-	-	(119,154)	-
Difference between expected and actual experience	(144,631)	-	29,254	-	(73,233)	-
Benefit payments, including refunds of employee contributions	(21,264)	(41,571)	30,607	(8,445)	(10,099)	(10,705)
Net change in total OPEB liability	(134,657)	20,351	125,793	67,858	(133,095)	57,196
Total OPEB liability - beginning	587,177	452,520	472,871	598,664	666,522	533,427
Total OPEB liability - ending (a)	$ 452,520	$ 472,871	$ 598,664	$ 666,522	$ 533,427	$ 590,623
Total fiduciary net position						
Contributions - employer	$ 35,107	$ 36,672	$ 34,379	$ 52,400	$ 55,196	$ 46,024
Net investment income	27,034	22,514	2,043	106,115	(221,237)	24,040
Benefit payments	(21,264)	(41,571)	30,607	(8,445)	(10,099)	(10,705)
Administrative expense	(3)	(3)	(3)	(3)	(2)	(2)
Other	-	-	11,919	-	-	-
Net change in plan fiduciary net position	40,874	17,612	78,945	150,067	(176,142)	59,357
Plan fiduciary net position - beginning	273,634	314,508	332,120	411,065	561,132	384,990
Plan fiduciary net position - ending (b)	$ 314,508	$ 332,120	$ 411,065	$ 561,132	$ 384,990	$ 444,347
Net OPEB liability - ending (a)-(b)	$ 138,012	$ 140,751	$ 187,599	$ 105,390	$ 148,437	$ 146,276
Plan fiduciary net position as a percentage of total OPEB liability	69.50%	70.23%	68.66%	84.19%	72.17%	75.23%
Covered-employee payroll	$ 3,164,600	$ 3,115,813	$ 3,152,453	$ 3,199,604	$ 3,347,370	$ 3,461,244
Net OPEB liability as a percentage of covered-employee payroll	4.36%	4.52%	5.95%	3.29%	4.43%	4.23%

See accompanying independent auditor's report.
* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six 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 SIX FISCAL YEARS*

Exhibit 26

	2018	2019	2020	2021	2022	2023
Governmental Activities:						
Actuarially determined contribution of employer	$ 2,639,247	$ 2,815,552	$ 3,497,853	$ 3,922,813	$ 4,013,239	$ 3,585,977
Contributions in relation to the actuarially determined contributions	2,639,247	2,815,552	3,497,853	3,922,813	4,013,239	3,585,977
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	209,182,401	217,281,758	228,391,980	228,761,767	248,997,875	268,122,875
Contributions as a percentage of covered-employee payroll	1.26%	1.30%	1.53%	1.71%	1.61%	1.34%
Business-type Activities:						
Actuarially determined contribution of employer	$ 214,237	$ 228,548	$ 65,591	$ 291,343	$ 308,618	$ 254,773
Contributions in relation to the actuarially determined contributions	214,237	228,548	65,591	291,343	308,618	254,773
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	14,070,332	14,347,719	14,987,107	14,192,534	15,140,165	15,513,378
Contributions as a percentage of covered-employee payroll	1.52%	1.59%	0.44%	2.05%	2.04%	1.64%
Total Primary Government:						
Actuarially determined contribution of employer	$ 2,853,484	$ 3,044,100	$ 3,563,444	$ 4,214,156	$ 4,321,857	$ 3,840,750
Contributions in relation to the actuarially determined contributions	2,853,484	3,044,100	3,563,444	4,214,156	4,321,857	3,840,750
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	223,252,733	231,629,477	243,379,087	242,954,301	264,138,040	283,636,253
Contributions as a percentage of covered-employee payroll	1.28%	1.31%	1.46%	1.73%	1.64%	1.35%
School Board:						
Actuarially determined contribution of employer	$ 3,951,724	$ 4,215,705	$ 2,248,160	$ 3,558,222	$ 3,699,958	$ 5,717,646
Contributions in relation to the actuarially determined contributions	3,951,724	4,215,705	2,248,160	3,558,222	3,699,958	5,717,646
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 321,499,476	$ 342,940,655	$ 359,974,886	$ 356,201,760	$ 381,512,006	$ 401,342,565
Contributions as a percentage of covered-employee payroll	1.23%	1.23%	0.62%	1.00%	0.97%	1.42%
JRJDC:						
Actuarially determined contribution of employer	$ 41,376	$ 44,140	$ 12,218	$ 52,400	$ 55,196	$ 46,024
Contributions in relation to the actuarially determined contributions	41,376	44,140	12,218	52,400	55,196	46,024
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 3,164,600	$ 3,115,813	$ 3,152,453	$ 3,199,604	$ 3,347,370	$ 3,461,244
Contributions as a percentage of covered-employee payroll	1.31%	1.42%	0.39%	1.64%	1.65%	1.33%

See accompanying independent auditor's report.

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COUNTY OF HENRICO, VIRGINIA

SCHEDULE OF CHANGES IN THE TOTAL LINE OF DUTY OPEB LIABILITY AND RELATED RATIOS

Exhibit 27

LAST SIX FISCAL YEARS*

	2018	2019	2020	2021	2022	2023
Governmental Activities:						
Total OPEB liability						
Service cost	$ 1,292,690	$ 1,357,325	$ 1,425,191	$ 1,623,389	$ 1,666,571	$ 1,186,670
Interest on total pension liability	769,784	809,350	758,199	866,437	909,559	994,711
Difference between expected and actual experience	-	-	2,644,505	-	(4,170,646)	-
Change of assumptions	-	-	-	-	(6,832,397)	-
Benefit payments, including refunds of employee contributions	(740,191)	(799,406)	(890,219)	(956,985)	(911,867)	(966,579)
Net change in total OPEB liability	1,322,283	1,367,269	3,937,676	1,532,841	(9,338,780)	1,214,802
Total OPEB liability - beginning	25,279,187	26,601,470	27,968,739	31,906,415	33,439,256	24,100,476
Total OPEB liability - ending (a)	$ 26,601,470	$ 27,968,739	$ 31,906,415	$ 33,439,256	$ 24,100,476	$ 25,315,278
Covered-employee payroll	$ 83,876,238	$ 87,761,787	$ 91,192,626	$ 92,984,632	$ 102,951,245	$ 109,437,812
Total OPEB liability as a percentage of covered-employee payroll	31.72%	31.87%	34.99%	35.96%	23.41%	23.13%

See accompanying independent auditor's report.

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS FOR THE LINE OF DUTY OPEB PLAN
LAST SIX FISCAL YEARS*

Exhibit 28

	2018	2019	2020	2021	2022	2023
Governmental Activities:						
Actuarially determined contribution of employer	$ 2,983,108	$ 3,204,246	$ 3,446,814	$ 3,971,611	$ 4,315,460	$ 3,146,159
Contributions in relation to the actuarially determined contributions	740,191	799,406	890,219	956,985	911,867	966,579
Contribution deficiency	$ 2,242,917	$ 2,404,840	$ 2,556,595	$ 3,014,626	$ 3,403,593	$ 2,179,580
Covered-employee payroll	$ 83,876,238	$ 87,761,787	$ 91,192,626	$ 92,984,632	$ 102,951,245	$ 109,437,812
Contributions as a percentage of covered-employee payroll	0.88%	0.91%	0.98%	1.03%	0.89%	0.88%

See accompanying independent auditor's report.

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six 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 SIX FISCAL YEARS*

Exhibit 29

	2018	2019	2020	2021	2022	2023
School's proportion of the net OPEB liability	3.28%	3.29%	3.31%	3.33%	3.32%	3.37%
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
School's covered payroll	$ 288,681,379	$ 295,352,515	$ 306,552,352	$ 322,434,937	$ 321,332,155	$ 344,032,598
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%
Plan fiduciary net position as a percentage of the total OPEB liability	7.04%	8.08%	8.95%	9.83%	13.15%	15.08%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S CONTRIBUTIONS
HEALTH INSURANCE CREDIT OPEB PLAN
LAST SIX FISCAL YEARS*

Exhibit 30

	2018	2019	2020	2021	2022	2023
Teachers:						
Contractually required contribution	$ 2,876,495	$ 3,330,461	$ 3,333,265	$ 3,513,433	$ 3,513,433	$ 3,568,077
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
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
Contributions as a percentage of covered payroll	0.97%	1.09%	1.03%	1.09%	1.02%	0.98%
School Board Non-Professional Group:						
Contractually required contribution	$ -	$ -	$ -	$ -	$ 5,628	$ 5,569
Contributions in relation to the contractually required contribution	$ -	$ -	$ -	$ -	$ 5,628	$ 5,569
Contribution deficiency (excess)	-	-	-	-	-	-
School's covered payroll	$ -	$ -	$ -	$ -	$ 218,535	$ 592,489
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	2.58%	0.94%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.
**For fiscal year ending June 30 2022, the school non-professional group had a new OPEB HIC plan with a measurement date of June 2021.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
GROUP LIFE INSURANCE OPEB PLAN
LAST SIX FISCAL YEARS*

Exhibit 31

	2018	2019	2020	2021	2022	2023
Governmental Activities:						
Proportion of the net OPEB liability	82.37%	82.45%	82.71%	82.91%	85.59%	85.01%
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
Covered payroll	$ 202,991,663	$ 209,182,401	$ 217,281,758	$ 228,391,980	$ 228,761,767	$ 248,997,875
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%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.71%	52.18%	52.99%	68.72%	67.51%
Business-type Activities:						
Proportion of the net OPEB liability	5.64%	5.55%	5.48%	5.39%	4.44%	4.40%
Proportionate share of the net OPEB liability	$ 1,128,296	$ 1,126,760	$ 1,211,970	$ 1,207,724	$ 903,176	$ 955,134
Covered payroll	$ 13,845,688	$ 14,070,332	$ 14,347,719	$ 14,987,107	$ 14,192,534	$ 15,140,165
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%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.66%	52.12%	52.92%	65.21%	64.37%
Schools' C&M Activities:						
Proportion of the net OPEB liability	10.81%	10.73%	10.61%	10.55%	8.94%	9.61%
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
Covered payroll	$ 25,507,180	$ 25,445,827	$ 35,671,866	$ 36,750,912	$ 34,217,262	$ 36,829,694
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%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	50.86%	52.15%	52.94%	65.56%	64.61%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS
GROUP LIFE INSURANCE OPEB PLAN
LAST SIX FISCAL YEARS*

Exhibit 32

	2018	2019	2020	2021	2022	2023
Governmental Activities:						
Contractually determined contribution of employer	$ 1,049,923	$ 1,504,688	$ 1,567,194	$ 1,807,124	$ 1,993,592	$ 1,839,958
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
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 209,182,401	$ 217,281,758	$ 228,391,980	$ 228,761,767	$ 248,997,875	$ 268,122,875
Contributions as a percentage of covered payroll	0.50%	0.69%	0.69%	0.79%	0.80%	0.69%
Business-type Activities:						
Contractually determined contribution of employer	$ 71,917	$ 71,947	$ 75,690	$ 72,763	$ 80,174	$ 81,084
Contribution in relation to the determined contributions	71,917	71,947	75,690	72,763	80,174	81,084
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 14,070,332	$ 14,347,719	$ 14,987,107	$ 14,192,534	$ 15,140,165	$ 15,513,378
Contributions as a percentage of covered payroll	0.51%	0.50%	0.51%	0.51%	0.53%	0.52%
Total Primary Government:						
Contractually determined contribution of employer	$ 1,121,840	$ 1,576,635	$ 1,642,884	$ 1,879,887	$ 2,073,766	$ 1,921,042
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
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 223,252,733	$ 231,629,477	$ 243,379,087	$ 242,954,301	$ 264,138,040	$ 283,636,253
Contributions as a percentage of covered payroll	0.50%	0.68%	0.68%	0.77%	0.79%	0.68%
School's C&M:						
Contractually determined contribution of employer	$ 137,829	$ 139,114	$ 143,049	$ 146,399	$ 159,206	$ 169,322
Contribution in relation to the determined contributions	137,829	139,114	143,049	146,399	159,206	169,322
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 25,445,827	$ 35,671,866	$ 36,750,912	$ 34,217,262	$ 36,829,694	$ 37,887,449
Contributions as a percentage of covered payroll	0.54%	0.39%	0.39%	0.43%	0.43%	0.45%

See accompanying independent auditor's report.

* Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six 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 SIX FISCAL YEARS*

Exhibit 33

	2018	2019	2020	2021	2022	2023
School's proportion of the net OPEB liability	1.42%	1.41%	1.42%	1.43%	1.43%	1.45%
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
School's covered payroll	$ 288,681,379	$ 295,352,515	$ 306,552,352	$ 322,434,937	$ 321,332,155	$ 344,032,598
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%
Plan fiduciary net position as a percentage of the total OPEB liability	48.86%	51.22%	52.00%	52.64%	67.45%	67.21%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S CONTRIBUTIONS
TEACHERS' GROUP LIFE INSURANCE OPEB PLAN
LAST SIX FISCAL YEARS*

Exhibit 34

	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 1,357,662	$ 1,394,307	$ 1,452,146	$ 1,550,249	$ 1,678,408	$ 1,785,571
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
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
Contributions as a percentage of covered payroll	0.46%	0.45%	0.45%	0.48%	0.49%	0.49%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six 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 SIX FISCAL YEARS*

Exhibit 35

	2018	2019	2020	2021	2022	2023
School's proportion of the net OPEB liability	.0038%	.0032%	.0033%	.0034%	0.0029%	0.0029%
School's proportionate share of the net OPEB liability	$ 57,000	$ 59,000	$ 53,212	$ 57,741	$ 34,346	$ 34,317
School's covered payroll	$ 658,947	$ 701,134	$ 716,437	$ 789,037	$ 652,343	$ 649,714
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%
Plan fiduciary net position as a percentage of the total OPEB liability	49.11%	51.24%	52.06%	52.64%	67.45%	67.21%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF SCHOOL'S CONTRIBUTIONS
NON-PROFESSIONAL GROUP LIFE OPEB PLAN
LAST SIX FISCAL YEARS*

Exhibit 36

	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 3,670	$ 3,834	$ 3,335	$ 3,237	$ 3,350	$ 3,578
Contributions in relation to the contractually required contribution	$ 3,670	$ 3,834	$ 3,335	$ 3,237	$ 3,350	$ 3,578
Contribution deficiency (excess)	-	-	-	-	-	-
School's covered payroll	$ 701,134	$ 716,437	$ 789,037	$ 652,343	$ 649,714	$ 689,164
Contributions as a percentage of covered payroll	0.52%	0.54%	0.42%	0.50%	0.52%	0.52%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JRJDC GROUP LIFE OPEB PLAN
LAST SIX FISCAL YEARS*

Exhibit 37

	2018	2019	2020	2021	2022	2023
Proportion of the net OPEB liability	1.17%	1.26%	1.20%	1.15%	1.02%	0.98%
Proportionate share of the net OPEB liability	$ 234,869	$ 234,519	$ 253,260	$ 257,727	$ 187,766	$ 199,326
Covered payroll	$ 2,873,696	$ 3,164,600	$ 3,115,813	$ 3,152,453	$ 3,199,604	$ 3,347,370
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%
Plan fiduciary net position as a percentage of the total OPEB liability	48.92%	54.96%	55.17%	54.39%	67.18%	65.04%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF CONTRIBUTIONS
JRJDC GROUP LIFE OPEB PLAN
LAST SIX FISCAL YEARS*

Exhibit 38

	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 16,388	$ 16,240	$ 16,185	$ 16,715	$ 17,837	$ 18,167
Contributions in relation to the contractually required contribution	$ 16,388	$ 16,240	$ 16,185	$ 16,715	$ 17,837	$ 18,167
Contribution deficiency (excess)	-	-	-	-	-	-
Covered payroll	$ 3,164,600	$ 3,115,813	$ 3,152,453	$ 3,199,604	$ 3,347,370	$ 3,347,370
Contributions as a percentage of covered payroll	0.52%	0.52%	0.51%	0.52%	0.53%	0.54%

See accompanying independent auditor's report.
Fiscal year 2018 was the first year of GASB 75 implementation; therefore, only six years are shown herein.

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, 2023 plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	599
Active plan members	9,623
	10,222

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, 202, 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, 2023:

Asset Class	Target Allocation
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%
Opportunisitic Real Estate	5%
Total	100%

Rate of return. For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.64 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, 2023, were as follows:

Total OPEB liability	$	125,994,980
Plan fiduciary net position		(94,790,520)
County's net OPEB liability	$	31,204,460
Plan fiduciary net position as a percentage of the total OPEB liability		75.23%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.5 percent
Investment rate of return	7 percent
Healthcare cost trend rates	6.00% for 2022, graded to 5.50% over 2 years and following the Getzen model thereafter

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB to 2020.

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, 2023 (see the discussion of the Board of Trustees investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Core Bonds	2.58%
Core Plus	2.89
Liquid Absolute Return	3.25
U.S. Large Cap Equity	7.17
U.S. Small Cap Equity	8.61
International Developed Equity	8.06
Emerging Market Equity	9.33
Long/Short Equity	5.77
Private Equity	10.55
Core Real Estate	6.54
Opportunisitic Real Estate	9.54

Discount rate. The discount rate used to measure the total OPEB liability was 7.0 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-percentate-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net OPEB liability	$ 45,266,898	$ 31,204,460	$ 19,133,380

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:

	1% Decrease 5.00% decreasing to 4.50% over 2 years and following the Getzen mode after	Healthcare Cost Current Rate 6.00% decreasing to 5.50% over 2 years and following the Getzen mode after	1% Increase 7.00% decreasing to 6.50% over 2 years and following the Getzen mode after
Net OPEB liability	$ 20,331,942	$ 31,204,460	$ 44,049,346

<u>OTHER SUPPLEMENTARY INFORMATION</u>
(Unaudited)

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, 2023

Schedule 1

Function, Activity, Element	Original	Revised	Actual	Variance
Primary Government:				
Debt Service Fund:				
Miscellaneous revenues	$ -	$ -	$ -	$ -
Total Debt Service Fund	$ -	$ -	$ -	$ -

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, 2023

Schedule 2

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Primary Government:				
Debt Service Fund:				
Miscellaneous	$ 50,000	$ 350,000	$ 31,841	$ 318,159
Debt Service:				
Principal payments	54,435,001	54,435,001	54,435,000	1
Interest payments	23,967,483	23,967,484	23,966,959	525
Total Debt Service	78,402,484	78,402,485	78,401,959	526
Total Debt Service Fund	$ 78,452,484	$ 78,752,485	$ 78,433,800	$ 318,685

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, 2023

Schedule 3

	Governmental Activities - Internal Service Funds			
	Central Automotive Maintenance	Technology Replacement Fund	Healthcare Fund	Total
Assets:				
Cash and cash equivalents	$ 1,432,258	$ 3,834,908	$ 42,599,170	$ 47,866,336
Receivables, net	20,337	-	2,104,807	2,125,144
Due from other funds	-	-	1,763,893	1,763,893
Due from component unit	-	-	25,800	25,800
Inventories	842,818	-	-	842,818
Total current assets	2,295,413	3,834,908	46,493,670	52,623,991
Capital and intangible assets:				
Right to use assets, net	2,788	-	-	2,788
Other capital assets, net	14,002,708	-	-	14,002,708
Capital and intangible assets, net	14,005,496	-	-	14,005,496
Total assets	16,300,909	3,834,908	46,493,670	66,629,487
Deferred Outflows of Resources:				
Change in proportionate share allocation	6,647	-	-	6,647
Difference between projected and actual earnings	-	-	-	-
Change of assumptions	361,624	-	-	361,624
experience	194,304	-	-	194,304
Contributions after measurement date	575,059	-	-	575,059
Total deferred outflows of resources	1,137,634	-	-	1,137,634
Total assets and deferred outflows of resources	17,438,543	3,834,908	46,493,670	67,767,121
Liabilities:				
Current liabilities:				
Accounts payable	404,200	10,648	11,899	426,747
Accrued liabilities	188,001	-	11,880,352	12,068,353
Due to other funds	25,780	-	-	25,780
Long-term liabilities due within one year	270,444	-	-	270,444
Total current liabilities	888,425	10,648	11,892,251	12,791,324
Noncurrent liabilities:				
Net pension liability	2,735,774	-	-	2,735,774
Net OPEB liability	322,873	-	-	322,873
Long-term liabilities due in more than one year	42,258	-	-	42,258
Total non-current liabilities	3,100,905	-	-	3,100,905
Total liabilities	3,989,330	10,648	11,892,251	15,892,229
Deferred Inflows of Resources:				
Change in proportionate share allocation	101,786	-	-	101,786
Difference between actual and expected experience	216,977	-	-	216,977
Difference between projected and actual earnings	504,196	-	-	504,196
Change of assumptions	109,911	-	-	109,911
Total deferred inflows of resources	932,870	-	-	932,870
Total liabilities and deferred inflows of resources	4,922,200	10,648	11,892,251	16,825,099
Net Position:				
Net investment in capital assets	14,005,496	-	-	14,005,496
Unrestricted (deficit)	(1,489,153)	3,824,260	34,601,419	36,936,526
Total net position	$ 12,516,343	$ 3,824,260	$ 34,601,419	$ 50,942,022

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, 2023

Schedule 4

	Governmental Activities - Internal Service Funds			
	Central Automotive Maintenance	Technology Replacement Fund	Healthcare Fund	Total
Operating Revenues:				
Charges for services:				
Interdepartmental charges	$ 23,369,295	$ -	$ -	$ 23,369,295
Contributions:				
Employer	-	-	118,548,167	118,548,167
Employee	-	-	28,968,084	28,968,084
Other	141,789	3,000,000	656,775	3,798,564
Total operating revenues	23,511,084	3,000,000	148,173,026	174,684,110
Operating Expenses:				
Utility charges	184,986	-	-	184,986
Personnel services and benefits	4,810,518	-	137,933,513	142,744,031
Professional services	4,489	-	193,348	197,837
Materials and supplies	12,167,685	2,963,963	-	15,131,648
Maintenance and repairs	4,195,690	-	-	4,195,690
Other expenses	334,967	-	1,206,343	1,541,310
Depreciation	2,339,980	-	-	2,339,980
Total operating expenses	24,038,315	2,963,963	139,333,204	166,335,482
Operating (loss) income	(527,231)	36,037	8,839,822	8,348,628
Nonoperating Revenues:				
Gain on sale of equipment	96,917	-	-	96,917
Investment income	-	-	1,114,023	1,114,023
Total nonoperating revenues	96,917	-	1,114,023	1,210,940
Income (loss) before capital contributions	(430,314)	36,037	9,953,845	9,559,568
Change in net position	(430,314)	36,037	9,953,845	9,559,568
Total net position - June 30, 2022	12,946,657	3,788,223	24,647,574	41,382,454
Total net position - June 30, 2023	$ 12,516,343	$ 3,824,260	$ 34,601,419	$ 50,942,022

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Schedule 5

	Governmental Activities - Internal Service Funds			
	Central Automotive Maintenance	Technology Replacement Fund	Healthcare Fund	Total
Cash Flows From Operating Activities:				
Receipts from customers	$ 23,507,888	$ 3,000,000	$ 147,888,828	$ 174,396,716
Payments to suppliers	(17,939,136)	(3,008,503)	(140,134,930)	(161,082,569)
Payments to employees	(4,380,733)	-	-	(4,380,733)
Net cash provided by (used in) operating activities	1,188,019	(8,503)	7,753,898	8,933,414
Cash Flows From Capital and Related Financing Activities:				
Purchase of capital assets	(3,085,850)	-	-	(3,085,850)
Proceeds from sale of capital assets	96,917	-	-	96,917
Net cash used in capital and related financing activities	(2,988,933)	-	-	(2,988,933)
Cash Flows From Investing Activities:				
Investment income received	-	-	1,114,023	1,114,023
Net (Decrease) Increase in Cash and Cash Equivalents	(1,800,914)	(8,503)	8,867,921	7,058,504
Cash and cash equivalents - June 30, 2022	3,233,172	3,843,411	33,731,249	40,807,832
Cash and cash equivalents - June 30, 2023	$ 1,432,258	$ 3,834,908	$ 42,599,170	$ 47,866,336
Reconciliation of Operating (Loss) Income to Net Cash Provided by (Used in) Operating Activities:				
Operating (loss) income	$ (527,231)	$ 36,037	$ 8,839,822	$ 8,348,628
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,339,980	-	-	2,339,980
Amortization	1,662	-	-	1,662
Change in assets and liabilities:				
Increase in accounts receivable	(3,196)	-	-	(3,196)
Decrease in inventories	134,933	-	-	134,933
Increase in due from other funds	-	-	(279,857)	(279,857)
Increase in due from component unit	-	-	(4,341)	(4,341)
(Decrease) increase in accounts payable	(514,156)	(44,540)	11,069	(547,627)
Decrease in accrued liabilities	(25,324)	-	(812,795)	(838,119)
Increase in due to other funds	2,334	-	-	2,334
Increase in net pension liability	1,265,177	-	-	1,265,177
Increase in net opeb liability	8,581	-	-	8,581
Decrease in deferred outflows/inflows of resources	(1,584,621)	-	-	(1,584,621)
Net cash provided by (used in) operating activities	$ 1,188,019	$ (8,503)	$ 7,753,898	$ 8,933,414

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 POSTION
CUSTODIAL FUNDS
JUNE 30, 2023

Schedule 6

	Jail Inmate Fund	Special Welfare	Mental Health and Developmental Services	Non-Judicial Tax Sales	Code RVA	Total
Assets:						
Cash and cash equivalents	$ 176,762	$ 4,174	$ 160,178	$ 106,075	$ 888,960	$ 1,336,149
Accounts receivable	-	84	-	-	-	84
Prepaid	-	-	-	-	459	459
Due from other Governments	-	-	-	-	93,125	93,125
Deferred outflows	-	-	-	-	1,395,208	1,395,208
Right to use asset, net	-	-	-	-	16,769	16,769
Total Assets	176,762	4,258	160,178	106,075	2,394,521	2,841,794
Liabilities:						
Accounts payable	-	-	-	-	97,450	97,450
Total Liabilities	-	-	-	-	97,450	97,450
Fiduciary Net Position:						
Funds restricted for others	176,762	4,258	160,178	106,075	2,297,071	2,744,344
Total Net Position	$ 176,762	$ 4,258	$ 160,178	$ 106,075	$ 2,297,071	$ 2,744,344

See accompanying independent auditor's report.

HENRICO COUNTY, VIRGINIA
STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Schedule 7

	Jail Inmate Fund	Special Welfare Fund	Mental Health and Developmental Services	Non-Judicial Tax Sales	Code RVA	Totals
Additions:						
Contributions						
Members	$ 1,345,624	$ -	$ -	$ -	$ -	$ 1,345,624
Total contributions	1,345,624	-	-	-	-	1,345,624
Tuition income	-	-	-	-	3,681,950	3,681,950
State and federal grants	-	-	-	-	189,631	189,631
Pass-through funds	-	110,217	274,172	-	-	384,389
Miscellaneous	-	-	-	18,988	-	18,988
Investment income	-	-	-	17	-	17
Total additions	1,345,624	110,217	274,172	19,005	3,871,581	5,620,599
Deductions:						
Benefit payments/refunds	1,448,629	134,470	270,147	107,758	-	1,961,004
School operations	-	-	-	-	3,510,663	3,510,663
Total deductions	1,448,629	134,470	270,147	107,758	3,510,663	5,471,667
Net (decrease) increase in fiduciary net position	(103,005)	(24,253)	4,025	(88,753)	360,918	148,932
Net fiduciary net position restricted for the benefit of others:						
Total Fiduciary Net Position at June 30, 2022	279,767	28,511	156,153	194,828	1,936,153	2,595,412
Total Fiduciary Net Position at June 30, 2023	$ 176,762	$ 4,258	$ 160,178	$ 106,075	$ 2,297,071	$ 2,744,344

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

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, 2023

Schedule 8

	Governmental Funds			
	School General Fund	School Special Revenue Fund	School Capital Projects Fund	Totals
Assets:				
Cash and cash equivalents	$ 30,468,018	$ 21,851,550	$ 86,418,145	$ 138,737,713
Inventories	-	153,913	-	153,913
Receivables, net	947	196	-	1,143
Other assets	-	155,299	-	155,299
Due from other governmental units	7,565,041	49,378,248	-	56,943,289
Total assets	$ 38,034,006	$ 71,539,206	$ 86,418,145	$ 195,991,357
Liabilities:				
Accounts payable	$ 1,625,866	$ 888,818	$ 201,227	$ 2,715,911
Accrued liabilities	664,995	243,922	512,648	1,421,565
Amounts held for others	83,866	-	-	83,866
Unearned revenues	872,297	33,263,274	-	34,135,571
Due to Primary Government	-	35,326,985	-	35,326,985
Total liabilities	$ 3,247,024	$ 69,722,999	$ 713,875	$ 73,683,898
Deferred Inflows of Resources:				
Other - leases	-	169,601	-	169,601
Fund balances:				
Restricted	-	1,646,606	-	1,646,606
Committed	-	-	85,704,270	85,704,270
Assigned	34,786,982	-	-	34,786,982
Total fund balances	34,786,982	1,646,606	85,704,270	122,137,858
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 38,034,006	$ 71,539,206	$ 86,418,145	$ 195,991,357

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.	$ (3,981,465)
Capital assets used in School Board activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	297,767,347
Right to use assets, are not current financial resources, therefore, are not reported as assets in governmental funds. (Note 7)	20,208,845
Deferred outflows - change in proportionate share allocation	7,563,756
Deferred outflows - contributions after measurement date are not current financial resources and, therefore, are not reported as assets in the governmental funds.	66,031,810
Deferred outflows - changes of assumptions are not current financial resources and, therefore, are not reported as assets in the governmental funds.	34,493,596
Deferred outflows - differences between expected and actual experience are not current financial resources and, therefore, are not reported as assets in the governmental funds.	23,671,181
Pension liability is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds.	(346,923,106)
OPEB liability is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds.	(78,252,666)
Deferred inflows - change in proportionate share allocation	(1,930,042)
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.	(27,130,924)
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.	(44,863,026)
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.	(12,617,250)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(34,534,805)
Net Position of Discretely Presented Component Unit - School Board	$ 21,641,109

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, 2023

Schedule 9

	Governmental Funds			
	School General Fund	School Special Revenue Fund	School Capital Projects Fund	Total
Revenues:				
Permits, privilege fees and regulatory licenses	$ 299,040	$ -	$ -	$ 299,040
Charges for services	65,550	3,992,521	-	4,058,071
Miscellaneous	11,094,477	1,800,968	-	12,895,445
Recovered costs	585,892	-	-	585,892
Intergovernmental:				
Federal	-	77,531,051	-	77,531,051
State	333,254,690	20,824,201	11,885,223	365,964,114
Total revenues	345,299,649	104,148,741	11,885,223	461,333,613
Expenditures:				
Education	597,804,990	113,841,223	-	711,646,213
Capital projects	-	-	29,933,087	29,933,087
Debt service:				
Principal retirement	12,276,107	-	-	12,276,107
Interest	141,993	-	-	141,993
Total expenditures	610,223,090	113,841,223	29,933,087	753,997,400
Deficiency of revenues under expenditures	(264,923,441)	(9,692,482)	(18,047,864)	(292,663,787)
Other Financing Sources (Uses):				
Lease obligations incurred	12,507,108	-	-	12,507,108
Transfers in	-	-	23,500,000	23,500,000
Transfers out	(23,500,000)	-	-	(23,500,000)
Payment from Primary Government	277,858,019	5,382,507	36,098,722	319,339,248
Total other financing sources, net	266,865,127	5,382,507	59,598,722	331,846,356
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,941,686	(4,309,975)	41,550,858	39,182,569
Total Fund Balances - June 30, 2022	32,845,296	5,956,581	44,153,412	82,955,289
Total Fund Balances - June 30, 2023	$ 34,786,982	$ 1,646,606	$ 85,704,270	$ 122,137,858

Adjustments for the Statement of Activities:

Excess of revenues and other sources over expenditures and other uses	$ 39,182,569
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.	12,276,107
Depreciation expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(16,258,619)
Amortization expense is reported in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	(11,987,744)
Governmental funds report capital outlays as expenditures while School Board activities capitalize those outlays to allocate those expenditures over the life of the assets.	29,559,351
Lease proceeds are recorded as other financing source in governmental funds, but are not reported as revenues in the Statement of Activities.	(12,507,108)
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.	(144,352)
Pension/OPEB expense is recorded as an expense in the Statement of Activities, but is not reported as an expenditure in the governmental funds.	55,019,442
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.	153,674
Change in Net Position of Discretely Presented Component Unit - School Board	$ 95,293,320

See accompanying independent auditor's report.

Fund, Major and Minor Revenue Sources	Original Budget	Revised Budget	Actual	Variance
Component Unit - School Board:				
General Fund:				
Revenue from local sources:				
Permits, privilege fees and regulatory licenses:				
High school parking fees	$ 100,000	$ 100,000	$ 105,055	$ 5,055
Facilities rental	300,000	300,000	193,985	(106,015)
Total permits, privilege fees and regulatory licenses	400,000	400,000	299,040	(100,960)
Charges for services:				
School fees and tuitions	15,000	15,000	65,550	50,550
Total charges for services	15,000	15,000	65,550	50,550
Recovered cost:				
Sale of vehicles, textbooks and equipment	100,000	100,000	403,922	303,922
Recovered cost - student activities	180,000	180,000	181,970	1,970
Total recovered cost	280,000	280,000	585,892	305,892
Miscellaneous revenues	11,094,477	11,094,477	11,094,477	-
Total revenue from local sources	11,789,477	11,789,477	12,044,959	255,482
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Talented and gifted program	1,500,000	1,500,000	1,538,632	38,632
English as a second language	3,800,000	3,800,000	3,984,711	184,711
General appropriation - basic aid	148,400,000	148,400,000	148,057,922	(342,078)
Foster child reimbursement	650,000	650,000	411,756	(238,244)
Textbooks	3,670,000	3,670,000	3,703,348	33,348
Social security reimbursement	8,790,000	8,790,000	8,952,042	162,042
Retirement reimbursement	20,500,000	20,500,000	20,841,473	341,473
Life insurance reimbursement	610,000	610,000	643,428	33,428
Remedial education	6,100,000	6,100,000	5,147,424	(952,576)
Share of State sales tax - schools	70,200,000	71,700,000	77,967,128	6,267,128
SOQ - basic special education	17,860,000	17,860,000	18,015,984	155,984
Special education - homebound	117,000	117,000	279,119	162,119
Vocational education - local administrative and supervisory	900,000	900,000	925,201	25,201
Vocational education - SOQ occupational	2,400,000	2,400,000	2,489,787	89,787
Handicapped - foster home	200,000	200,000	764,405	564,405
Salary incentive K-3	6,300,000	6,300,000	6,253,179	(46,821)
R.O.T.C.	385,000	385,000	358,082	(26,918)
At risk	11,800,000	11,800,000	12,284,168	484,168
Education State Compensation	9,600,000	9,600,000	9,190,484	(409,516)
Other categorical aid	125,000	125,000	131,833	6,833
State lottery proceeds	11,200,000	11,200,000	11,301,704	101,704
Total categorical aid	325,107,000	326,607,000	333,241,810	6,634,810
Non-categorical aid:				
Miscellaneous	-	-	12,880	12,880
Total revenue from the Commonwealth	325,107,000	326,607,000	333,254,690	6,647,690
Total Component Unit - General Fund	$ 336,896,477	$ 338,396,477	$ 345,299,649	$ 6,903,172

HENRICO COUNTY, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
COMPONENT UNIT - SCHOOL BOARD
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Fund, Major and Minor Revenue Sources	**Original Budget**	**Revised Budget**	**Actual**	**Variance**
Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria receipts	$ 7,180,000	$ 7,180,000	$ 3,933,226	$ (3,246,774)
School fees and tuitions	-	-	59,295	59,295
Total charges for services	7,180,000	7,180,000	3,992,521	(3,187,479)
Miscellaneous:				
Miscellaneous	862,684	862,684	157,563	(705,121)
Recoveries and rebates	7,825,559	7,825,559	1,643,405	(6,182,154)
Total miscellaneous	8,688,243	8,688,243	1,800,968	(6,887,275)
Total revenue from local sources	15,868,243	15,868,243	5,793,489	(10,074,754)
Intergovernmental:				
Revenue from the Commonwealth:				
Juvenile detention center	1,833,430	1,833,430	1,965,062	131,632
Technology	1,800,000	1,800,000	1,068,467	(731,533)
Summer school	2,361,544	2,361,544	286,460	(2,075,084)
General adult education	126,784	126,784	1,847,626	1,720,842
At Risk	9,017,493	9,017,493	6,252,881	(2,764,612)
Other state educational grants	20,641,723	20,641,723	9,403,705	(11,238,018)
Total revenue from the Commonwealth	35,780,974	35,780,974	20,824,201	(14,956,773)
Revenue from the Federal Government:				
Title I	14,278,544	14,278,544	12,510,788	(1,767,756)
Title VI-B	9,752,297	9,752,297	10,788,626	1,036,329
Vocational federal act	-	-	521,201	521,201
Head start	1,290,231	1,290,231	1,438,489	148,258
Pre-school	584,180	584,180	135,019	(449,161)
School lunch program	12,231,779	12,231,779	14,722,252	2,490,473
School breakfast program	4,500,000	4,500,000	4,321,049	(178,951)
Other Federal educational grants	10,313,036	10,513,036	33,093,627	22,580,591
Total revenue from the Federal government	52,950,067	53,150,067	77,531,051	24,380,984
Total intergovernmental	88,731,041	88,931,041	98,355,252	9,424,211
Total Component Unit - Special Revenue Fund	$ 104,599,284	$ 104,799,284	$ 104,148,741	$ (650,543)
Total Revenues - Component Unit - School Board	$ 441,495,761	$ 443,195,761	$ 449,448,390	$ 6,252,629

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, 2023

Schedule 11

Function, Activity, Element	Original Budget	Revised Budget	Actual	Variance
Component Unit - School Board:				
General Fund:				
Education:				
Administration of schools:				
Administration	$ 72,908,001	$ 91,793,289	$ 72,020,823	$ 19,772,466
Instructional	439,871,962	430,901,408	424,642,362	6,259,046
Transportation	33,852,736	33,451,249	33,333,466	117,783
Operation and maintenance	53,960,315	62,859,370	55,301,231	7,558,139
Total administration of schools	600,593,014	619,005,316	585,297,882	33,707,433
Debt Service:				
Principal retirement	12,276,107	12,276,107	12,276,107	-
Interest	141,993	141,993	141,993	-
Total debt service	12,418,100	12,418,100	12,418,100	-
Total education	613,011,114	631,423,416	597,715,982	33,707,433
Total Component Unit - General Fund	$ 613,011,114	$ 631,423,416	$ 597,715,982	$ 33,707,433
Special Revenue Fund:				
Education:				
Instruction	$ 61,199,081	$ 137,529,730	$ 67,087,470	$ 70,442,260
Other educational programs	8,802,328	11,255,444	1,643,962	9,611,482
Transportation	-	1,422,943	648,514	774,429
Operation and maintenance	14,459,103	33,868,527	19,872,436	13,996,091
Total education	84,460,512	184,076,644	89,252,382	94,824,262
School food service	25,641,197	26,387,102	24,588,841	1,798,261
Total Component Unit - Special Revenue Fund	$ 110,101,709	$ 210,463,746	$ 113,841,223	$ 96,622,523
Total Component Unit - School Board	$ 723,112,823	$ 841,887,162	$ 711,557,205	$ 130,329,956

Explanation of difference between actual amounts on the budgetary basis and GAAP basis:

Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	$ 597,715,982
Right-to-use capital outlay	12,507,108
Total Expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	$ 610,223,090

See accompanying independent auditor's report.

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APPENDIX C

EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE AND THE SUPPORT AGREEMENT

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EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE AND THE SUPPORT AGREEMENT

The following are excerpts of certain provisions of the Indenture and the Support Agreement. The following excerpts of the provisions of the Indenture and the Support Agreement do not purport to be complete statements of the Indenture of the Support Agreement, or of the provisions thereof excerpted below. All references herein to the Indenture and the Support Agreement are qualified in their entirety by reference to each such document in its entirety, copies of which are on file with the Trustee.

EXCERPTS OF CERTAIN PROVISIONS OF THE INDENTURE

DEFINITIONS OF CERTAIN TERMS USED IN THE INDENTURE

"Act" means Title 15.2, Chapter 49 of the Code of Virginia, 1950, as amended, the same being the Industrial Development and Revenue Bond Act, or any successor statute.

"Authenticating Agent" means initially the Trustee and thereafter any other or additional entity appointed by the Issuer or the Trustee to act as an authenticating agent or co-authenticating agent for the Bonds.

"Authority's Payment Obligations" means (i) the obligations of the Issuer with respect to the payment of the principal of the Bonds, together with the interest thereon, and the redemption price, if any, as and when due, (ii) the obligations of the Issuer with respect to the commitment and other fees and expenses of the Trustee under this Indenture and under any successor agreement, if any, thereto, and (iii) the costs of issuance of the Bonds.

"Authorized Denomination" means $5,000 or any integral multiple thereof.

"Board of Directors" means the Board of Directors of the Issuer.

"Bond Counsel" means an attorney, or firm of attorneys, nationally recognized and experienced in legal work relating to the financing of facilities through the issuance of tax-exempt bonds and acceptable to the Issuer.

"Bond Fund" means the Bond Fund established by Section 601.

"Bonds" or "Series 2024B Bonds" means the Issuer's Revenue Bonds, Series 2024B (Henrico County Government Project).

"Business Day" means any day other than (i) a Saturday or a Sunday, (ii) a day on which banking institutions in New York, New York, or the cities in which the Trustee or the Paying Agent have their respective principal offices are authorized to close or (iii) a day on which The New York Stock Exchange, Inc. is closed.

"Code" means the Internal Revenue Code of 1986 and the rulings and applicable regulations (including temporary and proposed regulations) promulgated thereunder or under the Internal Revenue Code of 1954.

"Commonwealth" means the Commonwealth of Virginia.

"Counsel" means an attorney, or firm of attorneys, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, including any Bond Counsel.

"County" means the County of Henrico, Virginia.

"Fitch" means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Fitch" will refer to any other nationally recognized securities rating agency designated by the Issuer.

"Government Obligations" means (i) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged and (ii) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

"Indenture" means this Indenture of Trust, dated as of April 1, 2024, as the same may be amended or supplemented from time to time as permitted hereby.

"Interest Payment Date" means August 1, 2024 and each February 1 and August 1 thereafter.

"Investment Grade" means any rating of a Rating Agency recognized by such Rating Agency as being investment grade.

"Issue Date" means the date of delivery of the Bonds to the initial purchasers thereof.

"Issuer" means the Economic Development Authority of Henrico County, Virginia.

"Mail" means United States mail, by first-class postage prepaid.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" will refer to any other nationally recognized securities rating agency designated by the Issuer.

"Non-Appropriation Event" shall mean the failure of the Board of Supervisors of the County to appropriate amounts sufficient to pay, when due, the aggregate debt service coming due on the Bonds in any fiscal year, which Non-Appropriation Event shall not be deemed to have occurred unless and until the Board of Supervisors of the County shall have denied any urgent request made to the Board of Supervisors to amend the budget as provided in Section 5(b) of the Support Agreement.

"Outstanding" means, when used with reference to the Bonds at any date as of which the amount of outstanding Bonds is to be determined, all Bonds that have been authenticated and delivered by the Trustee hereunder, except:

(i) Bonds cancelled or delivered for cancellation at or prior to such date;

(ii) Bonds deemed to be paid in accordance with Section 902;

(iii) Bonds in lieu of which others have been authenticated under Sections 308 and 309;

(iv) For purposes of any consent, request, demand, authorization, direction, notice, waiver or other action to be taken by the Owners of a specified percentage of Outstanding Bonds hereunder, all Bonds held by or for the account of the Issuer; provided, however, that for purposes of any such consent, request, demand, authorization, direction, notice, waiver or action the Trustee shall be obligated to consider as not being outstanding only Bonds known by the Trustee by actual notice thereof to be so held.

"Owner" means the person who is the registered owner of any Bond.

"Paying Agent" means the Trustee or any other or additional paying agent designated under this Indenture.

"Permitted Investments" means the investments identified in Section 606(a).

"Project" means the acquisition, construction and equipping of certain governmental facility projects for the County, including public safety projects, recreation and parks facilities projects, historical preservation projects, economic development projects and the acquisition of land to be used by the County for such governmental facility projects and other County purposes.

"Project Fund" means the Project Fund established by Section 501.

"Rating Agency" means Fitch when the Bonds are rated by Fitch, Moody's when the Bonds are rated by Moody's, and S&P when the Bonds are rated by S&P.

"Record Date" means July 15, 2024 and each January 15 and July 15 thereafter.

"Register" means the registration books with respect to the Bonds maintained by the Registrar.

"Registrar" means the entity from time to time serving as Paying Agent under this Indenture.

"Resolution" means the bond resolution with respect to the Bonds adopted by the Board of Directors on February 15, 2024.

"S&P" means S&P Global Ratings, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, "S&P" will refer to any other nationally recognized securities rating agency designated by the Issuer.

"Support Agreement" means the Support Agreement, dated as of April 1, 2024, by and between the Issuer and the County.

"Trustee" means U.S. Bank Trust Company, National Association, as trustee hereunder, and any successor trustee appointed under this Indenture.

"Underwriter" means the winning bidder awarded the purchase of the Bonds at competitive sale by the County.

THE BONDS

SECTION 303. Book-Entry System; Recording and Transfer of Ownership of the Bonds. (a) The Trustee or the Paying Agent may make appropriate arrangements for some or all of the Bonds to be issued or held by means of a book-entry system administered by a securities depository with no physical distribution of such Bonds made to the purchasers thereof. If Bonds are held under the book-entry system, one Bond in the principal amount of the Bonds Outstanding (less the principal amount of any issued Bonds not held by means of a book-entry system), registered in the name of the securities depository (or its nominee), will be issued to the securities depository and immobilized in its custody.

(b) All of the Bonds shall be initially held by means of a book-entry system administered by a securities depository. Upon receipt of the documents referred to in Section 307, the Trustee shall authenticate one Bond for each maturity of the Bonds, registered in the name of the securities depository nominee, and issue such Bond to the securities depository to be immobilized in its custody; provided that if The Depository Trust Company, New York, New York ("DTC") is acting as securities depository hereunder, such Bond shall be issued to Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC to be immobilized in its custody pursuant to the rules and procedures of DTC. Thereafter, in the event that Bonds are issued to the Owners thereof in bond (physical) form, the Authenticating Agent will authenticate and deliver to the Owners (or the Paying Agent, as applicable) a new Bond or Bonds in the principal amount equal to the aggregate principal amount of Bonds then Outstanding (less the principal amount of the Bonds not held by means of a book-entry system), registered in the name of the Owners, in exchange for the Bond or Bonds then held by the securities depository and the securities depository shall surrender such Bond or Bonds then held by it to the Trustee for cancellation and destruction in accordance with the terms of Section 310.

(c) If any Bonds are held by means of a book-entry system, such book-entry system will evidence beneficial ownership of the Bonds so held (or, as applicable, positions held by a securities depository's participants, beneficial ownership being evidenced in the records of such participants) in Authorized Denominations. Registration and transfers of ownership shall be effected on the records of the securities depository (and, as applicable, its participants) pursuant to rules and procedures established by the securities depository, and the Registrar will provide the securities depository with all information required for such purposes. The Issuer, the Trustee and the Paying Agent will recognize the securities depository nominee, while the registered owner of the Bonds so held, as the owner of the Bonds for all purposes, including (i) payments of principal of and interest on the Bonds, (ii) notices and (iii) voting. Transfer of principal and interest payments to beneficial owners of the Bonds so held will be the responsibility of the securities depository (or, as applicable, its participants and other nominees of such beneficial owners). The Issuer, the Trustee and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the securities depository, the securities depository nominee, the securities depository's participants (if any) or persons acting through such participants. While a securities depository nominee is the owner of the Bonds so held, notwithstanding the provisions hereinabove contained, payments of principal of and interest on such Bonds shall be made in accordance with the terms of the Blanket Letter of Representations dated September 16, 1996 (the "Letter of Representations"), by and between the Issuer and the securities depository or any letter of representations between the Issuer and a successor securities depository appointed pursuant to this Section 303. If, at any time, DTC shall be appointed and act as securities depository hereunder, the Paying Agent shall act as "Issuing and Paying Agent" in accordance with DTC's rules and procedures, with respect to the Bonds.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF OWNERSHIP IS MAINTAINED IN ACCORDANCE HEREWITH FOR ANY BONDS, (1) THE PROVISIONS OF THIS INDENTURE RELATING TO THE DELIVERY OF PHYSICAL BONDS SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED WITH REGARD TO SUCH BONDS AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM AND (2) THE PROVISIONS OF THIS INDENTURE RELATING TO ISSUANCE AND PAYMENTS OF PRINCIPAL AND INTEREST WITH RESPECT TO THE BONDS SHALL BE APPLICABLE TO BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS IN AUTHORIZED DENOMINATIONS TO THE SAME EXTENT AS SUCH PROVISIONS ARE APPLICABLE TO REGISTERED OWNERSHIP INTERESTS IN THE BONDS.

SECTION 304. Execution; Limited Obligations. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chairman or Vice Chairman of the Issuer and attested by the manual or facsimile signature of the Secretary or the Assistant Secretary of the Issuer, and shall have impressed or imprinted thereon the corporate seal (or facsimile thereof) of the Issuer. If any officer of the Issuer whose manual or facsimile signature appears on the Bonds ceases to be such officer before the delivery of such Bonds, such manual or facsimile signatures is nevertheless valid and sufficient for all purposes.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO, EXCEPT FROM THE REVENUES AND RECEIPTS DERIVED FROM THE COUNTY UNDER THE SUPPORT AGREEMENT (THE PAYMENT OF SUCH REVENUES AND RECEIPTS BEING SUBJECT TO ANNUAL APPROPRIATIONS BY THE BOARD OF SUPERVISORS OF THE COUNTY) AND OTHER MONEYS AND AMOUNTS HELD BY THE TRUSTEE UNDER THIS INDENTURE, ALL SUCH REVENUES, RECEIPTS, MONEYS AND AMOUNTS BEING SPECIFICALLY PLEDGED IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER.

SECTION 308. <u>Mutilated, Lost, Stolen or Destroyed Bonds</u>. If any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate and deliver a new Bond of the same series, maturity, interest rate, principal amount and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen or destroyed; provided that there is first furnished to the Trustee evidence satisfactory to it and the Issuer of the ownership of such Bond and of such loss, theft or destruction (or, in the case of a mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee), together with indemnity satisfactory to the Trustee and the Issuer and compliance with such other reasonable regulations as the Issuer and the Trustee may prescribe. If any such Bond has matured or a redemption date pertaining thereto has passed, instead of issuing a new Bond the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in connection with this Section 308.

SECTION 309. <u>Exchangeability and Transfer of Bonds; Persons Treated as Owners</u>. (a) Books for the registration of the Bonds and for the registration of transfer of the Bonds as provided herein shall be kept by the Registrar.

(b) Any Owner of a Bond, in person or by his/her duly authorized attorney, may transfer title to his/her Bond on the Register on surrender thereof at the corporate trust office of the Trustee in the City of Richmond, Virginia, by providing the Registrar with a written instrument of transfer (in substantially the form of assignment attached to the Bond) executed by the Owner or his/her duly authorized attorney, and then, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same aggregate principal amount and tenor as the Bond surrendered (or for which transfer of registration has been effected) and of any Authorized Denomination or Authorized Denominations.

(c) Bonds may be exchanged on surrender thereof at the corporate trust office of the Registrar in the City of Richmond, Virginia, with a written instrument of transfer satisfactory to the Registrar executed by the Owner or such Owner's attorney duly authorized in writing, for an equal aggregate principal amount of Bonds of the same tenor as the Bonds being exchanged and of any Authorized Denomination or Authorized Denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds that the Owner making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

(d) Such registrations of transfer or exchanges of Bonds will be without charge to the Owners of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same must be paid by the Owner of the Bond requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Registrar for any such registration of transfer or exchange and all reasonable expenses of the Trustee shall be paid by the Issuer.

(e) The Registrar shall not register any transfer of any Bond after notice calling such Bond (or portion thereof) for redemption has been given and before such redemption, except in the case of any Bond to be redeemed in part, the portion thereof not to be redeemed.

(f) The person in whose name any Bond is registered will be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest will be made only to or on the order of the registered owner thereof or his/her duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments are valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid. All Bonds issued on any registration of transfer or exchange of Bonds are legal, valid and binding limited obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered on such registration of transfer or exchange.

(g) Notwithstanding the foregoing, for so long as the Bonds are held under the book-entry system, transfers of beneficial ownership will be effected pursuant to rules and procedures established by the securities depository.

SECTION 311. <u>Ratably Secured</u>. All Bonds issued hereunder are and are to be, to the extent provided in this Indenture equally and ratably secured by this Indenture without preference, priority or distinction on account of the actual time or times of the authentication, delivery or maturity of the Bonds so that subject as aforesaid, all Bonds at any time Outstanding have the same right, lien and preference under and by virtue of this Indenture and are all equally and ratably secured hereby with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, are actually disposed of at such date, or whether they, or any of them, are disposed of at some future date.

PROJECT FUND

SECTION 501. Creation of Project Fund. There is hereby established with the County a project account to be designated as the "County of Henrico, Virginia, EDA Series 2024B Project Fund", to be held by the County.

SECTION 505. Disposition of Balance in Project Fund. When the Project shall have been completed, the balance of any moneys remaining in the Project Fund in excess of the amount to be reserved for payment of the costs of the Project shall be transferred to the Trustee for deposit in the Bond Fund and used in accordance with Section 603(b).

BOND FUND AND TAX COVENANTS

SECTION 601. Creation of Bond Fund. There is hereby established with the Trustee a trust account to be designated as the "County of Henrico, Virginia, Series 2024B Bonds Bond Fund".

SECTION 602. Payments into Bond Fund. There shall be paid into the Bond Fund the following:

(a) Amounts required to be transferred into the Bond Fund by Section 503(b) or Section 505;

(b) All payments received by the Trustee pursuant to the Support Agreement or this Indenture, which are required to be applied to the payment of debt service on the Bonds; and

(c) All other amounts received by the Trustee which are accompanied by directions not inconsistent with the provisions of the Support Agreement, to pay such money into the Bond Fund.

SECTION 603. Use of Moneys in Bond Fund. (a) Except as otherwise provided in subsection (b) of this Section 603, the moneys deposited in the Bond Fund shall be applied by the Trustee to pay the principal of and interest on the Bonds.

(b) Any moneys deposited in the Bond Fund from the Project Fund pursuant to Section 503(b) or Section 505, together with any income or earnings thereon, shall be used only to pay principal of or interest on the Bonds or to purchase Bonds in the open market in such manner as may be approved in writing by nationally recognized bond counsel.

SECTION 608. Tax Covenants. The Issuer hereby covenants and agrees to comply with the provisions of Sections 103 and 141-150 of the Code applicable to the Series 2024B Bonds through the term of the Series 2024B Bonds.

DEFAULT PROVISIONS; REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 701. Events of Default. Each of the following events shall be an Event of Default:

(a) default in the payment of any interest on any Bond when due and payable;

(b) default in the payment of the principal of any Bond when due and payable (whether at maturity, call for redemption or otherwise);

(c) failure of the Issuer to observe any of its other covenants, conditions or agreements under this Indenture for a period of thirty (30) days after receipt of written notice (unless the Trustee shall agree in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, given by the Trustee to the Issuer, or in the case of any such default which cannot with due diligence be cured within such thirty

(30) day period, failure of the Issuer to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence; or

(d) an event of default shall occur under the Support Agreement.

SECTION 703. Remedies; Rights of Owners. (a) Upon the occurrence of an Event of Default, the Trustee may proceed to protect and enforce its rights as the assignee under the Support Agreement and the rights of the Owners by mandamus or other action, suit or proceeding at law or in equity for specific performance of any agreement herein contained.

(b) Upon the occurrence of an Event of Default, if requested to do so by the Owners of a majority in aggregate principal amount of Bonds then Outstanding and if indemnified as provided in Section 1001(g), the Trustee shall exercise such one or more of the rights and remedies conferred by this Article VII as the Trustee, upon being advised by counsel, shall deem most expedient in the interests of the Owners.

(c) No remedy conferred by this Indenture upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute.

(d) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(e) No waiver of any default or Event of Default hereunder, whether by the Trustee pursuant to Section 710 or by the Owners, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

(f) Nothing in this Article VII or elsewhere in this Indenture shall obligate the Issuer or the County to make payments with respect to the Bonds except from appropriations made by the County pursuant to the Support Agreement and from monies in the Project Fund transferred to the Trustee pursuant to Section 503(b) or Section 505 or from other monies held in the Bond Fund.

SECTION 704. Right of Owners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, but subject to Section 1001(g), the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

SECTION 705. Application of Moneys. (a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the expenses, liabilities and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture or the Support Agreement, be deposited in the Bond Fund. All moneys in the Bond Fund shall be applied as follows:

First - To the payment to the Owners entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

Second - To the payment to the Owners entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds at the respective rates specified therein from the respective dates on which they became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of such interest due on such date, and second to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Third – To the payment of the remaining principal due and unpaid on the Bonds, together with interest accrued and unpaid on such Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section 705, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be the date such payment is due or has been declared to be due and payable unless another date is deemed by the Trustee to be more suitable) on which such application is to be made and on such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Whenever the principal of and interest on all Bonds have been paid under the provisions of this Section 705 and all expenses and charges of the Trustee have been paid, any balance remaining in the Bond Fund shall be paid to the Issuer.

(d) Nothing in this Article VII or elsewhere in this Indenture shall obligate the Issuer or the County to make payments with respect to the Bonds except from appropriations made by the County pursuant to the Support Agreement and from monies in the Project Fund transferred to the Trustee pursuant to Section 503(b) or Section 505 or from other monies held in the Bond Fund.

SECTION 706. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Bonds.

SECTION 707. Limitations on Suits. Except to enforce the rights given under Section 708, no Owner of any Bond shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof; or any other remedy hereunder, unless (a) a default has occurred and is continuing of which the Trustee has been notified as provided in Section 1001(k), or of which by such Section 1001(k) it is deemed to have notice, (b) such default has become an Event of Default and the Owners of a majority in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) they have offered to the Trustee indemnity as provided in Section 1001(g), (d) the Trustee has for thirty (30) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its, his or their own name or names, (e) no direction inconsistent with such written request has been given to the Trustee during such thirty (30) day period by the Owners of a majority in aggregate principal amount of Bonds then Outstanding and (f) notice of such action, suit or proceeding is given to the Trustee, it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and offer of indemnity set forth above, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

SECTION 708. Unconditional Right to Receive Principal and Interest. Nothing in this Indenture shall affect or impair the right of any Owner to enforce, subject to Sections 304 and 801 hereof, by action at law, payment of the principal of or interest on any Bond at and after the maturity thereof, or on the date fixed for redemption, or the obligation of the Trustee on behalf of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time, place, from the source and in the manner herein and in the Bonds expressed.

SECTION 709. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the County, the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 710. Waivers of Events of Default. (a) The Trustee, in its discretion, may waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds and shall do so at the written request of the Owners of a majority in aggregate principal amount of Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Owners of all Bonds then Outstanding (i) any Event of Default in the payment of the principal of any Outstanding Bonds (whether at maturity or otherwise), or (ii) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission:

(A) there shall have been paid or provided for all arrears of interest in respect of which such default shall have occurred, all arrears of principal and all expenses of the Trustee in connection with such default, and

(B) in case of any such waiver or rescission or in the case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Trustee on account of any such default, the Issuer, the County, the Trustee and the Owners shall be restored to their former positions and rights hereunder respectively.

(b) No such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

GENERAL COVENANTS AND PROVISIONS

SECTION 801. Payment of Bonds; Subject to Appropriation. (a) The Trustee shall promptly pay when due the principal of (whether at maturity, call for redemption or otherwise) and interest on the Bonds, from the moneys held by the Trustee in the Bond Fund at the places, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The Bonds are limited obligations of the Issuer. The Bonds and the interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Issuer and the County, and neither the Issuer nor the County shall be obligated to pay the principal of or interest on the Bonds or other costs incident thereto, except from the revenues and receipts derived from the County under the Support Agreement (the payment of such revenues and receipts being subject to annual appropriations of the Board of Supervisors of the County) and other moneys and amounts held by the Trustee under this Indenture, all such revenues, receipts, moneys and amounts specifically pledged in the manner and to the extent provided herein. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Issuer and the County, is pledged to the payment of the principal of or the interest on the Bonds or other costs incident thereto. The Issuer has no taxing power. Neither the officers nor directors of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

(b) Any payment obligations of the Issuer with respect to the Bonds, including (unless otherwise stated herein to the contrary) any fees and expenses of the Trustee, the Registrar and the Paying Agent, shall be payable solely to the extent moneys are available for such purposes to or on behalf of the Issuer by the County, such moneys being subject to annual appropriations by the Board of Supervisors of the County.

(c) The Support Agreement provides that the County Manager or other officer charged with the responsibility for preparing the County's Annual Budget shall include in the Annual Budget for each Fiscal Year as a single appropriation, the amount of all of the Authority's Payment Obligations coming due during such Fiscal Year. If such Annual Budget as it is adopted does not include the appropriation described above, the County has agreed in the Support Agreement to promptly (but no later than 3 Business Days after adoption) send written notice to the Issuer and the Trustee of the adoption of such Annual Budget without such appropriation. Throughout the term of the Support Agreement, the County Manager or other officer charged with the responsibility for preparing the County's Annual Budget has agreed to deliver to the Issuer and the Trustee, promptly after the adoption of the Annual Budget for each Fiscal Year, a certificate stating whether an amount equal to the Authority's Payment Obligations that will come due during such Fiscal Year has been appropriated by the Board of Supervisors in such Annual Budget.

If at any time during any Fiscal Year of the County, the amount appropriated in the Annual Budget for such Fiscal Year is insufficient to pay the Authority's Payment Obligations hereunder, the County Manager (or other officer charged with responsibility for preparing the Annual Budget) is directed by the Support Agreement to submit to the Board of Supervisors, at the next scheduled meeting of the Board of Supervisors, or as promptly thereafter as practicable, but in any event within 30 days, a request for a supplemental appropriation sufficient to cover the deficit.

SECTION 802. Non-Presentment of Bonds. (a) If any Bond shall not be presented for payment when the principal thereof becomes due (whether at maturity, by call for redemption or otherwise), all liability of the Issuer to the Owner thereof for the payment of such Bonds, shall forthwith cease, determine and be completely discharged if funds sufficient to pay such Bond and interest due thereon, if any, shall be held by the Trustee for the benefit of the Owner thereof, and thereupon, it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond.

(b) Any such moneys held by the Trustee remaining unclaimed for five (5) years after the principal of the Bonds has become due and payable (whether at maturity, by call for redemption or otherwise) shall become the property of the Issuer payable to the County against the Issuer's written receipt therefor, and the Owner of such Bonds shall thereafter be entitled to look only to the County for payment thereof, which shall apply or hold such moneys in accordance with applicable law.

SECTION 803. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Issuer, the County or the Trustee for the account of any of the Funds created by this Indenture, shall be held by the Trustee, the County or the Issuer, as the case may be, in trust, and except for moneys deposited with or paid to the Trustee for the prepayment of Bonds, notice of the prepayment of which has been duly given, shall, while held by the Trustee, the County or the Issuer, as the case may be, constitute part of the trust estate and be subject to the lien hereof.

SECTION 805. Covenants and Representations of the Issuer. The Issuer represents that it is duly authorized under the law of the Commonwealth to enter into this Indenture to assign certain of its rights under or to the Support Agreement to the Trustee, to issue the Bonds and generally to carry out and consummate the transactions contemplated by this Indenture. The Issuer further represents that all action on its part for the execution and delivery of this Indenture has been duly and effectively taken.

SECTION 808. Rights under Support Agreement. The Trustee in its own name or in the name of the Issuer may, but shall not be obligated to, enforce all rights of the Issuer and all payment obligations (subject to the provisions of Sections 304 and 801) of the Issuer with respect to the Bonds under and pursuant to the Support Agreement for and on behalf of the Owners, whether or not the Issuer is in default hereunder; provided, however, that nothing in this Section 808 shall be deemed to preclude the Issuer from enforcing the same.

DISCHARGE

SECTION 901. Discharge. On payment in full of all of the Bonds, these presents shall cease, determine and be discharged, and then the Trustee, on receipt by the Trustee of an opinion of Counsel stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall (i) cancel and discharge this Indenture and (ii) assign and deliver to the County any money held by it relating to the Bonds; provided, however, that the cancellation and discharge of this Indenture pursuant to Section 902 does not terminate the powers and rights granted to the Trustee, the Registrar and the Paying Agent with respect to the payment, registration of transfer and exchange of the Bonds. If the Bonds are rated by a Rating Agency, the Trustee shall furnish such Rating Agency notice of payment in full of the Bonds.

SECTION 902. Provision for Payment of Bonds. (a) Bonds are deemed to have been paid within the meaning of Section 901 if:

(i) there has been irrevocably deposited with the Trustee either (A) sufficient money to pay the principal and interest due on all Outstanding Bonds or (B) Government Obligations of such maturities and interest payment dates and bearing such interest as will, in the opinion of a firm of independent certified public accountants or other verification agent acceptable to the Issuer and the County, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (such earnings also to be held in trust), be sufficient together with any moneys referred to in subsection (a)(i)(A) above, for the payment at their respective maturities or redemption dates before maturity of the principal thereof and the interest to accrue thereon at such maturity or redemption dates, as the case may be;

(ii) there has been paid or provision duly made for the payment of all fees and expenses of the Trustee, the Registrar and the Paying Agent; and

(iii) if any Bonds are to be redeemed on any date before their maturity, the Trustee has received in form satisfactory to it irrevocable instructions from the Issuer at the direction of the County to redeem such Bonds on such date and either evidence satisfactory to the Trustee that all redemption notices required by this Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices has been granted to the Trustee.

(b) Limitations set forth elsewhere herein regarding the investment of moneys held by the Trustee are not to be construed as preventing the deposit and holding of the obligations described in subsection (a)(i)(B) of this Section 902 for the purpose of defeasing this Indenture as to Bonds which have not yet become due and payable. Notwithstanding any other provision of this Indenture to the contrary, all money deposited with the Trustee as provided in this Section 902 may be invested and reinvested, at the written direction of the Issuer, in Government Obligations maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee under this Section 902 which is not required for the payment of the Bonds and interest thereon with respect to which such moneys have been so deposited shall be delivered to the County.

THE TRUSTEE

SECTION 1003. Resignation; Successor Trustees. The Trustee and any successor Trustee may resign only on giving sixty (60) days' prior written notice to the Issuer and each Owner of Bonds then Outstanding as shown on the Register. Such resignation takes effect only on the appointment of a successor Trustee by the Issuer and the acceptance of such appointment by the successor Trustee. If no successor is appointed within sixty (60) days after the notice of resignation, the resigning party may appoint a successor or petition any court of competent jurisdiction to appoint a successor. On appointment of a successor Trustee, the resigning Trustee shall assign all of its right, title and interest in this Indenture and the security for the Bonds to the successor Trustee. The successor Trustee must be a bank or trust company with trust powers organized under the laws of the United States of America or any state of the United States, or the District of Columbia, having a combined capital stock, surplus and undivided profits aggregating at least $100,000,000. Any successor Trustee shall accept in writing its duties and responsibilities hereunder, and such writing shall be filed with the Issuer.

SECTION 1004. Removal of Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and the Issuer and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. During such time that no default has occurred and is continuing under this Indenture and no event has occurred which with the passage of time or giving of notice or both could result in such an default, the Trustee may also be removed by an instrument in writing delivered to the Trustee by the Issuer. Such removal shall take effect only on the appointment of a successor Trustee by the Issuer and the acceptance of such appointment by the successor Trustee. On such removal, the Trustee shall assign to the successor Trustee all of its right, title and interest in this Indenture and the security for the Bonds in the same manner as provided in Section 1003. If the Bonds are rated by a Rating Agency, notice concerning any change in the Trustee shall be furnished to such Rating Agency.

SUPPLEMENTAL INDENTURES;
AMENDMENTS TO INDENTURE AND SUPPORT AGREEMENT

SECTION 1101. Supplemental Indentures. (a) The Issuer and the Trustee, without the consent of or notice to any Owners, may enter into an indenture or indentures supplemental to this Indenture that do not materially adversely affect the interest of the Owners for one or more of the following purposes:

(i) to grant to or confer on the Trustee for the benefit of the Owners, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee;

(ii) to grant or pledge to the Trustee for the benefit of Owners any additional security other than that granted or pledged under this Indenture;

(iii) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute then in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States;

(iv) to appoint a successor Trustee in the manner provided in Article X;

(v) to modify, amend or supplement this Indenture for the purpose of obtaining or retaining a rating on the Bonds from a Rating Agency;

(vi) to modify, amend or supplement this Indenture to permit a transfer of Bonds from one securities depository to another or the discontinuance of the book-entry system and issuance of replacement Bonds to the beneficial owners;

(vii) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture that may be defective or inconsistent with any provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which will not materially adversely affect the interest of the Owners;

(viii) to modify, amend or supplement this Indenture to permit the Registrar or the Paying Agent to assume any administrative duties of the Trustee hereunder or for the Trustee to assume any administrative duties of the Registrar and the Paying Agent hereunder; and

(ix) to make any change herein necessary, in the opinion of Bond Counsel, to maintain the exclusion of the interest on any Series 2024B Bonds from gross income of the Owners thereof for federal income tax purposes.

(b) When requested by the Issuer, and if all conditions precedent under this Indenture have been met, the Trustee shall join the Issuer in the execution of any such supplemental indenture unless it imposes additional obligations on the Trustee or adversely affects the Trustee’s rights and immunities under this Indenture or otherwise. The Trustee shall promptly furnish a copy of all such supplemental indentures to the Registrar and the Paying Agent, and the Registrar and the Paying Agent shall be promptly advised of any modifications of their rights, duties and obligations hereunder. The Trustee may but shall not be obligated to enter into any such supplemental indenture which adversely affects the Trustee's own rights, duties or immunities.

(c) If the Bonds are rated by a Rating Agency, the Trustee shall forward copies of all supplemental indentures to such Rating Agency.

SECTION 1102. Amendments to Indenture; Consent of Owners.

(a) Exclusive of supplemental indentures covered by Section 1101 and subject to the terms and provisions contained in this Section 1102, and not otherwise, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and affected by such indenture or indentures supplemental hereto have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and direct the execution by the Trustee of such other indenture or indentures supplemental hereto as the Issuer in its sole discretion shall consent to for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing contained in this Section 1102 permits, or may be construed as permitting, without the consent of the Owners of all Outstanding Bonds, (i) an extension of the maturity of the principal of, or interest on, any Bond, or (ii) a reduction in the principal amount of or the rate of interest on any Bond, or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any consent to any supplemental indenture, or (v) a modification or change in the duties of the Trustee hereunder without the consent of the Trustee. The giving of notice to and consent of the Owners to any such proposed supplemental indenture must be obtained under Section 1104.

(b) If the Bonds are rated by a Rating Agency, the Trustee shall furnish copies of all supplemental indentures to such Rating Agency.

SECTION 1103. Amendments to Support Agreement Not Requiring Consent of Owners. Except as set forth in Section 1104 hereof, the Issuer and the Trustee shall without the consent of or notice to the Owners of the Bonds, consent to any amendment, change or modification of the Support Agreement, as may be required:

(a) by the provisions of the Support Agreement or this Indenture;

(b) for the purpose of curing any ambiguity or formal defect or omission therein; or

(c) in connection with any other amendment, change or modification therein consented to by the County and the Issuer, except as otherwise limited by Section 1104 hereof.

MISCELLANEOUS

SECTION 1201. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or may be construed to give to any person other than the parties hereto, the Owners, the Registrar and the Paying Agent any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions herein being intended to be and being for the sole and exclusive benefit of the parties hereto, the Owners, the Registrar and the Paying Agent as herein provided.

SECTION 1204. Payments Due on Non-Business Days. If the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of such interest or principal need not be made on such date but will be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest accrues for the period from and after such date.

EXCERPTS OF CERTAIN PROVISIONS OF THE SUPPORT AGREEMENT

DEFINITIONS OF CERTAIN TERMS USED IN THE SUPPORT AGREEMENT

"Agreement" means this Support Agreement, dated as of April 1, 2024, by and between the County and the Authority, and any amendments or supplements hereto.

"Annual Budget" shall mean the budget of the County for a Fiscal Year.

"Authority's Payment Obligations" means (i) the obligations of the Authority with respect to the payment of the principal of the Bonds, together with the interest thereon, and the redemption price, if any, as and when due, (ii) the obligations of the Authority with respect to the commitment and other fees and expenses of the Trustee under the Indenture of Trust and under any successor agreement, if any, thereto, and (iii) the costs of issuance of the Bonds.

"Bonds" or "Series 2024B Bonds" means the Issuer's Revenue Bonds, Series 2024B (Henrico County Government Project).

"Business Day" shall have the meaning given to such term in the Indenture.

"Fiscal Year" shall mean the twelve-month period beginning July 1 of one year and ending June 30 of the following year, or such other fiscal year of twelve months as may be selected by the County.

"Indenture of Trust" means the Indenture of Trust, dated as of April 1, 2024, between the Authority and U.S. Bank Trust Company, National Association, as Trustee, and all amendments or supplements thereto.

"Trustee" means U.S. Bank Trust Company, National Association, or its successor, as trustee under the Indenture of Trust.

SECTION 4. Obligations of the Authority. The Authority shall cause the Trustee to deliver to the Authority and the County, annually on or prior to January 10, commencing January 10, 2025, a statement of the amounts on deposit in the Bond Fund as of that date. The Authority shall also cause the Trustee to deliver to the Authority and the County, annually on or before each January 10, commencing January 10, 2025, a statement of the Authority's Payment Obligations coming due, or expected to be coming due, during the next succeeding Fiscal Year. The expected schedule of the Authority's Payment Obligations coming due during each Fiscal Year, exclusive of fees and expenses of the Authority and the Trustee and subject to change upon any optional redemption of the Bonds, are set forth as Exhibit A attached hereto.

SECTION 5. Obligations of the County. (a) Subject to annual appropriation by the Board of Supervisors, the County hereby covenants and agrees to provide funds sufficient to pay the Authority's Payment Obligations with respect to the debt service on the Bonds as and when the same become due directly to the Trustee, it being understood that the Authority's Payment Obligations with respect to regularly scheduled debt service on the Bonds shall be due and payable on August 1, 2024 and semiannually on each February 1 and August 1 thereafter, as set forth on Exhibit A attached hereto. The County shall provide such funds, subject to annual appropriation, to pay regularly scheduled debt service on the Bonds no later than January 15 and July 15 of each year, commencing July 15, 2024. The County shall pay all fees and expenses of the Trustee, when due, directly to the Trustee, subject to annual appropriation. The County shall pay all fees and expenses of the Authority, when due, directly to the Authority, subject to annual appropriation. The County Manager of the County or other officer charged with the responsibility for preparing the County's budget shall include in the proposed Annual Budget for each Fiscal Year beginning on and after July 1, 2024 the amount of the Authority's Payment Obligations payable during such Fiscal Year, and the County Manager or other officer of the County shall use his or her best efforts to obtain the annual appropriations of the Authority's Payment Obligations throughout the term of this Agreement.

(b) In the event the Board of Supervisors shall fail to include in the adopted Annual Budget of the County for any Fiscal Year beginning on or after July 1, 2024 and appropriate funds sufficient to pay the Authority's Payment Obligations for such Fiscal Year as and when due, the County Manager or other officer charged with the responsibility for preparing the County's budget shall immediately and in no event more than thirty (30) days after such failure is discovered make an urgent request to the Board of Supervisors to amend the Annual Budget of the County for such Fiscal Year and to appropriate funds sufficient to pay the Authority's Payment Obligations for such Fiscal Year as and when due.

(c) The obligations of the County with respect to payment of the Authority's Payment Obligations hereunder are limited to the actions and obligations set forth in paragraphs (a) and (b) above, and the obligation to pay, when due, the Authority's Payment Obligations solely from and to the extent of amounts appropriated for such payment. It is to be understood that, upon there being included in the Annual Budget of the County for any Fiscal Year and the appropriation therefor having been made, effective as of the first day of such Fiscal Year, the County shall be obligated to pay the Authority's Payment Obligations for such Fiscal Year. Nothing herein, in the Bonds, or in the Indenture of Trust shall bind, obligate or require the Board of Supervisors to make any appropriation so requested hereunder.

(d) The County Manager agrees to provide written notice to the Authority and the Trustee if the Annual Budget is adopted without the annual appropriation for payment of the Authority's Payment Obligations not later than 3 Business Days after the date of adoption of the Annual Budget. The County Manager further agrees to provide a certificate to the Trustee and the Authority promptly upon adoption of the Annual Budget for each Fiscal Year, commencing with the Annual Budget for the Fiscal Year ending June 30, 2025, setting forth the amount, if any, appropriated for payment of the Authority's Payment Obligations for such Fiscal Year.

SECTION 7. Assignment to Trustee. Simultaneously with the execution of this Agreement, the Authority has entered into the Indenture of Trust by which the Authority has assigned all of its rights in and to this Agreement (except its rights to receive certain notices and to give consents) to the Trustee for the benefit of the Bondholders. The County hereby (i) consents to such assignment, (ii) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Trustee to effect such assignment, (iii) agrees to make all payments due to the Authority under this Agreement directly to the Trustee, and (iv) agrees to comply fully with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references in this Agreement to the Authority shall include the Trustee for the benefit of the Bondholders and their successors and assigns, whether or not specific reference is made to the Trustee, unless the context requires otherwise.

SECTION 8. Defaults. (a) If any party to this Agreement fails to comply with any covenant or obligation set forth herein, the other party to this Agreement may proceed to protect and enforce its rights by an action for specific performance.

(b) Notwithstanding anything herein to the contrary, any failure of the County or the Authority to comply with any of its obligations in this Agreement shall not give rise to any right or remedy other than that described in Section 8(a) hereof. In no event shall the failure of the Board of Supervisors to appropriate funds for the payment of the Authority's Payment Obligations constitute an event of default hereunder.

(c) Upon any default or event of default by the County under this Agreement and any related documents, the County agrees promptly to provide notice to the Authority and the Trustee.

SECTION 9. Amendments. This Agreement may be amended by the parties hereto so long as such amendment complies with the requirements set forth in Section 1103 and Section 1104 of the Indenture of Trust.

SECTION 15. Limitation of Liability of Directors, etc. of Authority and County. (a) No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future member of the Authority or officer, director, employee or agent of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer or director of the Authority executing any of the Bonds shall be liable personally on such Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member of the Authority or officer, director, employee, agent or advisor of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Agreement or the Act; provided such member, officer, employee, agent or advisor acts in good faith. The Authority shall not be liable under any circumstances for the actions or omissions of the County under this Agreement.

(b) No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future officer, director, employee or agent of the County in his or her individual capacity, and no officer, director, employee, agent or advisor of the Authority shall incur or be subject to any personal liability by reason of the issuance of the Bonds or with respect to any other action taken by him or her pursuant to this Agreement; provided such member, officer, employee, agent or advisor acts in good faith.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

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HAWKINS

HAWKINS DELAFIELD & WOOD LLP
7 WORLD TRADE CENTER, 250 GREENWICH STREET, NEW YORK, NEW YORK 10007
(212) 820-9300 | HAWKINS.COM

APPENDIX D

April 23, 2024

Board of Directors of the
Economic Development Authority
of Henrico County, Virginia
4300 East Parham Road
Henrico, Virginia 23228

Board of Supervisors of the
County of Henrico, Virginia
Administration Building
Henrico Government Center
4301 East Parham Road
Henrico, Virginia 23228

Dear Members of the Board of Directors and
Members of the Board of Supervisors:

$41,220,000
ECONOMIC DEVELOPMENT AUTHORITY OF
HENRICO COUNTY, VIRGINIA
REVENUE BONDS, SERIES 2024B
(HENRICO COUNTY GOVERNMENT PROJECT)

At your request we have examined the validity of $41,220,000 aggregate principal amount of Revenue Bonds, Series 2024B (Henrico County Government Project) (the "Bonds") issued by the Economic Development Authority of Henrico County, Virginia (the "Authority"), under an Indenture of Trust, dated as of April 1, 2024 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company National Association, as Trustee (the "Trustee") and (ii) the Support Agreement dated as of April 1, 2024 (the "Support Agreement"), by and between the County of Henrico, Virginia (the "County") and the Authority.

The Bonds are dated the date of issuance and delivery, are issued in fully registered form and are numbered R-2024B-1 upwards in order of issuance. The Bonds mature on August 1 in each of the years and in the principal amounts set forth below, and bear interest, payable on August 1, 2024 and semiannually on each February 1 and August 1 thereafter, at the interest rates per annum set forth below:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2024	$2,060,000	5.00%	2034	$2,060,000	5.00%
2025	2,065,000	5.00	2035	2,060,000	5.00
2026	2,065,000	5.00	2036	2,060,000	5.00
2027	2,065,000	5.00	2037	2,060,000	5.00
2028	2,065,000	5.00	2038	2,060,000	5.00
2029	2,060,000	5.00	2039	2,060,000	4.00
2030	2,060,000	5.00	2040	2,060,000	4.00
2031	2,060,000	5.00	2041	2,060,000	4.00
2032	2,060,000	5.00	2042	2,060,000	4.00
2033	2,060,000	5.00	2043	2,060,000	4.00

The Bonds are subject to redemption prior to the stated maturity dates on the terms and conditions set forth in the Indenture.

The Bonds are issued under and pursuant to and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, including Chapter 49 of Title 15.2 of the Code of Virginia of 1950, as amended, a resolution adopted by the Board of Directors of the Authority on February 15, 2024 (the "Resolution"), and the Indenture. We have examined (i) the Constitution and statutes of the Commonwealth of Virginia, (ii) certified copies of proceedings of the Board of Directors of the Authority authorizing the issuance of the Bonds and the execution and delivery of the Indenture, the Support Agreement and the Bonds, (iii) certified copies of the proceedings of the Board of Supervisors of the County authorizing the execution and delivery of the Support Agreement, (iv) executed or certified copies of the Indenture and the Support Agreement, (v) such other papers, instruments, documents and proceedings as we have deemed necessary or advisable in order to render the opinions herein, and (vi) specimens of the Bonds.

The County's obligation to make payments under the Support Agreement is subject to, and dependent upon, annual appropriations being made in each fiscal year by the Board of Supervisors of the County for such purpose.

All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Indenture.

Based on the foregoing, we are of the opinion that:

(1) The Bonds have been duly authorized, executed and delivered by the Authority in accordance with the Resolution and the Indenture, and constitute valid and legally binding obligations of the Authority, enforceable in accordance with their terms, payable as to principal and interest solely from the funds provided pursuant to the Indenture derived from payments made by the County under the Support Agreement, subject to annual appropriation by the Board of Supervisors of the County. The Bonds do not create or constitute a debt or pledge of the faith and credit or taxing power of the County, the Authority, the Commonwealth of Virginia, or any other any political subdivision thereof, and neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the County, is obligated to pay the Bonds or the interest thereon, or other costs incident thereto, except from the funds provided therefor pursuant to the Indenture and the Support Agreement.

(2) The Support Agreement has been duly authorized, executed and delivered by the Authority and the County, and constitutes a valid and legally binding obligation of the Authority and the

County, respectively, enforceable in accordance with its terms, subject to judicial discretion, with respect to the enforcement of equitable remedies and to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the relief of debtors.

(3) The Indenture has been duly authorized, executed and delivered by the Authority, and assuming the due authorization, execution and delivery by the Trustee, constitutes a valid and legally binding obligation of the Authority enforceable in accordance with its terms, subject to judicial discretion, with respect to the enforcement of equitable remedies and to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the relief of debtors.

(4) Under existing statutes and court decisions and assuming continuing compliance by the County and the Authority with certain tax covenants as described herein, interest on the Bonds (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not treated as a preference item in calculating the alternative minimum tax imposed under the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering our opinion in this paragraph (4), we have relied on certain representations, certifications of fact and statements of reasonable expectations made by the County and the Authority in connection with the Bonds, and we have assumed compliance by the County and the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

(6) Under the existing laws of the Commonwealth of Virginia, the interest on the Bonds is not includable in computing the Virginia income tax.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. We render our opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update, revise or supplement our opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to our attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

Very truly yours,

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APPENDIX E

DESCRIPTION OF THE DEPOSITORY TRUST COMPANY AND THE BOOK-ENTRY SYSTEM

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APPENDIX E

DESCRIPTION OF THE DEPOSITORY TRUST COMPANY AND THE BOOK-ENTRY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payments of principal of and interest on the Bonds to The Depository Trust Company ("DTC"), New York, New York, its nominee, Participants, defined below, or Beneficial Owners, defined below, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and among DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond will be issued in the aggregate principal amount of each maturity of the Bonds and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and the payment of redemption proceeds of, the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Registrar and Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer or the Registrar and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or to the Registrar and Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the County believe to be reliable, but the Authority and the County take no responsibility for the accuracy thereof.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate"), dated April 23, 2024, is executed and delivered in connection with the issuance of the Economic Development Authority of Henrico County, Virginia (the "Authority") of its $41,220,000 aggregate principal amount of its Revenue Bonds, Series 2024B (Henrico County Government Project) (Tax-Exempt) (the "Bonds"), of the County of Henrico, Virginia (the "County"), and pursuant to a resolution duly adopted by the Board of Supervisors of the County on February 27, 2024 (the "Resolution"). Capitalized terms used in this Certificate shall have the respective meanings specified above or in Article I hereof. Pursuant to the Resolution, the County agrees as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. <u>Definitions</u>. The following terms used in this Certificate shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively, (i) updated versions of the financial information and operating data with respect to the County for each fiscal year included in the County's Annual Comprehensive Financial Report and updated versions of the financial information and operating data with respect to the County included in the Official Statement and in Appendix A to the Official Statement, including, without limitation, under the captions "SELECTED FINANCIAL INFORMATION–", under the subcaptions "–Revenues", "–Disbursements", "–Summary of General Fund Revenues, Expenditures and Fund Balances", and "–Taxable Retail Sales Data", "TAX BASE DATA–", under the tables "–Assessed Value", "–Property Tax Rates", "–Property Tax Levies and Collections for Last Ten Fiscal Years", "–Vehicle and Business License Receipts" and "–Principal Taxpayers ", "DEBT ADMINISTRATION–", under the subcaption "–Issuance and Authorization of Bonded Indebtedness", under the tables "–Total General Obligation Bonds" and "–Total Economic Development Authority and VRA Bonds", "–Debt Ratios", under the tables "–Trend of Net Long-Term Indebtedness as a Percentage of Assessed Value of Taxable Property" and "–Trend of Debt Service Requirements as a Percentage of General Disbursements", "–Lease Commitments and Contractual Obligations", and "MISCELLANEOUS–" under the subcaptions "–Joint Ventures", "–Employee Retirement And Pension Plans", "–Other Post Employment Benefits" and the table "–Capital Improvement Program Summary", and (ii) information regarding amendments to this Certificate required pursuant to Sections 4.2(d) and (e) of this Certificate. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in Section 1.1(1)(i) hereof of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that is no longer regularly updated, generated or maintained by the County or that can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(2) "Audited Financial Statements" means the annual financial statements, if any, of the County, audited by such auditor as shall then be required or permitted by State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP; *provided, however,* that, pursuant to Section 4.2(a) and (e) hereof, the County may from time to time, if required by federal or State legal requirements, modify the accounting principles to be followed in preparing its financial statements. Notice of any such modification required by Section 4.2(a) hereof shall include a reference to the specific federal or State law or regulation describing such accounting principles or other description thereof.

(3) "Counsel" means Hawkins Delafield & Wood LLP or other nationally recognized bond counsel or counsel expert in federal securities laws.

(4) “Financial Obligation” means “financial obligation” as such term is defined in the Rule. The term *financial obligation* as defined in the Rule means (a) a debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or guarantee of the Financial Obligations described in clauses (a) and (b). The term *financial obligation* shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(5) “GAAP” means generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board, the Financial Accounting Standards Board or any successor to the duties and responsibilities of either of them.

(6) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934 or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

(7) “Notice Event” means any of the following events with respect to the Bonds, whether relating to the County or otherwise:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of Bondholders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the County;

Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

(xiii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect Bondholders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

(8) "Official Statement" means the Official Statement, dated April 9, 2024, relating to the Bonds.

(9) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities and Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Certificate, including any official interpretations thereof issued either before or after the effective date of this Certificate which are applicable to this Certificate.

(10) "SEC" means the United States Securities and Exchange Commission.

(11) "State" means the Commonwealth of Virginia.

(12) "Unaudited Financial Statements" means the same as Audited Financial Statements, except the same shall not have been audited.

(13) "Underwriter" means the winning bidder of the Bonds.

ARTICLE II

THE UNDERTAKING

SECTION 2.1. Purpose. This Certificate is being executed and delivered solely to assist the Underwriters in complying with paragraph (b)(5) of the Rule.

SECTION 2.2. Annual Financial Information. (a) The County shall provide Annual Financial Information for the County with respect to each fiscal year of the County, commencing with fiscal year ending June 30, 2024, by no later than nine (9) months after the end of the respective fiscal year, to the MSRB.

(b) The County shall provide, in a timely manner, notice of any failure of the County to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

SECTION 2.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 2.2(a) hereof, the County shall provide Audited Financial Statements, when and if available, to the MSRB.

SECTION 2.4. Notice Events. (a) If a Notice Event occurs, the County shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to the MSRB.

(b) Any notice of a defeasance of Bonds shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

SECTION 2.5. Additional Information. Nothing in this Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information or notice of a Notice Event hereunder, in addition to that which is required by this Certificate. If the County chooses to do so, the County shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information or notice of a Notice Event hereunder.

SECTION 2.6. Additional Disclosure Obligations. The County acknowledges and understands that other federal and State laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the County and that, under some circumstances, compliance with this Certificate without additional disclosures or other action may not fully discharge all duties and obligations of the County under such laws.

SECTION 2.7. Previous Non-Compliance. The County has agreed in certain disclosure undertakings to provide certain information as to the County's budgeted annual fiscal plan in its annual financial and operating data report (the "Annual Report"). Although the Annual Report filed by the County on the MSRB's EMMA website ("EMMA") for the fiscal year ended June 30, 2018 provided the website address of the County where such annual fiscal plan information was posted, the County failed to include such annual fiscal plan information in the Annual Report filed on EMMA. On February 24, 2020, the County filed a notice on EMMA relating to the late filing of such information, together with the required information relating to the County's budgeted annual fiscal plan for the fiscal year ended June 30, 2018.

On July 2, 2020, the County defeased certain of its general obligation bonds. Although the County gave timely instructions to the escrow agent to post notice of defeasance of such bonds on EMMA, and the escrow agreement relating to such defeased bonds was also timely posted on EMMA, the escrow agent posted such notice of defeasance on EMMA eight days late.

The County's annual financial information for the fiscal year ended June 30, 2020 was timely filed on EMMA; however, such annual financial information was not linked to certain CUSIPs for certain of the County's outstanding bonds at the time of such filing. The County has corrected the filing and linked those CUSIPs to the filing.

ARTICLE III

OPERATING RULES

SECTION 3.1. Reference to Other Documents. It shall be sufficient for purposes of Section 2.2 hereof if the County provides Annual Financial Information by specific reference to documents (i) available to the public on the MSRB Internet website (currently, www.emma.msrb.org) or (ii) filed with the SEC. The provisions of this Section 3.1 shall not apply to notices of Notice Events pursuant to Section 2.4 hereof.

SECTION 3.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents and at one time or in part from time to time.

SECTION 3.3. Dissemination Agents. The County may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the County under this Certificate and revoke or modify any such designation.

SECTION 3.4. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current Internet website address of which is www.emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 3.5. Fiscal Year. (a) The County's current fiscal year is July 1 to June 30, and the County shall promptly notify the MSRB of each change in its fiscal year.

(b) Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than twelve (12) calendar months.

ARTICLE IV

EFFECTIVE DATE, TERMINATION, AMENDMENT AND ENFORCEMENT

SECTION 4.1. Effective Date; Termination. (a) This Certificate shall be effective upon the issuance of the Bonds.

(b) The County's obligations under this Certificate shall terminate upon legal defeasance, prior redemption or payment in full of all of the Bonds.

(c) This Certificate, or any provision hereof, shall be null and void in the event that (i) the County shall have received an opinion of Counsel, addressed to the County, to the effect that those portions of the Rule which require this Certificate, or any such provision, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed or otherwise, as shall be specified in such opinion, and (ii) the County shall have delivered copies of such opinion to the MSRB.

SECTION 4.2. Amendment. (a) This Certificate may be amended by written certificate of the Director of Finance of the County, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the County or the type of business conducted thereby, (ii) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (iii) the County shall have received an opinion of Counsel, addressed to the County, to the same effect as set forth in clause (ii) above, (iv) the County shall have received an opinion of Counsel, addressed to the County, or a determination by an entity, in each case unaffiliated with the County (such as Bond Counsel), to the effect that the amendment does not materially impair the interests of the holders of the Bonds and (v) the County shall have delivered copies of such opinions and amendment to the MSRB.

(b) This Certificate may be amended by written certificate of the Director of Finance of the County, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Certificate, (ii) the County shall have received an opinion of Counsel to the effect that performance by the County under this Certificate as so amended will not result in a violation of the Rule and (iii) the County shall have delivered copies of such opinion and amendment to the MSRB.

(c) This Certificate may be amended by written certificate of the Director of Finance of the County, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (i) the County shall have received an opinion of Counsel, addressed to the County, to the effect that the amendment is permitted by rule, order or other official pronouncement or is consistent with any interpretive advice or no-action positions of the Staff of the SEC and (ii) the County shall have delivered copies of such opinion and amendment to the MSRB.

(d) To the extent any amendment to this Certificate results in a change in the types of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(e) If an amendment is made pursuant to Section 4.2(a) hereof to the accounting principles to be followed by the County in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

SECTION 4.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Certificate. The provisions of this Certificate shall create no rights in any person or entity except as provided in this subsection (a) and subsection (b) of this Section 4.3.

(b) The obligations of the County to comply with the provisions of this Certificate shall be enforceable by the holders of the Bonds, including beneficial owners thereof. The rights of the Bondholders to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the County's obligations under this Certificate. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section 4.3, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the County to perform in accordance with this Certificate shall not constitute a default under the Resolution and any rights and remedies provided by the Resolution upon the occurrence of a default shall not apply to any such failure.

(d) This Certificate shall be construed and interpreted in accordance with the laws of the State, without regard to its conflict of laws rules, and any suits and actions arising out of this Certificate shall be instituted and tried only in the Circuit Court of the County or the United States District Court for the Eastern District of Virginia, Richmond Division; *provided, however*, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the date first above written.

COUNTY OF HENRICO, VIRGINIA

By: ________________________________
Director of Finance